April 2011

15 – 22 June 2009
Proceedings of the Regional Workshop

Integrated Tourism Concepts to Contribute to Sustainable Mountain Development in Nepal

Editors: Ester Kruk, Hermann Kreutzmann and Jürgen Richter

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Contents

List of Tables, Figures and Boxes

Acronyms

ACA	Annapurna Conservation Area
ACAP	Annapurna Conservation Area Project
ADB	Asian Development Bank
APETIT	Asia-Pacific Education and Training Institutes in Tourism
APPA	Appreciative Participatory Planning and Action
ASEAN	Association of South East Asian Nations
AST	Annapurna Sanctuary Trail
AVTDC	Annapurna Village Tourism Development Committee
BIMSTEC	Bay of Bengal Initiative of Multi-Sectoral Technical and Economic Cooperation
BTDC	Bhaktapur Tourism Development Committee
BZ	buffer zone
BZMC	buffer zone management council
BZUC	buffer zone users committee
BZUG	buffer zone users group
CAMC	conservation area management committee
CBO	community-based organisation
CBS	Central Bureau of Statistics
CBST	community-based sustainable tourism
CIPRA	Commission Internationale pour La Protection des Alpes (International Commission for Protection of the Alps)
CO	community organisation
CST	controlled sustainable tourism
DDC	district development committee
DFID	Department for International Development
DNPWC	Department of National Parks and Wildlife Conservation
FG	functional group
FIT	free independent traveller
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FY	fiscal year
GDP	gross domestic product
GHT	Great Himalaya Trail
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GTDSC	Ghalegaon Tourism Development Sub-Committee
HKH	Hindu Kush-Himalayas/Himalayan
ICIMOD	International Centre for Integrated Mountain Development
INGO	international non-government organisation
InWEnt	Capacity Building International Germany
IUCN	International Union for Conservation of Nature
KCA	Kangchenjunga Conservation Area
KCAMC	Kangchenjunga Conservation Area Management Council

KCAP	Kangchenjunga Conservation Area Project
KMTNC	King Mahendra Trust for Nature Conservation
LTO	local tourism organisation
MCAP	Manaslu Conservation Area Project
MoCTCA	Ministry of Culture, Tourism and Civil Aviation
MoTCA	Ministry of Tourism and Civil Aviation
NGO	non-government organisation
NMA	Nepal Mountaineering Association
NPR	Nepali Rupee
NTB	Nepal Tourism Board
NTNC	National Trust for Nature Conservation
NTO	national tourism organisation
NTY	Nepal Tourism Year
SAARC	South Asian Association for Regional Cooperation
SASEC	South Asia Sub-Regional Economic Cooperation
SNP	Sagarmatha National Park
SNPBZMC	Sagarmatha National Park Buffer Zone Management Council
SNV	Netherlands Development Organisation
STDC	sustainable tourism development committee
STDS	sustainable tourism development section
STDU	Sustainable Tourism Development Unit
STN	Sustainable Tourism Network
TAAAS	Tibet Academy of Agricultural and Animal Sciences
TAR	Tibet Autonomous Region
TBC	transboundary cooperation
TDP	tourism development plan
TEAP	Tourism and Environment Awareness Programme
TMSC	tourism management sub-committee
ToT	training of trainers
TRPAP	Tourism for Rural Poverty Alleviation Programme
TWG	Tourism Working Group
UC	user council
UG	user group
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNDESA	United Nations Department of Economic and Social Affairs
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
USD	United States Dollar
VDC	village development committee
WTTC	World Travel and Tourism Council
WWF	World Wide Fund for Nature/World Wildlife Fund

Preface

Ester Kruk, Hermann Kreutzmann and Jürgen Richter

Within the framework of a collaborative effort to contribute to sustainable mountain development in Asia, Capacity Building International Germany (InWEnt)[1], acting on behalf of the German Federal Ministry for Economic Cooperation and Development, formulated a six-year programme on management and leadership training for mountain development. The training programme is augmented by a number of accompanying activities, including workshops and international conferences. Recognising the importance of tourism in mountain development, a series of workshops was conceived and devoted to the contribution of tourism to sustainable mountain development in the Hindu Kush-Himalayas (and Pamir mountains).

Two regional workshops were organised in collaboration with partners in the region on 'Integrated Tourism Concepts to Contribute to Sustainable Development in Mountain Regions'. The first workshop was held from 8 to 14 October 2008 as a bilateral tourism workshop between Pakistan and China. This workshop allowed the comparison of tourism development concepts and approaches for sustainable mountain development on different sides of the border, leading to recommendations for further cooperation in cross-border tourism development.

A similar workshop was planned – together with the International Centre for Integrated Mountain Development (ICIMOD), one of InWEnt's regional partners with over two decades of experience in mountain tourism research, and in collaboration with the Nepal Tourism Board (NTB), the Tibet Academy of Agricultural and Animal Sciences (TAAAS) and the Tibet Tourism Administration (TTA) – for Nepal and China in 2009.

Due to a combination of circumstances, the original concept of conducting a 'mobile' tourism workshop between Nepal and China, allowing for a direct comparison of tourism concepts, practices, and approaches on both sides of the border, did not materialise. Instead, the field work for the workshop was conducted in the China-bordered tourism destination of Lower Mustang in Nepal. Although transboundary collaboration remained an important objective of the field trip discussions, many of the recommendations for cross-border tourism collaboration were inspired by observations in Mustang, and based on experiences with sustainable mountain tourism concepts, approaches, and strategies in Nepal only. The workshop was eventually conducted in its revised format in Nepal from

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1 On 1 January 2011, InWEnt became part of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

15 to 22 June 2009, with 36 participants from China (TAR and Xinjiang), Nepal, Pakistan and Tajikistan, and a number of resource persons and mountain tourism specialists from Nepal and Europe.

The objectives of the workshop were to gain a better understanding of the tourism strategies that are integrated into a pro-poor development approach; identify and discuss the role of stakeholders necessary for an integrated tourism approach; discuss options, strategies, and institutional implications for cross-border tourism; and formulate recommendations on how to facilitate tourism that benefits local communities. The workshop was logically divided into four different parts. In the first part, concepts relevant to integrated tourism and the planning of cross-border tourism were introduced. In the second part, experiences and best practices in pro-poor and community-oriented tourism were shared, focusing on three major tourism themes: community development, infrastructure, and tourism services; environmental and socio-cultural impacts; and stakeholder participation, planning, and governance. The third part consisted of fieldwork in Mustang, where empirical cases could be observed in practice, and opportunities were provided to directly interact with local tourism stakeholders. The workshop concluded with recommendations for action plans, focusing on the identification of the elements of sustainable pro-poor tourism, and strategic elements in the promotion of cross-border tourism. In this publication, the professional experiences and valuable insights shared during the conference and workshop are documented for a wide audience to further upscale the lessons learnt in the region. The papers and case studies in this publication focus primarily on tourism and sustainable mountain development in Nepal. As well as sections based on the presentations made during the workshop, these proceedings contain the results of meetings with different actors and stakeholders, experts, and community members. The editors would like to thank all of those who contributed to the workshop, participated in the lively discussions, and informed the participants during the field trip. We would also like to thank the editorial and production team.

Ester Kruk, Hermann Kreutzmann, and Jürgen Richter

Kathmandu, 1 April 2011

Welcome Address by ICIMOD

Madhav Karki, Deputy Director General, ICIMOD

ICIMOD is a regional knowledge development and learning centre working in the Hindu Kush-Himalayan (HKH) region in the area of sustainable mountain development. ICIMOD works with and through its partners in its eight regional member countries: Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal, and Pakistan.

The organisation's 25 years of experience has revealed that globalisation, climate change, and human-led factors including unsustainable tourism are having an increasing influence on the stability of the fragile HKH mountain ecosystems, which provide the vital livelihood resources of mountain people. This is especially true in the Tibet Autonomous Region (TAR) of China and in Nepal. Therefore, an important theme of this workshop – transboundary sustainable tourism development – is relevant and timely.

The rich natural and cultural heritage of the HKH provides the fundamental resources for sustainable tourism development in the region. The Himalayas offer visitors a unique experience of extraordinary landscapes and exotic cultures; travel in the Himalayas also poses challenges due to remoteness. The sustainable development of tourism in the HKH should aim to (i) meet the needs of tourists and the host country, while protecting and enhancing opportunities for the future, (ii) sustainably manage tourism resources, and (iii) improve the economy, ecology, socio-cultural ties, and the environment.

In Nepal, the management of natural and tourism resources has been entrusted to local communities with government agencies providing technical and policy support. However, these critical sources of livelihood are in real danger due to climate change and globalisation. Climate change may redistribute resources for tourism geographically and seasonally and poses a serious risk to environmental systems in the HKH region. Furthermore, climate change will impact on food, energy, and transportation systems worldwide with implications for the cost of travel and, hence, tourist mobility. In short, climate change may have an adverse effect on the global economy.

Accordingly, a sustainable tourism model cannot be developed without seriously researching the inter-linkages between climate change and tourism. The significance of climate change to tourism is not in some distant and remote future – climate change is already influencing decision-making within the tourism sector, including decisions made by tourists, business operators, investors, and international tourism organisations. The next generation of tourism professionals will need to

contend with the broad range of impacts outlined in this workshop. Hence, tourism can, and must, play a significant role in addressing climate change as part of a broader commitment to sustainable development and the United Nations Millennium Development Goals.

In short, global change is expected to have profound implications for the way we develop the transboundary tourism sector. ICIMOD is happy to be jointly organising this workshop with InWEnt, the Nepal Tourism Board, and Tibet Academy of Agricultural and Animal Sciences. ICIMOD plans to use the out-puts and outcomes of the workshop to define and refine its sustainable tourism action plans. ICIMOD's programmes recognise the transboundary, as well as the global, nature of problems and solutions, and so there is an urgent need to develop a local, national, and regional capacity and knowledge base to improve and share understanding towards the development of forward looking tourism, based on innovations and adaptation to climate change impacts in the HKH region. In closing, the workshop participants, resource people, and facilitators should explore new opportunities and help develop new transboundary mechanisms to push the sustainable mountain tourism agenda.

Welcome Address: Tourism Development in Tibet Autonomous Region of China

Zerenzhuoma on behalf of Chinese Delegation

Market driven tourism in the Tibet Autonomous Region of China started in 1980. Since then, tourism has made great progress: there are 1,238 tourism companies registered in the Tibet Autonomous Region of China, with total fixed assets of RMB 4.68 billion (approximately USD 710 million), and there are some 28,400 people directly and 142,000 indirectly engaged in tourism. There are 8,717 farmer and herder households directly involved in tourism, and 34,870 off-farm jobs created by tourism. The destination contains a number of national natural reserves, national geographic parks, and heritage sites; in total, there are 297 destinations spread through most parts of the Tibet Autonomous Region. From 1980 to 2008, total tourist arrivals reached 17.92 million and total income from tourism was RMB 18.9 billion (approximately USD 2.8 billion).

The Qinghai-Tibet railway has reinforced the network of transportation in the Tibet Autonomous Region, greatly facilitating the travel of tourists. Within two years of the railway commencing operations on 1 July 2006, the number of

tourists travelling to the Tibet Autonomous Region via the railway reached 4 million, which is 45% of the total arrivals.

The rapid development of tourism in the Tibet Autonomous Region has been supported by several elements that create the synergy necessary to accelerate overall development. The People's Government of the Tibet Autonomous Region of China pay serious attention to sustainable tourism development. A series of policies have been developed and implemented to accelerate the environmentally friendly and resource sustainable development of tourism. The Government of the Tibet Autonomous Region focused on the 'sustainable tourism development' principle in 2007 and the relationship between tourism development and the eco-environment/cultural heritage. It also focused on the 'tourism resource development' principle, which emphasises development planning including assessing the environment, and then development. Environmental conservation institutions and mechanism have been reinforced in order to protect the region's fragile and unique mountain ecosystems. Infrastructure development in public health and environmental protection has been led and supported by the Government. The development of strategic and operational plans is based upon an analysis of the carrying capacity of specific sites, and mechanisms for the environmental evaluation of programmes and projects are also being improved. Eco-tourism development is a priority, and the application of energy saving and renewable energy technologies is promoted through favourable policies.

It is hopeful that this workshop will facilitate the development of transboundary tourism between Nepal and China in accordance with the principles of sustainable tourism development and sustainable tourism resource development.

>>> Section 1. Introduction

1.1 Tourism and Sustainable Mountain Development in the Hindu Kush-Himalayas

Ester Kruk[2]

Potential of mountain tourism for mountain economies

The substantial growth of tourism activities worldwide clearly makes tourism one of the most remarkable economic and social phenomena of the past century. The number of international arrivals shows a breathtaking evolution from a mere 25 million in 1950 to 880 million in 2009, a 35-fold increase in the last 59 years (UNWTO 2010). International tourism receipts grew to USD 944 billion in 2008, making tourism one of the largest categories of international trade world-wide (ibid). Tourism is one of the world's largest industries, employing approximately 235 million people globally and generating over 9.2% of world's gross domestic product (GDP) (WTTC 2010a).

Mountains are important assets for the tourism industry. With their clean air and cool climates, awe-inspiring landscapes and peaks, and rich natural and cultural heritage, mountains are attractive as places of escape from our stressful, urban world. After coastal regions, mountains are second most popular as tourist destinations (Mieczkowski 1995). The market for mountain tourism is nowhere near saturation point. The demand for trekking, hiking, camping, mountaineering, rock climbing, mountain biking, wildlife viewing, and other forms of non-consumptive mountain tourism activities is ever increasing leading to the rapid expansion of the mountain tourism adventure and recreation market (Kruk and Banskota 2007; Nepal 2003).

It is estimated that more than 50 million people visit mountains each year (Mountain Partnership 2008). The Food and Agriculture Organization (FAO 2005) estimates that mountains attract roughly 15 to 20% of the global tourism

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2   Tourism Specialist, International Centre for Integrated Mountain Development

market. Relating this to the statistics of the United Nations World Tourism Organization (UNWTO) and the World Travel and Tourism Council (WTTC), this suggests that the overall value of the international mountain tourism market is between USD 140 and 188 billion per year and employs between 25 and 47 million people. These figures do not include the sizeable amount of domestic mountain tourists and pilgrims. Data from the WTTC shows that in South Asia the domestic market accounts for most of the economic impact in terms of income and employment, while the international market accounts for most of the value added to the economy (WTTC 2009, cited in ADB 2010, p 11). Tourism employment figures in mountain areas may be assumed to be even higher as mountain tourism is generally more labour intensive than tourism in the plains, necessitating a greater number of support staff (porters, mountain guides, mule owners) to accompany trekking groups or mountaineering expeditions, and to carry supplies up to remote mountain tourism destinations not connected by road or air. Although these figures are merely guestimates, they suggest a great potential for mountain economies, many of which are relatively weak and unstructured and face disadvantages compared to the plains.

The need to address mountain concerns and the potential contribution of tourism to mountain communities is being increasingly recognised. Agenda 21 of the UN Conference on Environment and Development (UNCED) stated that the fate of mountains may affect more than half of the world's population and acknowledged mountain tourism as an important component in sustainable mountain development and conservation (UNDESA 1992). Since UNCED, several government and non-government institutions, at both national and international levels, as well as research institutions and other key stakeholders, have worked to advance Agenda 21 (Price 1999). The relationship between tourism and mountain development has featured prominently on the agenda, and in related scientific and political debates and discussions (e.g., Debardieux 1995; Messerli and Ives 1997; East et al. 1998b; Mountain Agenda 1999; Godde 1999; Godde et al. 2000a; ICIMOD 2010). The encouragement and reinforcement of holistic management strategies, and the identification of multi-stakeholder roles and multi-level approaches as cornerstones of successful tourism within the context of sustainable mountain development, were also high on the agenda (Godde et al. 2000b). Following global shifts in development paradigms and priorities, and the increasing role of the Millennium Development Goals – in which the eradication of poverty is strongly put forward as a key global concern – the last decade has mainly seen an increase in interest in the poverty reduction potential of tourism (Ashley 2006; Ashley et al. 2001; UNESCAP 2003, 2005; UNWTO 2002, 2004). Although the mountain agenda features less strongly in pro-poor tourism debates, the potential of tourism to contribute to economic development in mountain areas is unquestionable.

Many mountain regions in the world have seen a strong rise in living standards after tourism was introduced. In the Alps, for instance, tourism development since the 18th Century has completely transformed poor alpine agricultural settlements into prosperous mountain resorts and villages. International tourism has become a pillar of national economies and one of the prime catalysts for development in many alpine countries. Austria, for example, is currently the 10th most visited country in the world and one of the 12 richest countries in terms of per capita GDP (IMF 2009) with over 18 million tourists per year, both in winter and summer, contributing to at least 10% of Austria's overall GDP (Holiday Services Austria 2010). In Switzerland, tourism plays a similar role (e.g., Johnson et al. 2008). Recognising the crucial role of tourism in the economic perform- ance of the Alps, an Alpine Convention was signed in 1991 by most of the Alpine countries agreeing to implement tourism protocols to safeguard tourism as the basis for the standard of living and economy of the local people, while at the same time ensuring its contribution to the overall protection and sustainable development of the Alps (Tourism Protocol, European Union 2005).

Whereas the tourism industry in the Alps has had the opportunity to grow and learn by experience over several centuries, mountain tourism in the Himalayas is a relative new phenomenon, with explosive and – in most areas – uncontrolled and demand-led growth over the past 300 years: tourists, visitors, and pilgrims simply arrived, and the regions reacted to meet their needs (East et al. 1998a).

Figure 1.1.1: Map Hindu Kush-Himalayas

Source: ICIMOD 2010

Potential for sustainable mountain development in the Hindu Kush-Himalayas

With the highest and most famous mountain peaks in the world – including Mount Everest, K2, and Kangchenjunga – different topographical and climatic zones with unique and rare flora and fauna species, and a recognised anthropological variety of unique hill and mountain cultures, the tourism potential of the greater Himalayan region is beyond dispute. The 'lure of the Himalayas' draws different types of visitors: pilgrims – mainly local or from the region; trekkers and mountaineers – mostly Western adventure tourists and sportsmen; and the increasingly affluent and touristically important 'plains tourists' – holidaymakers from the rapidly urbanising hot plain areas of Asia for whom the mountains provide a welcome change in pace, scenery, air quality, and temperature (East et al. 1998a; Godde et al. 2000a).

Unlike the Alps, mountain tourism in the Himalayas is still in its infancy. Although record growth rates are forecast for South Asia of over 5% per year – compared to a predicted world average of 4.1% – reflecting mainly the growing strength of Bhutan, China, and India, its overall tourism potential is still under-utilised, not nearing the contribution that tourism has made to the mountain economies in the Alps and the Andes. South Asia is currently attracting less than 1% of the world's tourism market, leaving a gigantic untapped potential for growth (Rasul and Manandhar 2008, see also Section 2.2).

This untapped potential for growth can be used to address some of the development concerns in the greater Himalayan region, including high poverty levels. Although overall poverty rates in South Asia fell from 59% to 40% from 1981 to 1999, World Development Indicators on international poverty show that poverty rates in the region are still exorbitantly high: over 1 billion people in South Asia (73.9% of the total population) earn less than 2 dollars a day; out of which nearly 600 million people (40.3% of the total population) earn less than 1 dollar a day (World Bank 2008). Poverty in the region is further exacerbated by environmental degradation, climate change, and other drivers of change such as population growth (e.g., ICIMOD 2008; Hofer et al. 2009; Jodha 2009). These changes create increasing pressure on traditional livelihood options, and make many of them increasingly unsustainable, resulting in the growing outmigration from mountain areas.

Tourism has been recognised as one of the most promising alternative livelihood strategies for adapting to these changes by diversifying local livelihood options and building on the comparative advantages of the region. In some remote and inaccessible mountain areas it may be the only viable option for development.

Box 1.1.1: Economic impact of international tourism in South Asia (Metrics 2008)

	Bangladesh	Bhutan	India	Nepal
Tourism earnings	USD 88.2 million	USD 38.8 million	USD 11,747 million	USD 352 million
Average length of stay	NA	7.8 days	16 days	11.8 days
Travel and tourism employment forecast 2010	2.4 million	NA	49.1 million	0.614 million
Travel and tourism GDP forecast 2010	3.9%	NA	8.6%	7.5%

Source: Adapted from ADB 2010, data on Pakistan not available

Rural and remote areas have long been considered appropriate locations for tourism to act as a catalyst for major development (Nepal 2005). Different authors have emphasised that sustainable tourism can be a promising vehicle for economic development and poverty reduction, unlocking opportunities for local economic diversification in poor and marginalised rural areas that lack other significant development opportunities (UNWTO 2002; Ashley et al. 2004; Nepal 2005; SNV 2009). This makes tourism a 'good-fit' development strategy for mountain areas in general, and the Himalayas in particular, where geographical isolation is an important dimension of poverty and exclusion, and poverty rates are significantly higher than in the plains (Hunzai et al. 2010; ICIMOD 2010).

The special characteristics of mountains, also called 'mountain specificities' (which include typical mountain elements such as high natural and biological diversity, wilderness characteristics, insular cultures, and subsistence focused ways of life), are commonly considered development constraints (e.g., Jodha 1992, 2009; Hoermann et al. 2010). Mountain tourism is one avenue for transforming these characteristics or specificities into economic opportunities and assets (e.g., Sharma 2000; Nepal and Chipeniuk 2005). Being labour intensive and requiring relatively low levels of capital investment, and with relatively high income and employment multiplier effects, tourism can generate tangible benefits in remote and rural areas where access to resources is generally limited. Furthermore, the tourism industry doesn't face the market disadvantages that the area generally experiences with traditional commodities, as tourism brings the market (the tourists) directly to the product (the destination) (Kruk 2010).

Using mountain specificities as economic opportunities rather than development constraints, mountain tourism can build on the comparative advantages of

mountains to address the development issues and challenges facing the Greater Himalayan region. Mountain tourism is not a specific type of tourism, it refers to any type of tourism activity taking place in mountain areas in a sustainable way, and includes all tourism activities for which mountains manifest a comparative advantage, such as trekking, mountaineering, white water rafting, cultural tourism, and pilgrimage tourism (Kruk et al. 2007: 20). By planning and developing mountain tourism in a responsible way – ensuring that it is based on integrated concepts and strategies embedded in a wider, pro-poor, sustainable, and inclusive mountain development context – tourism can support mountain communities in the pursuit of new livelihood options that fit naturally with their mountain environment, increasing their resilience to climate change and the other drivers of change that are making traditional livelihoods increasingly unsustainable.

As a livelihood diversification strategy, tourism is a promising adaptation mechanism for mountain environments, increasing the resilience of mountain people to climate change and other drivers of change. At the same time, the relationship between tourism and climate change is complex and multifaceted. As with the agricultural sector, the tourism sector is sensitive to changes in climatic conditions. Leaning on the attractive value of snow-capped mountain peaks and pristine environments, temperature rises as a result of climate change and the increase in weather-induced natural hazards are challenging the traditional mountain tourism industry (e.g., Smith 1993; Scott et al. 2007; Nyaupane and Chhetri 2009). However, climate change could also provide many opportunities for the tourism industry. The cool temperatures in mountain resorts and hill stations may further increase the popularity of mountains as summer destinations for urban city dwellers looking to escape the lowland heat. Temperature rises could lengthen the tourist season and could facilitate the development or strengthening of new tourism supply chains, for instance, by enabling food and vegetables to grow at higher altitudes, catering both to the tourism market and local communities. Both scenarios underline the need for carefully planned and responsible mountain tourism development models and policies that are innovative, sustainable, and climate resilient.

Although experiences of pro-poor mountain tourism development initiatives in the Himalayas have demonstrated that mountain tourism – if well planned and managed – is one of the more successful tools in integrated conservation and development planning in the region (Clark 1998; East et al. 1998b; Nepal 2002; Rana 2007; Nepal and Chipeniuk 2005; Rasul and Karki 2008; Kreutzmann et al. 2009; Hussain 2009; Shakya 2009), its full potential for poverty reduction and the improvement of the mountain environment has not yet been utilised. This is partly due to the previously mentioned failure to exploit the macro-economic tourism opportunities in the region. There are also a number of other

interrelated constraints that hinder the effective exploitation of mountain tourism for the benefit of Himalayan mountain communities. Twenty years of research on mountain tourism in the Greater Himalayan region has revealed a number of common constraints and challenges (e.g., ICIMOD 2010; Kruk et al. 2007; Campbell and Kruk 2005; Sharma 1998, 2000, 2002; Banskota and Sharma 1995, 1998). Many potentially positive impacts of mountain tourism were compromised by failed planning and coordination modalities. Rather than being deliberately designed to address wider mountain development concerns and needs, many tourism developments were haphazard and unorganised, lacking inter-sectoral coordination, proper supply-side facilities and management, and concern for human resource development; these factors were further compounded by an unstable policy environment. In addition, a lack of direct linkages between tourism and local production systems often resulted in a high level of leakage of tourism income from local mountain economies, diluting the potential of multiplier effects on tourist revenue.

To realise tourism's great potential to contribute to poverty reduction and sustainable development, it must be sensitively planned and deliberately linked with the development needs of mountain people and the challenges of their mountain environment. Failure to do so may result in an accumulation of benefits to the (mostly urban) rich – in the case of Nepal, for instance, Kathmandu-based tour operators rather than mountain communities per se – and might actually increase the economic, environmental, and socio-cultural problems of the visited areas (e.g., Hummel 1999; Shakya 2003; Godde et al. 2000a). Nature, society, and economics should be considered in an integrated way if tourism is to deliver its promise of mountain development, economic prosperity, community development, and conservation. All goals for future development must be based on a holistic approach to tourism, unifying natural, social, and economic factors and emphasising cooperation and interaction in a bottom-up process, from the local to the national and regional levels (Cater and Lowman 1994, cited in Bisht 2007). This requires an integrated vision, a common understanding of integrated tourism concepts, and successful approaches and strategies that are relevant and applicable in a mountain context.

This publication addresses these concerns by providing an overview of integrated mountain tourism concepts, approaches, and strategies that have been well tested and proven to be effective in contributing to poverty reduction and sustainable mountain development.

Mountain tourism for sustainable development in Nepal

The geographical focus of this publication is Nepal, a popular tourist destination in the Himalayas, endowed with rich and diverse natural and cultural attractions

and strategically located between two of the fastest growing countries, China and India. With 83% of its total landmass consisting of mountain landscapes, mountains play a focal role in Nepal's tourism industry. In a survey conducted of almost 1600 international tourists, almost half of the visitors (47%) indicated that they considered scenic beauty and mountains as the most important reason for visiting the country (MARG 1997).

Tourism is a relative new phenomenon in Nepal, which only opened its borders to tourists in 1949. It took the legendary first ascent of Mt Everest by Hillary and Tenzin in 1953 to put Nepal on the tourist map. Records kept since 1962 show a steady increase in tourist numbers. Tourism in Nepal has mainly been the domain of the private sector, with the government mostly involved in policy formulation and infrastructure support for tourism development. In recent years, tourism has been increasingly recognised as an important element in the regional development strategy. Nepal's Tourism Vision 2020 puts tourism forward as a sector of comparative advantage, which can be instrumental in spreading benefits and providing alternative economic opportunities to build peace and prosperity for the people of the new, post-conflict Nepal (MoTCA 2009b). Although political instability has caused a slight dip in tourist arrivals over the last decade, recent peace efforts have been met with a strong surge in tourist arrivals. In 2008, Nepal received over half a million international tourists (MoTCA 2009a). Domestic tourists are not included in this number – which is expected to double to 1 million tourists in 2010, and to 2 million by 2020 (MOTCA 2009b). Several campaigns have been developed to support this objective, such as Nepal Tourism Year 2011 (see Section 2.2).

The majority of tourists in Nepal come for holiday and pleasure (29%), immediately followed by trekking and mountaineering (21%). Tourism activities are currently largely concentrated in the Kathmandu Valley, followed by Pokhara, Chitwan National Park, and trekking destinations such as the Annapurna Conservation Area (67% of total trekkers), Sagarmatha National Park (27% of total trekkers), and Langtang (8% of total trekkers). Mountaineers are more limited in number, but nevertheless make a large contribution to the national economy through the royalties they pay to the Government of Nepal. In 2008, 267 expeditions visited Nepal (2,018 mountaineers), spending a total of NPR 1,589 million (USD 22.5 million), including NPR 254 million (USD 3.6 million) paid in royalties. Other tourist activities in Nepal include jungle safaris, pilgrimages, and rafting, although the volume of the latter is negligible. In addition, Nepal receives quite a number of work-related visitors, travelling on business, for official purposes, or to attend conferences or conventions (MoTCA 2009a).

The contribution of mountain tourism to Nepal's economy is substantial. On a macro level, tourism is one of the principle sources of foreign exchange in Nepal.

In the fiscal year 2064/65 BS (2007/08 AD), Nepal received in convertible currencies a total of NPR 20,340 million in gross foreign exchange earnings, equivalent to USD 314 million – a 73% increase compared to the previous fiscal year. In 2009, tourism earnings comprised 7.4% of Nepal's GDP (WTTC 2010b). According to the Foreign Exchange Department of the Nepal Rasta Bank, the average income per visitor per day in 2008 was USD 73 (MoTCA 2009a). Tourism is also one of the leading creators of employment in the country. In 2009, tourism generated 497,000 jobs, 4.7% of total employment; this is expected to further increase to 677,000 jobs (1 in every 20 jobs) by 2019 (WTTC 2010b). However, these macro statistics do not reflect the large amount of tourism revenue channelled through informal employment, for instance, through street vendors, guides, porters, pack animal providers, and so forth. The statistics also do not reflect indirect income and employment, which in the case of mountain tourism is also believed to be substantial. Recent figures from the region (India), suggest that for every 100 jobs directly created in the tourism sector, a further 80 jobs are created indirectly in support sectors such as food supply chains to hotels, teahouses, lodges, and restaurants (NCAER 2006).

Tourism constitutes a favoured vehicle for economic development in Nepal (e.g., Sharma 2009). Nepal is internationally recognised as a pioneer in developing and testing innovative pro-poor and sustainable tourism models, such as the Annapurna Conservation Area Project (ACAP, see Section 3.3), the Tourism for Rural Poverty Alleviation Programme (TRPAP, see Section 3.1), and the recent Great Himalaya Trail Development Programme, as well as many other transboundary and more localised community-based sustainable tourism initiatives (like Sirubari and Ghalegaon, see Section 3.4). This publication has tried to capture the key lessons learned from this 50 years of pioneering experience by discussing the main paradigms, concepts, approaches, and strategies that laid the foundation for these different innovative pro-poor tourism initiatives, and by identifying how they have been integrated into the wider sustainable mountain development context.

Conclusion

The ever-increasing demand for mountain tourism – which is expected to grow even further as regional tourism becomes more important and rising temperatures drive an increasingly affluent urban middle class to escape the heat of the plains – presents tremendous opportunities for the Himalayas. Tapping into the relatively unexplored tourism market could be a successful strategy for diversifying local livelihood options, which are becoming increasingly unsustainable due to climate change and other drivers of change. Experience in the region has shown that tourism does not necessarily lead to spontaneous benefits for moun-

tain people. To realise the poverty reduction potential of tourism, and to ensure its contribution to overall sustainable mountain development, it is imperative to link it to the needs of mountain communities and to take into account the challenges of their mountain environment. This requires an integrated vision and a common understanding of sustainable mountain tourism concepts, as well as the identification of successful approaches and strategies that are relevant and applicable in the mountain context. The collection of papers and case studies in this publication give an overview of the variety of mountain tourism development concepts, approaches, and strategies that have been tested in practice, and have proven to be sustainable and effective in delivering pro-poor and local development benefits for mountain communities in different contexts. Reviewing some of the pioneering tourism projects and initiatives that have been developed in Nepal, and in collaboration with its neighbouring countries, provides us with evidence that sensitively planned, developed, and managed mountain tourism – i.e., integrating participatory and inclusive approaches, with pro-poor, pro-community, pro-environment, and pro-mountain development principles, and with a clear market orientation – can bring substantial economic and development benefits to the region, while at the same time providing incentives to preserve the irreplaceable environmental and cultural resources on which the local communities, tourists, governments, and entrepreneurs all rely.

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1.2 Outline of Objectives and Workshop Programme

Pitamber Sharma[3]

The four basic objectives of this workshop were to (i) foster a deeper understanding of the tourism strategies that are integrated into a pro-poor development approach, (ii) identify stakeholders necessary for an integrated tourism approach and discuss their roles, (iii) discuss options, strategies, and institutional implications for transboundary tourism, and (iv) formulate recommendations on how to facilitate tourism that benefits local communities.

The workshop was divided into three parts: The first part (one and a half days) consisted of (i) an introduction to the concepts of integrated tourism, (ii) sharing of experiences/best practices from tourism in the region, and (iii) analysis of the dimensions of integrated tourism focusing on stakeholders, roles, planning process, instruments, and the governance of relevant processes. The second part (three days) was based on a field trip to Jomsom, Kagbeni, and Marpha in Mustang district, Nepal. During the field trip, participants observed empirical cases, had discussions with actors/stakeholders, and made assessments relevant to their specific countries. The second field trip was to Bhaktapur, where participants again had the opportunity to discuss and assess the relevance of the tourism model to their own countries. During the third and final part of the workshop (one day) participants made recommendations for action plans derived from the conceptual information and case studies.

The workshop dealt with three broad, overarching themes: (i) community development, (ii) infrastructure services, and (iii) socio-cultural and environment impacts. The issue of climate change was also addressed as part of the last theme. Participants were first introduced to the concept of integrated tourism and then presented with case studies on best practices. After that, the participants undertook field work to validate the best practices and, after returning from their field visits, the participants made recommendations for action plans.

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3   Senior consultant and tourism expert, and Workshop Chair

Figure 1.1.2: Overall structure and logic of the workshop

Group analysis focusing on:	Current situation (trends, challenges)	Stakeholders and their roles	Planning and governance	Best practices
		Conceptual inputs / case studies	Conceptual inputs / case studies	
1) Tourism and stakeholders	Observations/experiences during field trip			
2) Tourism and infrastructure/ services	Observations/experiences during field trip			Formulated during third part of workshop
3) Tourism impacts (economic, social, environmental)	Observations/experiences during field trip			

1.3 Overview of Publication

Ester Kruk[4]

This publication contains a collection of papers, case studies, and other materials from the workshop on 'Integrated Tourism Concepts to Contribute to Sustainable Development in Mountain Regions', held in Nepal from 15 to 22 June 2009. The papers and other materials focus on different aspects of tourism in relation to sustainable mountain development in Nepal. Given the country's strategic location between two of the fastest growing countries, China and India, and consequentially the increasing importance of transboundary tourism between these countries – both in terms of tourist flows from a foreign market interested in visiting a combination of Asian countries as part of a wider Himalayan tour and in terms of the growing intra-regional travel fuelled by the increasingly affluent metropolitan middle class in India and China – some key aspects of transboundary tourism and mountain development are also addressed. The publication is divided into 10 Sections, containing 10 papers and other materials presented at the workshop, each highlighting different aspects of tourism for sustainable mountain development in Nepal.

Section 1: Introduction

Section 1 introduces the workshop topic (Section 1.1) – Tourism and Sustainable Mountain Development in the Hindu Kush-Himalayas – outlines the objectives of the workshop (Section 1.2), and provides an overview of the publication (Section 1.3). In Section 1.1, Ester Kruk looks at the potential of mountain tourism for mountain economies and for sustainable mountain development in Nepal, and the HKH region in general. Kruk concludes that mountain tourism presents tremendous opportunities for the Himalayas, and could be a successful strategy for diversifying local livelihood options. However, she points out that it is imperative to link tourism to the needs of mountain communities and to take into account the challenges of the mountain environment, which requires an integrated vision of sustainable mountain tourism concepts, as well as the identification of successful approaches and strategies that are relevant and applicable in the mountain context.

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4   Tourism Specialist, International Centre for Integrated Mountain Development

Section 2: Tourism in Nepal

Section 2 gives a general overview of mountain tourism in Nepal. It places Nepal's tourism development in a historical and wider global context, and recognises how the tourism agenda has slowly shifted away from macro-economic strategies, becoming a vehicle for poverty alleviation and local mountain development. It reviews some of Nepal's most prominent tourism projects and initiatives, and looks at how these have roughly followed – and in some instances shaped – changes in national development paradigms and priorities. Section 2 discusses some of the key issues that challenge the planning, development, and management of the current mountain tourism industry, and identifies pathways for further integration between tourism and sustainable and pro-poor mountain development.

In Section 2.1, Pitamber Sharma gives an historical overview of mountain tourism in Nepal. He notes that over the last four decades, awareness of the multiplicity of linkages of tourism has grown among stakeholders, integrating tourism – at least conceptually – more closely with the processes, priorities, and directions of mountain development. Reviewing the experiences and lessons learned from some of Nepal's key pro-poor sustainable tourism developments projects, most notably the Annapurna Conservation Area Project and the Tourism for Rural Poverty Alleviation Programme, Sharma distils a number of pre-conditions needed for tourism for rural poverty alleviation to succeed.

Whereas Section 2.1 mainly looks at Nepal's tourism industry from a historical perspective, Section 2.2 – developed by Sunil Sharma and Udaya Bhattarai from the Nepal Tourism Board – focuses on the present-day status of tourism in the country. It describes current tourism trends, emerging issues, and planned strategies for further tourism development in Nepal. Section 2.2 identifies a number of the structural handicaps that challenge Nepal's tourism industry. This Section advocates for an integrated tourism development approach, combining tourism, poverty, infrastructure, and environmental considerations, to unleash greater benefits for the local population.

The impact of tourism on the local population is investigated in more detail in Section 2.3, the last paper in this section. In this paper, Dhakal argues that the impact of tourism on local poverty reduction and mountain development depends on three modalities: the type of tourism promoted, the institutional model (or model-mix) adopted, and the financing modalities followed. Dhakal compares the pro-poor impact of the different types of mountain tourism in Nepal, their institutional modalities and their finance mechanisms. Dhakal concludes that mountaineering is high yield, but with limited linkages to local communities; tourism in and around protected areas contributes somewhat to com-

munity empowerment, but trekking tourism has the highest pro-poor impact. Nepal's experience may be a guide in identifying the type of tourism, institutional arrangements, and financing modalities that may lead to more pro-poor and community-friendly tourism.

Section 3: Case Studies

Section 3 reviews some of the pioneering tourism projects and initiatives that have been developed in Nepal. It contains four different case studies, each illustrating different types of tourism, institutional set-ups, and financing modalities in practice, and their implications for sustainable mountain tourism development and poverty reduction. The first case study, TRPAP (Section 3.1), is an example of a direct project intervention, in which the government, with donor support, develops and implements a complete package of pro-poor community-oriented tourism – an 'all inclusive tourism package'. The next two case studies (Bhaktapur and ACAP, Sections 3.2 and 3.3 respectively) are examples of tourism initiatives where entrance fees charged to tourists are directly reinvested in sustainable local development, poverty reduction, and conservation activities – although both cases relate to different types of tourism (ACAP to trekking tourism in a protected area and Bhaktapur to an urban heritage destination). The last case study describes the experiences of a fully community-run tourism project (Ghalegaon, Section 3.4), where the community itself takes the lead in determining the form of tourism and benefit sharing mechanisms at the local level, but struggles with the financing and marketing aspects.

In Section 3.1, Rabi Jung Pandey summarises the main lessons learned from Nepal largest-scale pro-poor, community-based tourism programme, the 'Tourism for Rural Poverty Alleviation Programme' or TRPAP. The objective of TRPAP was to promote the development of sustainable tourism that is pro-poor, pro-environment, pro-rural communities, and pro-women. In its six years of operation, the programme demonstrated that tourism can be a viable option and tool for sustainable mountain development, and can reduce pervasive rural poverty by involving local people in local tourism development activities. It concludes that an inclusive, bottom-up and participatory tourism development approach brings more benefits to mountain communities, spreads these benefits more widely, and in a more sustainable fashion.

Section 3.2, Basudev Lamichhane describes an urban example of tourism development in Nepal: Bhaktapur, one of Nepal's famous cultural tourism destinations. Extensive renovations, carried out from 1974 to 1986, and the declaration of Bhaktapur Durbar Square as a UNESCO World Heritage Site in 1979, placed the city firmly on the tourist map. Bhaktapur is one of the examples where

tourism not only plays a key role in the city economy, but also directly contributes to community development and cultural conservation. Entrance fees have been charged since 1993, and are now the main source of income for Bhaktapur municipality. A district-level tourism development and management plan is being formulated to minimise the socio-cultural problems created (or aggravated) by tourism, while at the same time enhancing the positive impacts of tourism – including economic advancement, increased cultural awareness and pride, and the conservation of important ancient cultural heritage elements and traditions.

In Section 3.3, Siddhartha Bajracharya discusses how tourism has been one of the principle ways of financing protected area management and sustainable mountain development, poverty reduction, and environmental conservation in the Annapurna Conservation Area (ACA) – Nepal's first and largest conservation area, and most popular trekking destination. The tourism development and management model of ACAP has been globally recognised as a good practice in ecotourism, because of its integrated, community-based conservation and development approach. The project is almost entirely tourist-financed. The paper compares three tourism management modalities applied in different areas of the ACA: community-based sustainable tourism (CBST) management; controlled sustainable tourism management; and awareness-based ecotourism. The ACAP experience shows that carefully planned and managed tourism can make a positive contribution to biodiversity conservation, economic development, and community development, generating a win-win-win scenario in which the environment, local communities, and tourists all benefit.

In the last case study (Section 3.4), Chet Nath Kanel focuses in more detail on a relative new mountain tourism initiative in the ACAP region: the community-based rural tourism project of Ghalegaon. Rural tourism in Ghalegaon was initiated in 1998 and is based on home stay accommodation. The modality of tourism applied in Ghalegaon is community-based sustainable tourism, replicating the successful village of Sirubari. While tourism has brought some benefits to the local community, tourism numbers are low and revenue modest.

Section 4: Transboundary Tourism

Section 4 enlarges the scope of analysis from a micro-perspective to a macro perspective. It describes some pioneering transboundary tourism initiatives and approaches between Nepal and its neighbouring countries, and discusses the challenges and pitfalls of these approaches for regional mountain development. Each paper in this Section discusses different aspects of sustainable transboundary and cross-border tourism development: Section 4.1 discusses the role of actors and institutions (referring to the experiences of the Kangchenjunga landscape

project); Section 4.2 explores critical planning and governance issues (based on the experiences of the South Asia Sub-Regional Economic Cooperation regional tourism planning initiative); and Section 4.3 looks into border development issues (discussing the case of Zhangmu, the 'transnational tourist area of Mount Everest'). All three papers elicit critical elements for the success of regional cooperation for sustainable mountain tourism in the Hindu Kush-Himalayas.

The first paper in this Section (Section 4.1), by Nakul Chettri, looks specifically at the role of actors and institutions in cross-border tourism development, drawing on the experiences of the Kangchenjunga landscape project (a regional transboundary biodiversity conservation initiative with an important ecotourism component), which brought together the three Himalayan countries of Bhutan, India, and Nepal. Chettri recognises that tourism can play an important role in the economic development of border areas – areas that are remote, inaccessible, and often have limited alternative livelihood opportunities – but stresses that it requires a regional approach to tourism that is built on partnership, cooperative effort, joint planning, and policy support. Cross-border tourism has to be based on the perception of tourism, and related paradigm shifts in tourism planning in the respective countries, and woven within the framework of local, national, and regional tourism strategies. This requires the collaboration of multiple stakeholders, coordination at local, national, and regional levels, and clarity in the understanding of mutual benefits, as well as the political will for long-term regional cooperation.

Section 4.2, prepared by Lisa Choegyal, discusses critical planning and governance issues based on the experiences of the South Asia Sub-Regional Economic Cooperation (SASEC) regional tourism planning initiative – a joint initiative between Bangladesh, Bhutan, India, and Nepal, and later Sri Lanka. Based on the concept that sub-regional tourism can achieve a significant increase in tourism that leads to overall economic growth and poverty reduction, SASEC's objectives are to build a cooperative regional spirit; contribute to sustainable economic growth; develop tourism as a tool for poverty reduction; employment generation; and to facilitate private sector investment. Core strategies include cooperation for enlarging the regional tourism pie; branding of the tourism product (instead of the sub-region); marketing before regional product harmonisation; and improving cross-border links with neighbouring countries. This paper presents a number of daunting challenges in relation to cross-border tourism development, including long-term commitment and political will; the streamlining of national priorities; the mainstreaming of the idea of 'regional conception and national implementation'; joint marketing and product development; effective networking; and the early involvement of the private sector – highlighting that, although cross-border tourism is a promising path for regional

economic growth and poverty reduction, it is not necessarily a quick and easy development solution.

The last paper in this section (Section 4.3), by Tubden Kyedrub and Liu Yajing from the Tibet University, highlights cross-border tourism challenges and opportunities from across the border in Nepal. This paper looks at the case of Zhangmu, a frontier town in Southwestern China, part of the Mount Everest Nature Reserve, also branded as the 'transnational tourist area of Mount Everest'. Tourism development around Zhangmu, as well as other in areas along the China-Nepal border, has transformed these border areas over the last 30 years from impoverished and desolate areas into prosperous and bustling places. As the key hub for cross-border travel between the China and Nepal sides of Mount Everest, and as a gateway for outbound and inbound tourism in Southwest China, strengthening cooperative development for China-Nepal border tourism is a high priority for Zhangmu. The main vision for Zhangmu is to transform the China-Nepal border into a model area for responsible tourism, based on a sustainable tourism industry, a prosperous economy, and social harmony.

Section 5: Interactions with Stakeholders and Presentation of Field Work Results

Section 5 of this publication presents some critical reflections from the field trip undertaken to Jomsom, Marpha, and Kagbeni in Lower Mustang, Nepal. The field trip provided an opportunity to observe the resource base and tourism scene, interact with local tourism stakeholders, and verify tourism impacts, challenges, issues, and options. The field trip highlighted the transformative potential of tourism, the dynamics of change in tourism resulting from the new road, and the critical problems involved in adaptation, which demand new and flexible approaches to tourism.

Section 5.1 contains a presentation by Anu Lama on 'Sustainable Tourism Linking Conservation and Development' in the Annapurna Conservation Area. This presentation looks at the issues facing the ACA including the direct adverse impact of poverty and population growth on the biodiversity, culture, and landscape of the area. It discusses ACAP's pioneering new approach to sustainable tourism development, which encompasses a pro-poor approach and emphasises participatory management, nature conservation, and benefit sharing from tourism revenues. The paper looks into some of the reasons for ACA's success, its programmes, and strategies, as well as the challenges it is facing. Finally, some lessons learnt are presented from the ACA in linking sustainable tourism with development and conservation.

Section 5.2 is a 'Brief Introduction to the Jomsom Mother's Group' by Mohan Gauchan, Section 5.3 presents remarks by Rajani Sherchan from the Jomsom Women's Group, and Section 5.4 contains remarks by Man Kumar Gyawali from the Mustang District Development Committee.

Section 5.5 contains a presentation by Samtenla Sherpa on 'Findings and Recommendations from the Field Trip to Marpha'. The presentation looks at the tourism trends and impacts, issues, and challenges in Marpha, before making recommendations about strategies for tourism development. While there have been many positive impacts of tourism in Marpha, the newly constructed road is changing the dynamics of Marpha's economy, requiring new tourism products and strategies.

Finally, Section 5.6 reflects a presentation by Gyaneshwor Mahato on 'Findings and Recommendations from the Field Trip to Kagbeni'. The presentation sets out the basic facts of tourism in Kagbeni including tourism trends and impacts, issues, and challenges. Both positive and negative impacts of tourism were observed in Kagbeni. And, like Marpha, the newly constructed road has brought many changes. The presentation looks at the role ACAP and other local bodies (such as the Conservation Area Management Committee and Tourism Management Sub-Committee) active in sustainable tourism development in Kagbeni. Finally, the field group's recommendations regarding strategies for development in Kagbeni are outlined.

Section 6: Group Work and Findings of Xinjiang Group and Tibet Autonomous Region Group

Section 6 of this publication presents the findings of the Chinese delegation, which was split into two working groups: the TAR group and the Xinjiang group. The Xinjiang Group Discussion (Section 6.1) was presented by Zhang Hai Ming and the TAR Group Discussion (Section 6.2) was presented by Zerenzhuoma. The groups identified the challenges involved in developing mountain tourism in the Xinjiang and TAR, and recommended strategic approaches for developing transboundary tourism.

Section 7: Presentation of Sustainable Mountain Tourism Strategy and Action Plans

Section 7 of this publication presents the findings of the group discussions on a sustainable mountain tourism strategy – one that benefits local mountain communities, contributes to poverty reduction in mountain areas, and minimises negative environmental and socio-cultural impacts.

Sections 7.1 and 7.2 relate to the group discussion on a sustainable mountain tourism strategy for Nepal. Section 7.1, by Geert Balzer, sets out the 'Guiding Questions for Group Discussion' and Section 7.2, by Sunil Sharma, presents the 'Sustainable Mountain Tourism Strategy for Nepal'.

Sections 7.3 to 7.6 relate to the group discussion on cross-border tourism. Section 7.3, by Geert Balzer, sets out the 'Guiding Questions for Group Discussion'. For this discussion, participants were broken into three groups: Group A, B and C. In Section 7.4, Shiva Jaishi presents Group A's 'Recommendations for Exchange of Information to Foster Cross-Border Tourism'. In Section 7.5, Zerenzhuoma presents Group B's 'Recommendations for Joint Marketing or Branding of Cross-Border Tourism'. In Section 7.6, Sudip Adhikari, presents Group C's 'Recommendations for Development of Pro-Poor Cross-Border Tourism Products and Joint Product Development.

Section 8: Report on Pakistan-China Regional Workshop on Integrated Tourism Concepts in Gilgit, Pakistan and Kashgar, People's Republic of China

Section 8.1 contains a report by Yasir Hussain on the Pakistan-China Regional Workshop on Integrated Tourism Concepts to Contribute to Sustainable Development in Mountain Regions, which was held between 8 and 14 October 2008 in Gilgit and Kashgar. The report also gave a brief overview of the Mountain Programme being implemented by InWEnt in the Karakoram-Himalayas and Pamir region by its local counterpart, the Aga Khan Rural Support Programme, in the Northern Areas of Pakistan.

Section 9: Final Statements by Delegation Representatives

In Section 9.1, the final statements were delivered by Mr Wang Bao Hai representing the Tibet Autonomous Region, Mr Li Yang representing the Xinjiang group, Ms Mana Dahal representing Nepal, Mr Kirgizbek Kanunov representing Tajikistan, and Dr Madhav Karki representing ICIMOD.

Section 10: From Ideas to Action

Section 10.1 contains 'Reflections by Workshop Chair', Pitamber Sharma, who pointed out that the recommendations from the workshop should be seen as 'first-cut' concepts to be refined and translated into actions by country groups and participants from government agencies with backstopping from ICIMOD.

>>> Section 2. Tourism in Nepal

2.1 Sustainable Mountain Tourism Development in Nepal: An Historical Perspective

Pitamber Sharma[5]

Tourism is not new to the Hindu Kush-Himalayan mountains. Pilgrims, mainly Hindus and Buddhists, from near and far have frequented holy sites in the Himalayas for untold centuries to express their devotion and experience the unknown. What is new is the changing perception of tourism and the expectations of the state and local communities of the role tourism can, and should, play in the totality called development. The case of Nepal elucidates this more strikingly than many other mountain regions in South Asia.

The development of tourism

The initial impetus for tourism in Nepal came through mountaineering in the 1950s and 60s. For a country with the highest density of 8000 m peaks, this is not surprising. Early mountaineering was an elaborate seasonal affair with hundreds of porters trekking to base camps with their loads of food and mountaineering cargo, taking both porters and mountaineers many weeks. The impact of this form of adventure tourism on the local economy and on foreign exchange earnings was pretty limited. The 1960s and 70s saw an increase in the number of trekkers to rural mountains areas, in addition to 'pleasure and sightseeing' tourists, who descended on the Kathmandu valley. As the trekkers and the mountaineers began to be attracted to the rural backwaters of Nepal, state policies and programmes started to recognise tourism as a comparative advantage that could be exploited for development in the often inaccessible and remote

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5   Senior consultant and tourism expert, and Workshop Chair

regions of the country. There was a realisation that remoteness, inaccessibility, and restricted external linkages, as well as the insularity of economies and cultures, and isolation from markets – the so-called obstacles to development in mountain regions – were precisely the elements that attracted trekkers and mountaineers. What was regarded as a classic disadvantage for development became the opposite: an advantage in luring the intrepid traveller in search of new and novel experiences. Tourism was appreciated as an in situ export, an important foreign exchange earner, where the consumer comes to the product, not the other way round – an advantage that a poor country such as Nepal does not have with respect to other markets.

As the number of trekkers to remote regions such as Sagarmatha (Everest) and Annapurna began to increase, the impact of unmanaged and unregulated tourism began to manifest in increased environmental degradation and socio-cultural impacts with all the makings of a tragedy along the lines of the goose that laid the golden egg. A direct consequence of this was the establishment of Sagarmatha National Park and Langtang National Park in 1976, and – with the establishment of the King Mahendra Trust for Nature Conservation (now the National Trust for Nature Conservation), in 1982 – the Annapurna Conservation Area Project (ACAP) in 1986. Nepal currently has 21 protected areas covering at least 26,666 sq.km of land (Conservation International 2007), more than 30% of the Nepal Himalayas.

National parks and protected areas such as Sagarmatha National Park and the Annapurna Conservation Area are the main tourist destinations in Nepal outside the Kathmandu valley (Wells 1994; Williams and Singh 2001), receiving about a third of the total number of visitors to Nepal (see also Section 3.3).

Tourism development projects in Nepal

The establishment of Sagarmatha National Park has had a tremendous impact on both the environment and the economy of the region. The Park has increased awareness of the importance of protecting the environment, and, through the buffer zone concept, has allowed community approaches in forest conservation. However, conflict does exist between the Park and local communities; nevertheless, the national park approach to conservation and the management of tourism is a milestone in Nepal's conservation journey. Tourism has both justified and supported the National Park, while at the same time playing a critical role as a tool for conservation and a catalyst for socioeconomic change. An institutional partnership between the government, local NGOs, and the community is emerging with the potential to address tourism and environmental issues on a

sustainable basis. In 2007, Sagarmatha National Park received over 26,000 trekkers and mountaineers (MoTCA 2009).

When ACAP was established in 1986, the area was on the brink of an environmental crisis. Unregulated trekking tourism had led to accelerated forest degradation and environmental pollution. There was cut-throat competition among hotels and lodges. Public infrastructure such as trails, bridges, drinking water, sanitation, and resource conservation for tourists and the local communities had been neglected. ACAP's intervention was both timely and extremely significant. ACAP's work has been in creating and supporting grassroots institutions required for conservation and development at the local level. These institutions derive their strength from the participation of local communities in the conservation and protection of natural and cultural resources and heritage, in the development and maintenance of community facilities and services, and in the promotion of sustainable tourism. ACAP activities have brought about increased awareness of the harmful effects of unmanaged tourism, and an increased appreciation of the positive impact of tourism on the livelihoods of local people. ACAP activities are funded by the entry fees paid by tourists to the region. The ACAP model has its share of problems, and there are areas of conflict between local governments and ACAP created institutions, but the basic thrust and utility of the model has endured. ACAP's focus on strengthening local capacity and on the greater involvement of local communities in all aspects and phases of conservation and development has been a role model for similar community-based conservation and tourism development efforts in Nepal, and around the world. In 2007, ACA received over 60,000 visitors (e.g., Thomson 2007; Bajracharya et al. 2005; Bajracharya 1998; Gurung and de Coursey 1994; Gurung 1992).

The ACAP experience was crucial in establishing the link between conservation, tourism, and development. It also established the importance of strategic institutional intervention in forging a partnership between local communities and supporting institutions, whether centrally guided (like ACAP itself) or forming spontaneously at the local and regional level to address specific issues (like the Sagarmatha Pollution Control Committee in the Everest region). While environmental conservation provided the basis for tourism, conservation itself was possible due to the revenue earned from tourism. And as the benefits of tourism began to be reflected in the build-up of physical, social, and economic infrastructure – improved trails and bridges, new roads, better drinking water and sanitation, basic health and education facilities, and better communication and market facilities – tourism began to be linked to the process of economic transformation and the expansion of income and employment opportunities (e.g., Sharma 2000, 2002; Banskota et al. 2006; East et al. 1998; Banskota and Sharma 1995).

The policies of the state, as well as local communities at the tourist destinations and along trekking routes, now recognise tourism as a development intervention in its own right. The perspective on tourism has expanded to include all aspects of community development focusing on strengthening organisations and institutions, enhancing 'social capital', safeguarding local cultures and traditions, protecting the environment through afforestation and plantation, and promoting environment-friendly alternative energy technologies, as well as developing infrastructure and services for better livelihoods for the local population. However, a number of critical questions remain. For example, are there other ways of creating an organic link between tourism and community development, besides the intervention of a centrally guided institution such as ACAP? How can the process of decentralisation and devolution be fine-tuned to respond to the institutional needs of tourism and local communities?

The ACA region in Nepal is undergoing rapid changes. Quite a few areas that were previously known by western tourists for their quality trekking are now connected or are in the process of being connected by roads. The tourism scenario in the ACA is affected by these developments (see also Section 3.3). In many areas, the boom days of trekking tourism may be over. In other areas, such as Muktinath, the flow of pilgrims is growing rapidly due to increased road access. Still, in other areas that benefit from alternative trekking routes, new inroads may be made by trekking tourism. Many areas in ACAP are in a critical stage of transition, and a rethink in terms of new strategies and innovative approaches is called for. The extent to which ACAP and the local communities will be able to face the new challenges involved with promoting tourism and environmental safeguards while ensuring community development will determine the outcome of the complex interface between tourism and development.

Tourism and poverty alleviation

Only about a quarter of visitors to Nepal venture beyond Kathmandu-Pokhara-Chitwan/Lumbini. The poorest regions of Nepal in the mid and far-west have not yet developed as established tourist destinations, although these regions are a major focus of current pro-poor tourism development initiatives (e.g., among others, the Great Himalaya Trail Development Programme pilot in Humla and North West Nepal, developed with the support of the United Nations World Tourism Organization and Netherlands Development Organisation [SNV] Nepal). Even in established tourist areas such as ACA the impact of tourism on the livelihoods of the poor is scant and indirect, and often limited to portering and teahouses along trails. Group trekking, now comprising 40 to 45% of trekkers, is a centralised and organised affair in which trekking agencies supply most of the group's needs, and most of the benefits accrue to the urban-based

agencies and suppliers, rather than to rural areas. Ironically, budget trekkers contribute most to rural economies, as all their needs are met by lodges and suppliers of other facilities along the trails. But even the lodge keepers are among the better-off in rural areas. Under such conditions, only a few poor entrepreneurs can possibly benefit from tourism. The poor are usually not aware of the opportunities tourism provides, or lack the organisation, training, and credit support to venture into the tourism industry. Even in the ACA, except for a few initiatives such as the Ghalekharka-Sikles area and the Upper Mustang Tourism Value Chain Upgrading project (by ICIMOD in collaboration with the National Trust for Nature Conservation), special efforts to organise and empower the poor are absent. In fairness, many of the opportunities provided by ACAP programmes are taken advantage of by the more affluent, with the poor and disadvantaged generally remaining outside the reach of benefits. It is in limited locations such as Namche Bazaar in the Everest region that tourism has induced large-scale involvement (over 80% of the local population) and provides the main source of income.

Since the Government's Ninth Plan (1997–2002), poverty alleviation has remained the major objective of development in Nepal. The Nepal Living Standard Survey 2003/04 (CBS 2004) found that about 31% of the population lives below the poverty line, and that the incidence of poverty is higher in the mountains and hills than in the Terai plains. Poverty is mainly a rural phenomenon. Further, poverty alleviation requires an integrated effort in which all sectoral policies and activities are oriented towards a single goal. In Nepal, the pro-poor tourism development model was tested most comprehensively in the Tourism for Rural Poverty Alleviation Project, implemented in selected areas of six districts from 2001 to 2007 (MoCTCA 2007; see also Section 3.1).

On a macro level, tourism is one of the principle sources of foreign exchange in Nepal. Although local level contributions to poverty reduction and development are usually more difficult to establish, it is generally recognised that tourism is one of the most promising livelihood opportunities for mountain communities in Nepal (e.g., Kruk et al. 2007).

Tourism related activities tend to be labour intensive. A host of small-scale initiatives, mainly in the informal sector, can provide opportunities for the sale of additional goods and services from which the poor can benefit. As the flow of tourists increases, this can help in the diversification of local economies by reducing the overt dependence of the poor on primary activities, and by maximising local employment and self-employment opportunities. In addition to income from the sale of goods and profits realised by locally owned enterprises, infrastructural growth due to tourism can help the poor in availing 'public goods', contributing to the alleviation of poverty.

However, these pro-poor implications and outcomes of tourism are not spontaneous. Indeed, spontaneous alleviation of poverty through tourism is an exception rather than the rule. As also indicated in the introduction to this publication (Section 1.1: Tourism and Sustainable Mountain Development in the Hindu Kush-Himalayas), pro-poor tourism has to be deliberately planned and nurtured with the needs and capabilities of the poor in the particular context in mind in order to realise its pro-poor development potential.

Nepal's experience in pro-poor tourism initiatives indicates that a number of conditions need to be in place for tourism for rural poverty alleviation to succeed. These include a commitment to decentralised and participatory governance; tourism planning, asset, and product development that facilitate interaction with the poor; social mobilisation and organisation of the poor so that they are established as stakeholders and have a say in decision making; the establishment of resource sharing mechanisms for wider community benefit; the promotion of business opportunities for the poor that have a broad demand base; training and enhancement of skills and capabilities of the poor; the facilitation of access to credit by the poor; the establishment of mechanisms for pro-poor partnerships with the private sector; and, importantly, the development of market linkages and platforms from which the poor can benefit.

Over the past 40 or so years, the policy perception of tourism in Nepal has moved from one with a narrow sectoral focus to one that recognises the multiplicity of tourism linkages. In so doing, tourism, at least at the conceptual level, is understood in terms of its integration with the process, priorities, and direction of development itself. The tourism initiatives of Nepal in the past decade show that this perception is no longer limited to policy makers and academics, but has found root among stakeholders at the local and regional levels (e.g., transboundary tourism development initiatives in the HKH region, see Section 4). Tourism is fast becoming a development concern shared by all.

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2.2 Nepal's Approach to Tourism Development

Sunil Sharma[6] and Udaya Bhattarai[7]

Introduction

In the 20th Century, tourism has emerged as one of the largest and the fastest growing industries worldwide (UNWTO 2005), and is regarded as a development tool in many parts of the world. Tourism has become a dependable vehicle for socioeconomic transformation for people in developing countries, including Nepal. Nepal's natural scenery, high mountains, and incomparable cultural heritage have made it a well-known destination on the world tourism map.

The currently favourable political situation in Nepal has provided a strong base for the development of the tourism industry. The newly formed government has a central and decisive role to play as a catalyst in promoting responsible and sustainable tourism, while maximising the benefits from tourism through income and employment in rural areas. Tourism can generate major opportunities for Nepal, if managed properly, as demonstrated in the Khumbu region and the Annapurna Conservation Area (see also Section 3.3). Towards this, the approach to tourism development should be 'people-centred' rather than 'growth-oriented'. The Government should develop the tourism sector in line with local needs and aspirations, taking into account the conservation of environment, maintenance of culture values, and the need for foreign exchange earnings and employment, while at the same time responding to global threats such as climate change, the energy crisis, and the current economic crisis. Because of its proven effectiveness as a tool for socioeconomic transformation, tourism should be the most prioritised section for poverty reduction.

Global tourism trends

In 2008, international tourist arrivals reached 924 million, up 16 million from 2007, representing growth of 2% (UNWTO 2009, p 3). Europe is the most popular tourist destination, with 53% (489 million) of the international tourist arrivals in 2008, while Asia and the Pacific stood in second position with 20% (188 million) international tourist arrivals in the same year (UNWTO 2009, p 3). This underscores the fact that Asia and the Pacific is an upcoming destination. It has been forecast that the number of international arrivals worldwide will

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increase to almost 1.6 billion in 2020 (WTO 2001, p 10), and the share of the volume of international tourist arrivals in South Asia is expected to reach 19 million in 2020, almost 5 times higher than in 1995. As a result, South Asia's market share will increase to 1.2% in 2020 (WTO 2001, p 19), as shown in Figure 2.2.1. The report further forecasts that East Asia and the Pacific will be powerhouses in terms of tourist arrivals (WTO 2001, p 18). Therefore, Asia and the Pacific will be a force to reckon with in 2020.

Figure 2.2.1: International tourist arrivals (1950–2020)
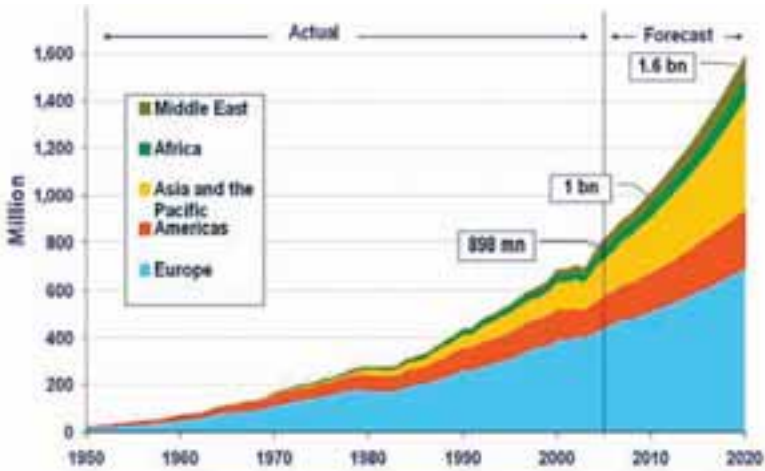
Source: WTO 2001

Over the last half century, international tourism has exhibited high and consistent growth to evolve into one of the world's largest economic sectors, constituting almost 35% of global service exports (UNWTO 2008). Tourism is continuously growing as a major service sector in both developing and poor countries. The first ever World Economic Forum report on Travel and Tourism Competitiveness underscores the fact that, as the major service export for so many developing countries, tourism has the potential to provide a genuine competitive advantage to poorer and least developed countries (UNWTO 2007). The report further highlights that, although industrialised states still dominate tourism, poorer countries have massive potential thanks to their natural assets, culture, and heritage; a favourable trade balance; and an abundant labour force. Developing countries generated tourism foreign exchange earnings of more than USD 200 billion in 2005, four times more than the amount earned in 1990 (UNWTO 2007, p 12). During the same period, developing countries increased their market share of international arrivals from 28.6% to 40.3% (UNWTO 2007, p 12).

Furthermore, in the first five years of this century, the rate of growth in arrivals for least developed countries – the 50 poorest countries, most of them in Africa – was 48%, almost triple the global rate, while receipts from international tourism grew 76% compared to a worldwide average of 41% (UNWTO 2007, p 12).

Volume of tourism in Nepal

Tourism has always been recognised as a socioeconomic activity that can help developing countries such as Nepal to achieve its goals of poverty alleviation and equitable development. Nepal's tourism has undergone various highs and lows, but a period of sustained growth in volume and value is yet to be recorded.

In 2008, total tourist arrivals were 500,277. The average length of stay for the last 10 years stood around 11 days. According to the World Travel and Tourism Council (WTTC), direct employment in the industry was 237,000 jobs and economic employment was 548,000 in 2008 (WTTC 2008, p 4). Total tourist arrivals and tourist arrivals by purpose of visit are shown in Table 2.2.1 and Table 2.2.2 respectively.

Table 2.2.1: Tourist arrivals Nepal (1962–2008)

Tourist Arrivals							
	Total		By Air		By Land		Average length of stay (days)
Year	Number	Growth rate %	Number	% of total arrivals	Number	% of total arrivals	
1962	6,179						
1970	45,970		36,508	79	9,462	21	
1974	89,838		74,170	83	15,668	17	13.20
1978	156,123		130,034	83	26,089	17	11.84
1982	175,448		153,509	87	21,939	13	13.33
1986	223,331		182,745	82	40,586	18	11.16
1990	254,885		226,421	89	28,464	11	12.00
1991	292,995	15.0	267,932	91	25,063	9	9.25
1992	334,353	14.1	300,496	90	33,857	10	10.14
1993	293,567	−12.2	254,140	87	39,427	13	11.94

Ctd. Table 2.2.1: Tourist arrivals Nepal (1962–2008)

Year	Total		By Air		By Land		Average length of stay (days)
	Number	Growth rate %	Number	% of total arrivals	Number	% of total arrivals	
1994	326,531	11.2	289,381	89	37,150	11	10.00
1995	363,395	11.3	325,035	89	38,360	11	11.27
1996	393,613	8.3	343,246	87	50,367	13	13.50
1997	421,857	7.2	371,145	88	50,712	12	10.49
1998	463,684	9.9	398,008	86	65,676	14	10.76
1999	491,504	6.0	421,243	86	70,261	14	12.28
2000	463,646	–5.7	376,914	81	86,732	19	11.88
2001	361,237	–22.1	299,514	83	61,723	17	11.93
2002	275,468	–23.7	218,660	79	56,808	21	7.92
2003	338,132	22.7	275,438	81	62,694	19	9.60
2004	385,297	13.9	297,335	77	87,962	23	13.51
2005	375,398	–2.6	277,346	74	98,052	26	9.09
2006	383,926	2.3	283,819	74	100,107	26	10.20
2007	526,705	37.2	360,713	68	165,992	32	11.96
2008	500,277	–5.0	374,661	74	125,616	25	11.78

Source: MoTCA 2008

Table 2.2.2: Tourist arrivals Nepal by purpose of visit (1990–2008)

Year	Holiday/ pleasure	Trekking/ mountaineering	Business	Pilgrimage	Official	Convention/ Conference	Raft- ing	Others	Not Specified	Total
1990	161,839 (63.5)	39,999 (15.7)	11,728 (4.6)	6,713 (2.6)	26,578 (10.4)	2,838 (1.1)	–	5,190 (2.0)	–	254,885 (100.0)
1991	177,370 (60.5)	42,308 (14.4)	14,601 (5.0)	9,103 (3.1)	37,274 (12.7)	5,441 (1.9)	–	6,898 (2.4)	–	292,995 (100.0)
1992	237,711 (71.1)	35,166 (10.5)	31,765 (9.5)	7,219 (2.2)	20,967 (6.3)	815 (0.2)	–	710 (0.2)	–	334,353 (100.0)
1993	170,279 (58.0)	69,619 (23.7)	19,495 (6.6)	10,429 (3.6)	15,812 (5.4)	5,367 (1.8)	–	2,566 (0.9)	–	293,567 (100.0)
1994	168,155 (51.5)	76,865 (23.5)	23,522 (7.2)	5,475 (1.7)	20,431 (6.3)	5,361 (1.6)	–	26,722 (8.2)	–	326,531 (100.0)
1995	183,207 (50.4)	84,787 (23.3)	21,829 (6.0)	5,257 (1.4)	20,090 (5.5)	5,272 (1.5)	–	42,953 (11.8)	–	363,395 (100.0)
1996	209,377 (53.2)	88,945 (22.6)	25,079 (6.4)	4,802 (1.2)	20,191 (5.1)	6,054 (1.5)	–	39,165 (10.0)	–	393,613 (100.0)
1997	249,360 (59.1)	91,525 (21.7)	27,409 (6.5)	4,068 (1.0)	24,106 (5.7)	5,824 (1.4)	–	19,565 (4.6)	–	421,857 (100.0)

Tourist Arrivals by Purpose of Visit

Ctd. Table 2.2.2: Tourist arrivals Nepal by purpose of visit (1990–2008)

Year	Holiday/ pleasure	Trekking/ mountaineering	Business	Pilgrimage	Official	Convention/ Conference	Raft-ing	Others	Not Specified	Total
1998	261,347 (56.4)	112,644 (24.3)	24,954 (5.4)	16,164 (3.5)	22,123 (4.8)	5,181 (1.1)	–	21,271 (4.6)	–	463,684 (100.0)
1999	290,862 (59.2)	107,960 (22.0)	23,813 (4.8)	19,198 (3.9)	24,132 (4.9)	5,965 (1.2)	–	19,574 (4.0)	–	491,504 (100.0)
2000	255,889 (55.2)	118,780 (25.6)	29,454 (6.4)	15,801 (3.4)	20,832 (4.5)	5,599 (1.2)	–	17,291 (3.7)	–	463,646 (100.0)
2001	187,022 (51.8)	100,828 (27.9)	18,528 (5.1)	13,816 (3.8)	18,727 (5.2)	0 (0.0)	–	22,316 (6.2)	–	361,237 (100.0)
2002	110,143 (40.0)	59,279 (21.5)	16,990 (6.2)	12,366 (4.5)	17,783 (6.5)	0 (0.0)	–	58,907 (21.4)	–	275,468 (100.0)
2003	97,904 (29.0)	65,721 (19.4)	19,387 (5.7)	21,395 (6.3)	21,967 (6.5)	0 (0.0)	–	111,758 (33.1)	–	338,132 (100.0)
2004	167,262 (43.4)	69,442 (18.0)	13,948 (3.6)	45,664 (11.9)	17,088 (4.4)	0 (0.0)	–	71,893 (18.7)	–	385,297 (100.0)
2005	160,259 (42.7)	61,488 (16.4)	21,992 (5.9)	47,621 (12.7)	16,859 (4.5)	0 (0.0)	–	67,179 (17.9)	–	375,398 (100.0)

Ctd. Table 2.2.2: Tourist arrivals Nepal by purpose of visit (1990–2008)

Year	Holiday/ pleasure	Trekking/ mountaineering	Business	Pilgrimage	Official	Convention/ Conference	Raft- ing	Others	Not Specified	Total
2006	145,802 (27.7)	66,931 (12.7)	21,066 (4.0)	59,298 (11.3)	18,063 (3.4)	0 (0.0)	-	72,766 (13.8)	-	383,926 (100.0)
2007	217,815 (41.4)	101,320 (19.2)	24,487 (4.6)	52,594 (10.0)	21,670 (4.1)	8,019 (1.5)	65 (0.0)	78,579 (14.9)	22,156 (4.2)	526,705 (100.0)
2008	148,180 (29.6)	104,822 (21.0)	23,039 (4.6)	45,091 (9.0)	43,044 (8.6)	6,938 (1.4)	243 (0.0)	99,391 (19.9)	29,529 (5.9)	500,277 (100.0)

Source: MoTCA 2008

Note: Figures in parentheses represent percentage of the total arrivals.

Tourism arrivals in Nepal still depend greatly on the state of the world economy and political/social stability in Nepal. As observed in Table 2.2.1, Nepal's tourism has seen a varied growth and fall pattern. Over the last decade, there has been fluctuation in terms of tourist arrivals in Nepal. From 2001 to 2006, tourist arrivals to Nepal declined substantially. This is attributed to the political instability in the country due to the insurgency, which discouraged many tourists from visiting Nepal, with damaging consequences for the economy and tourism. The decline was arrested in 2007 when peace prevailed. For the first time, tourist arrivals crossed the half million mark in 2007. The total number of visitor arrivals experienced a negative growth rate of -22.1% and -23.7% in 2001 and 2002, respectively. Strong recovery was noted for the years 2003 and 2004, followed by a marginal decline in 2005 of -2.6%, which was again followed by robust growth from 2006 to 2008. India contributes the largest share of tourist arrivals, due to its geographical proximity to Nepal and strong cultural ties. Its market share of total arrivals has stabilised at nearly 20% in recent years. The two main reasons for visiting Nepal cited by visitors are holiday/pleasure and trekking/mountaineering.

Due to the recent global recession, domestic tourism has gained prominence, both internationally and nationally. If properly managed, domestic tourism can stimulate the national economy and arrest unemployment figures. The new Tourism Policy of the Government of Nepal has prioritised domestic tourism and a handful of tour operators are catering to the needs of domestic tourists. However, to date, there has been no provision for the collection of data on domestic tourists.

Structural handicaps in the tourism sector

Nepal has some structural handicaps that hinder the development of a tourism industry for mountain development and poverty reduction. Key structural handicaps include: limited infrastructure development, lack of integrated development, weak market linkages, and low supply side capacities. For example, proper areas have to be developed in the form of attractions and these areas must be suitably managed to appeal to visitors' interests. Visitor satisfaction should be generated by the provision of excellent services (accommodation, food, and so forth). Due to Nepal's topography, infrastructure development is very weak. One of the major structural handicaps is transportation, both within Nepal (lack of international standard roadways; many areas are still untouched by roads) and between Nepal and other countries (linkages between Nepal and its major tourist generating markets are limited). The problem is further compounded by the virtual absence of a national carrier, which has lead to weak market linkages to

Nepal. These structural handicaps (supply side) have restricted tourism from realising its full potential.

Lack of correct information about places and activities also hinders tourists visiting Nepal. To address this, a massive promotion campaign needs to be launched in major generating markets to generate awareness about the destination. Domestic tourism promotion is equally important in addressing this issue. As domestic tourism has been given priority in government tourism policy, planners are required to allocate resources to the tourism sector, including to infrastructure. Following the example of India, the Government of Nepal is currently working on a modality to provide fully paid holidays to its employees to encourage domestic tourism (see the sub-heading on 'Tourism vision, policy and campaign' in this paper).

In the absence of a reliable national carrier and tourism information offices abroad, Nepal faces significant resource constraints in consumer marketing, the costs of which are ever increasing. As a result, Nepal has a low presence in major generating markets, with only an occasional presence through participation in consumer and trade fairs such as the Internationale Tourismus Börse (International Tourism Exchange – ITB, Germany), World Travel Market (WTM, UK), Japan Association of Travel Agents (JATA, Japan), and Vakantiebeurs (the Netherlands), among others. Owing to these structural handicaps, tourism in Nepal is mainly concentrated in the 'golden triangle' (Kathmandu, Chitwan, and Pokhara) and trekking is mainly confined to the Everest, Langtang, and Annapurna regions, neglecting the Far Western and Mid Western development regions.

Types of tourism agencies in Nepal

There are four types of functional tourism agencies in Nepal: government agencies, government line agencies and local agencies, the Nepal Tourism Board, and private business entrepreneurs. The government agencies are mainly responsible for regulatory functions, followed by development functions, which are mainly discharged by local government bodies such as village development committees and district development committees. The promotional functions of tourism are undertaken by the Nepal Tourism Board, Nepal's national tourism organisation. Finally, operational functions are carried out by private business entrepreneurs. Several NGOs and INGOs are involved in supporting the different tourism agencies in Nepal, as well as the Nepali tourism industry in general.

Tourism vision, policy and campaign

Tourism has been promoted as an engine for macro-economic growth – it generates foreign exchange earnings and government revenue, attracts international investment, increases tax revenue, and provides significant employment opportunities. In the changed context, tourism is being accorded high priority in government plans, policies, and programmes. It is seen by the Government as a way to address development challenges, e.g., through the development of pro-poor strategies for poverty alleviation through tourism; tourism infrastructural development (the Government of Nepal has allocated a fund for Tourism Infrastructure Fund); the promotion of domestic tourism; the development of the Far Western and Mid Western development regions; provision of backward linkages through the local economy; prioritising environment and community needs for overall sustainable tourism development; and through the adoption of a people-centric approach to tourism development. The Government of Nepal has idealised tourism as an effective vehicle for local and regional development, as well as a way to mitigate threats such as climate change and the effects of the global economic crisis. This is reflected in its Tourism Vision 2020, Tourism Policy 2009, and the Nepal Tourism Year 2011 (NTY 2011) campaign.

Nepal Tourism Year 2011 is a synthesis of the past experiences of the Government of Nepal and future aspirations of the private sector. It also marks the beginning of a new mission in Nepal's new political context and envisages a path towards the overall development of Nepal's tourism industry. One of the major objectives of the campaign is to achieve one million tourist arrivals a year. As the campaign focuses on overall tourism development, it aims to see at least 40% of the arrivals visiting destinations beyond the golden triangle (three main trekking areas).

The campaign focuses on structural obstacles, and, hence, the main objectives of the campaign are to: improve and extend tourism related infrastructure in existing and new tourism sites; enhance the capacity of service providers; and build community capacity in new areas to cater for the needs of tourists. The campaign gives equal emphasis to the promotion of domestic tourism for the sustainability of the tourism industry. Some of the campaign's most important agenda are coordination for infrastructure enhancement and development, product improvement and expansion, national and international publicity, the enhancement of community capability, and up-gradation of service quality.

The recent growth in the number of tourist arrivals (post insurgency) presents an encouraging picture of Nepal as a preferred destination. The Government of Nepal has pledged to mobilise all government mechanisms to develop tourism infrastructure and to ensure the rule of law for the success of NTY 2011. Along

with the Prime Minister, the leaders of most of the political parties have reiterated their commitment not to organise any strike that could affect tourism in 2011. Likewise, representatives from various organisations have shown their commitment by pledging to make the campaign a big success and to avoid strikes and maintain peace and security in 2011.

By declaring 2011 as Nepal Tourism Year (NTY), the Government of Nepal is recognising the important role that tourism plays in Nepal's economy and focusing on its expansion across the nation. The NTY 2011 campaign envisions harnessing opportunities and strengths by bringing together the commitment of the Government, the expertise and experience of organisations like the Nepal Tourism Board, and the aptitude and dynamism of the private sector and local communities for tourism development. Representation and active participation by the major political parties, members of the Constitution Assembly, and various rights groups has been sought to make the campaign inclusive and participatory to enhance its effectiveness. The campaign will also focus on mobilising the networks of non-resident Nepalese, Nepalese diplomatic missions abroad, INGOs and NGOs, airlines, and the national and international media.

The Nepal Tourism Year 2011 campaign has been planned in conjunction with the Tourism Policy 2009 and Nepal's Tourism Vision 2020. The Tourism Policy 2009 intends to reinforce Nepal as an attractive, beautiful, and safe destination in the international tourism market with: increased employment opportunities for sustainable livelihoods; increased productivity and improved living standards for the general public; and increased economic growth (MoTCA 2009b). One of its major objectives is the creation of self-employment opportunities for the general public by expanding and diversifying the tourism sector and by combining ecotourism and village tourism with poverty alleviation. Policies furthering development and the expansion of the tourism industry are being implemented in master plans, periodic plans, and annual programmes, which also take into consideration the notion of regional development. These plans and programmes also strive to develop village tourism with appropriate mechanisms for more benefits to be retained at the village level and distributed equally among all groups, including the poor and marginalised. Domestic tourism also receives special attention in these plans (MoTCA 2009b).

Nepal's Tourism Vision 2020 was developed by the Ministry of Tourism and Civil Aviation (MoTCA) in consultation with industry partners. It complements economic reforms and incorporates the spirit of inclusiveness for a broad-based enabling environment that sets the pace for gradual, but focused, change in the tourism sector. The key strategies to be adopted to attain these objectives include the selection of one district in each ecological belt and one in each development

region as a tourism hub, around which potential tourist places would be developed as satellite sites.

The Tourism Vision 2020 also focuses on progressive programmes for building people-centred sustainable development, which will lay the foundation for a new federal structure for the state and its governance system. The main responsibility of the Government is to uplift the livelihoods of the people living in every part of the country by developing tourism infrastructure, increasing tourism activities, creating employment in rural areas, and sharing the benefits of tourism at the grassroots level. The Tourism Vision 2020 regards tourism:

> *…as the major contributor to a sustainable Nepal economy, having developed as an attractive, safe, exciting and unique destination through conservation and promotion, leading to equitable distribution of tourism benefits and greater harmony in society.*

> (MoTCA 2009a, p 5)

The extension of tourism activities into remote and rural areas and the encouragement of affirmative action to involve marginalised groups and women in tourism activities through training and skill development programmes also form part of the strategy.

In an effort to decentralise tourism and tourist activities, the Ministry of Tourism and Civil Aviation formed seven Tourism Development Committees – each responsible for developing and expanding tourism in a particular cluster of districts/tourism products. These committees have already initiated programmes in their respective areas (MoTCA 2009a).

Domestic tourism has the potentiality to distribute the impacts of tourism more evenly and consistently throughout the year, evening out seasonal and periodic fluctuations. Hence, the Government of Nepal is working on developing a travel leave concession programme to promote domestic tourism. A committee has been formed, coordinated by the Ministry of Tourism and Civil Aviation with representatives from the Cabinet and Office of the Prime Minister, Ministry of Finance, Home Ministry, and Ministry of Public Administration and Local Development. This committee has completed site observation tours of places of historical, religious, cultural, and touristic importance in the Western, Eastern, and Central development regions of Nepal. The committee is currently working on a modality for the travel leave concession programme.

Nepal Tourism Board: A promotional agency with a growing role

Organisation structure

The Nepal Tourism Board (NTB), the national tourism organisation of Nepal, is a public-private partnership that oversees the promotional and facilitation functions of tourism in Nepal. Its Executive Committee draws five members from private sector tourism entrepreneurs and five from government agencies related to, or having a say in, tourism. This set up guarantees that the private sector has an opportunity have its issues and aspirations reflected in the NTB's programmes and activities. Likewise, policy issues crucial to the development of tourism (of which the private sector is the key driver) are also taken up and lobbied for, creating healthy chances for their incorporation in government plans and policies.

Figure 2.2.2: Organigramm Nepal Tourism Board

Source: NTB

Notes: TIA = Tribhuvan International Airport; the NTB offices at Gaddachowki (Far Western Development Region), Kakadvitta (Eastern Development Region), and Belahiya (Western Development Region) are mainly information counters.

The NTB, while implementing its programmes and activities, explores meaningful partnerships with respective local agencies such as district development committees (DDCs), village development committees (VDCs), the various chambers of commerce and industry (CCIs), and tourism-related associations. Such an

approach ensures that ownership of programmes and activities remains at the local level, and that multiple chances are created for building further programmes and activities around established ones for the sustainability of tourism. Common areas of such partnerships include local events, community capacity building, and technical support for the formulation of plans, beautification, and promotion at the district level.

Established in 1998, the Nepal Tourism Board seeks to blend the dynamism of the private sector and the policy support of the government sector to achieve its primary objective of establishing Nepal as a premier holiday destination in the international arena. It replaced the then Department of Tourism, a Ministry of Tourism, Culture and Civil Aviation body, as the custodian of Nepal's destination marketing and promotion activities. The NTB is guided by the mission statement: Maximise tourism benefits by promoting Nepal as a premier holiday destination with a definite brand image in the international tourist map. It plays a key role in:

- developing Nepal as an attractive tourist destination in the international arena
- developing, expanding, and promoting tourism enterprises, while promoting the natural, cultural, and human environment of the country
- increasing national income, increasing foreign currency earnings, and creating maximum opportunities for employment by developing, expanding, and promoting tourism
- establishing the image of Nepal in the international tourism community by developing Nepal as a secure, reliable, and attractive destination
- undertaking research related activities for reforms to be made in tourism enterprises to provide quality services
- helping to establish and develop institutions necessary for the development of tourism enterprises
- developing Nepal as a tourism hub for South Asia

Box 2.2.1: Present focus of Nepal Tourism Board's activities

- Market linkage to Nepalese entrepreneurs
- Consumer marketing
- Provision of a platform for multi-sectoral coordination
- Promotional support for domestic tourism
- Technical support for site specific development planning
- Expansion of resource base

The NTB has divided its promotional activities in the international sector into three main market segments: conventional long-haul markets, neighbouring markets, and emerging markets.

Nearly 44% of its total international visitors originate from Western Europe and America. These are represented together in the segment 'conventional long-haul markets', which consists of markets such as the United States, United Kingdom, Japan, Germany, France, Australia, Italy, Spain, and Russia, among others. This segment ranks first in terms of gross per capita expenditure. That is why there has been a constant focus on retaining and expanding these markets.

The segment 'neighbouring markets' is comprised of India, Bangladesh, Sri Lanka, and China, which occupy 33% of the market share. This market supplies a steady stream of visitors year round, helping to address the seasonality constraint to a certain extent.

The 'emerging markets' segment, which comprises Eastern Europe, Thailand, Singapore, Malaysia, and the Middle East, accounts for 23% of international tourists to Nepal. These are the markets from which visits were negligible a decade ago, but which are now firmly placed in terms of the number of arrivals. Adventure and spiritualism are generally the motivations for tourists from emerging markets. Nepal's main tourism source markets are shown in Table 2.2.3.

Table 2.2.3: Nepal's main tourism source markets (1999–2011) by percentage

Country	99	00	01	02	03	04	05	06	07	09	10	11
India	33.4	25.5	21.5	30.4	32.8	30.0	33.7	33.6	26.7	23.6	22.4	21.6
UK	7.3	8.4	9.8	8.1	7.3	7.4	8.0	6.8	7.4	7.8	7.6	7.2
USA	8.4	9.5	9.5	7.2	6.1	6.1	5.7	6.0	6.8	7.2	7.1	6.9
Japan	7.7	9.0	7.9	8.3	7.4	6.1	5.2	6.6	6.1	5.6	6.0	6.3
Germany	5.4	6.0	6.2	5.9	4.8	4.7	4.4	4.3	4.7	4.3	4.1	3.9
France	5.1	5.4	6.2	4.9	5.0	5.5	4.4	4.4	4.7	5.7	5.5	5.3
China (PRC)	0.9	1.4	1.3	1.6	2.3	3.5	5.6	4.4	4.1	4.0	4.3	4.6
Spain	1.9	1.9	1.8	1.7	2.4	3.2	2.7	3.3	3.6	3.5	3.3	3.2

Source: Turner and Witt 2009

The NTB aligns its annual programmes and activities to match the policies and initiatives of the Government and the aspirations of private sector. In the 10 years since its establishment, public awareness of tourism has grown in Nepal and the importance of the role of tourism in development has been realised. As Nepal's national tourism organisation, the NTB is responsible to further both public and private sector interests. Therefore, the NTB has scaled up its role from mere promotional body to a facilitator of tourism development.

NTB and tourism projects

Over the last decade, the Nepal Tourism Board has been proactively involved, not only in promoting tourism, but also in framing policies and programmes, and incorporating tourism into Nepal's poverty reduction programmes and regional development. In its changing role from a mere promotional agency to a facilitator of sustainable tourism development, the NTB has been involved in the design, development, and support of different tourism projects. This section gives a brief summary of some of these projects.

Tourism for Rural Poverty Alleviation Programme

The Tourism for Rural Poverty Alleviation Programme (TRPAP) offers a different approach by linking tourism and poverty reduction, with emphasis on venture capital for self-employment. TRPAP started in 2001 when the Government of Nepal and the NTB, in collaboration with the United Nations Development Programme (UNDP), the Department for International Development (DFID), and the Netherlands Development Organisation (SNV) piloted pro-poor tourism in six districts, developing appropriate institutions and policies.

The TRPAP modality has shown that to make tourism a tool for poverty alleviation the following strategies need to be incorporated: enhance backward and forward linkages; provide training, marketing, and micro-credit for local entrepreneurs; provide venture capital funds; develop collective community income through tourism-based activities; and improve access to infrastructure. For any policy to be effective and meaningful, it should seek to create a system that improves local economies and the lives of local people. Strategies must in place to spread the benefits accruing from tourism across the country (from urban areas to rural people) and involve local people in decisions that affect their lives and life chances (for more information on TRPAP see Section 3.1).

Sustainable Tourism Network

Formed in 1999, the Sustainable Tourism Network (STN) is an informal network of individuals and organisations engaged, and with a keen interest, in promoting sustainable tourism practices in Nepal. The network is under the framework of the NTB, which provides support for STN's activities and overlooks its coordination.

Driven by the vision of Nepal as a wholesome sustainable tourism destination, STN aims to promote and facilitate sustainable and equitable tourism in Nepal by bringing together concerned stakeholders from the public, private, and I\ NGO sectors that are involved in, or have an influence over, the tourism industry. This is achieved through knowledge sharing, skills transfer, the compilation

and distribution of best practices models, and through marketing support for sustainable tourism products.

The network members are guided by a set of core values, namely: social responsibility, environmental conservation, cultural preservation, socioeconomic balance, and cooperation. STN's membership stands at 35 and there are plans for an extension of the network to Chitwan and Pokhara.

Marketing Assistance to Nepal for Sustainable Tourism Products

The Nepal Tourism Board also took the initiative to develop sustainable tourism products to expand the business opportunities for Nepalese tourism entrepreneurs. Towards this, Marketing Assistance to Nepal for Sustainable Tourism Products (MAST) Nepal was launched from 2006 to 2008. The project was funded by the European Union under its Asia Invest Programme, with the United Nations Environment Programme – Division of Technology, Industry and Economics (UNEP-DTIE), NTB, Leeds Metropolitan University, and SNV Nepal as partners. The project was successful in building the capacities of 23 participating Nepalese companies on sustainable tourism products. By the time the project was over in 2008, 50 new sustainable tourism products had been adopted by the 23 participating companies. Each of the companies that participated in the project committed to three sustainable tourism 'actions'. Likewise, an Internet-based marketing and promotional portal (www.responsibletravelnepal. com) was developed.

Training on Project Facilitation and Management in Sustainable Tourism Development

The South Asia Sub-Regional Economic Cooperation (SASEC) initiative, which develops human resources for tourism development in the SASEC sub-region, has identified certain tourism products that capitalise on the sub-region's collective strengths, such as eco-tourism and Buddhist circuits (see also Section 4.2). The NTB has supported several Asian Development Bank (ADB) funded technical assistance training programmes under the SASEC initiative, including a Common Minimum Training Programme for Trainers. Of these training programmes, five capacity-building initiatives were hosted in Nepal and a five-day training on 'Project Facilitation and Management in Sustainable Tourism Development' was jointly facilitated by ICIMOD and SNV. The latter training, organised at ICIMOD in Kathmandu, was attended by about 30 delegates from national and local tourism organisations of Nepal, India, China, Bangladesh, Bhutan, Sri Lanka, and Myanmar. The training programme focused on project facilitation of sustainable mountain tourism development by national and state

tourism organisations in the SASEC and ICIMOD countries (for an overview of resource materials, see Kruk et al. 2007a; 2007b).

Training on Sustainable Tourism Marketing Linkages

The Nepal Tourism Board coordinated a training programme under the National Fellowship Program 2006 (Netherlands Organization for International Cooperation in Higher Education – NUFFIC) of the Dutch Government. The training, entitled 'Sustainable Tourism Marketing Linkages', contained three modules, which took place in Nepal, the Netherlands, and Austria. It was specially packaged to address the inherent needs of tourism operators in Nepal and cover gaps in knowledge on management and tourism operation in Nepal. There were 20 participants from the NTB, tourism associations, tourism colleges, and NGOs with tourism and conservation as their key areas of operation.

The first module was held in Kathmandu and Chitwan and focused on familiarising the participants with the course, assessing the needs/requirements of the participants from diverse professional backgrounds so that the course could be tailor-made. The second module was held over 45 days in the Netherlands and Austria, and featured extensive classroom sessions, field visits, and interactions with professionals from the European travel trade. The third module, coordinated by ICIMOD, was comprised of extensive classroom sessions facilitated by local, regional, and international tourism experts (see ICIMOD 2007). The training concluded in May 2007 with each participant submitting an Action Plan for immediate intervention within their respective organisations.

Conclusion

With the advent of peace in Nepal, tourism has been considered a major sector in its development policies and processes for the steady acceleration of socioeconomic development. The new government has shown great concern for the real value of tourism and its ability to contribute to economic growth, poverty alleviation, and equity. The Government has given high priority to tourism in its new economic development policy. Accordingly, directions have been issued to concerned ministries to include tourism in their policies and programmes. Tourism development involves the intervention of many different actors from public and private sectors, as well as civil society organisations. Cooperation and partnerships between the public and private sector are being increasingly used for tourism development, making it more vibrant and dynamic.

Although poverty reduction is a global issue, the solution has to be sought at the local level because local needs and interests vary. Tourism is a very important generator of employment, but it requires proper management. Only those desti-

nations that are properly managed will prosper. Selecting appropriate training, sourcing local products and services, building sustainable partnerships and linkages, and supporting small and medium enterprises can help shape the lives of local people for the better. There is an urgent need to act simultaneously on tourism, poverty, infrastructure, and the environment in an integrated way that benefits local people.

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2.3 Tourism Development and its Impacts: Perceptions of Host Communities

Dipendra Purush Dhakal

Background

Tourists to Nepal are lured by the captivating sights and experiences, incredible mountains, and ancient cultures and religions. Nepal is an ecological dreamland, rich in biodiversity. The hills of Nepal are home to a diverse array of ethnic groups. To visit Nepal is to see "life in a land without wheels" (Kunwar 1997, p 201). To better harness Nepal's unlimited tourism potential, tourism products around social and cultural events could be developed in newer areas such as adventure sports (Shakya 2007). The tourism products that are available in Nepal are not exploited optimally for the benefit of tourists or tourism operators. There is an opportunity for tourism operators and local and national beneficiaries to develop new and innovative models of tourism to deliver more and more equally distributed benefits.

The Government of Nepal has recently formulated its Tourism Vision 2020:

> *Tourism is valued as the major contributor to a sustainable Nepal economy, having developed as an attractive, safe, exciting and unique destination through conservation and promotion, leading to equitable distribution of tourism benefits and greater harmony in society.*
>
> (MoTCA 2009, p 5)

This Vision focuses on generating employment in rural areas; including women and marginalised communities; distributing tourism benefits more broadly at the grassroots level; and enhancing community participation in tourism activities. The Government of Nepal is planning to select a total of 18 districts from the mountains, hills, and Terai ecological belts representing all development regions of the country to serve as hubs for the development, management, and promotion of tourism activities in an integrated manner.

The Government's Tourism Policy 2009 provides for programmes to alleviate poverty, attract top-end tourists, promote ecotourism and rural tourism packages, create self employment opportunities, improve the access of underprivileged groups to tourism activities, improve communication linkages, adapt the 'one place one identification policy', and develop model tourism villages, among other things. While it adopts several commendable and pragmatic approaches, the Tourism Policy 2009 fails to sufficiently address issues to do with ownership

of tourism development programmes by the local people, empowerment of local communities to manage rural tourism, and the ploughing back of financial resources (generated from the use of tourism products including entry fees, licence fees, and waste control fees) into local communities (Dhakal 2009, p 9). The empowerment of local communities to have the final say on the identification, implementation, and financing of appropriate activities through the ploughing back of financial resources would facilitate a sense of ownership of tourism among local communities.

Introduction

The participation of local stakeholders is a key factor in making sustainable tourism development programmes a success. The reason for this is simple: if local people are not involved in tourism development strategies, they can obstruct the development process due to the lack of benefits they will accrue. Without local participation, tourism will fail to realise its full potential as a catalyst for the development of local communities and environments (Kruk et al. 2007, p 57–69).

Local participation is not a one-time activity or event to ensure a project's success that can be checked off before a tourism development project starts. Ideally, it should be a process in which all beneficiaries have an active role in the identification and formulation of problems and opportunities, in the design and implementation of strategies, and in the monitoring and evaluation of results. Participation is intrinsically linked to the project cycle as it incorporates reflection and action and follows all the stages of the cycle from analysis, planning, and implementation to monitoring, based on which plans can be adapted (Kruk et al. 2007, p 57–69).

Several tourism models have been experimented with in Nepal, and have had positive as well as negative impacts on the environment and communities. This paper attempts to analyse the perceptions of the host communities, especially in relation to policy interventions by the Government of Nepal, of the direct and indirect financial and other benefits received by the country and local communities over the decades of tourism in Nepal.

Potential for transboundary tourism

Nepal shares a border of over 1,850 km with India and over 1,415 km with China, but these borders are hardly used by overland travellers. The new direct railway service connecting Beijing with Qangxi is 100 km away from Lhasa and has the potential to increase cross-border tourism between China and Nepal. The

Kathmandu-Delhi and Lhasa-Kathmandu direct bus service, which commenced in 2005, has increased regional tourism, but has not been running efficiently or fulfilled its full potential. Overland tourists coming from India and Nepal use local tourism products and, in several cases, spend nights in border cities. This form of tourism delivers more benefits to local entrepreneurs as the possibility of retention of tourist expenditure by Kathmandu-based travel organisers is minimal. The impacts are visible with the flow of tourists from India into Bhairahawa and Lumbini in Nepal through the border town of Sunauli contributing to the hotel industry in these areas and to local handicraft producers in Lumbini. While recognising the benefits accrued through tourism so far, the local stakeholders in these places are demanding more concentrated policy interventions by the Government of Nepal and the remodelling of 'Buddhism-oriented' tour packages to discourage same-day return to India and promote at least a one-night stay in Nepal. The Potala Palace and Kailash Mansarovar in Tibet Autonomous Region have been attracting tourists from mainland China and other countries in the region. The Tibet Autonomous Region has targeted receiving 1.12 million inbound travellers and 9.05 million domestic travellers by 2020, with an expected revenue of 22.8 billion yuan (USD 2.8 billion), accounting for 18% of local GDP. Because of Nepal's proximity to China and India, and its similar cultural, religious, and social values, Nepal could reap benefits from intra-regional tourism (Grandon 2007, p 49). Nepal's proximity to India and China means that spill over effects from Tibetan, Chinese, and Indian tourism could benefit Nepal. These opportunities could be harnessed by developing joint travel packages for cross-border tourism and making such packages available in originating markets.

Most international travel (almost 80%) is undertaken by countries from within the region. Nepal's tourism also follows a similar trend. New trends in tourism include (i) a shift from mass to alternative tourism such as, eco tourism, adventure tourism, ethnic tourism, industrial tourism, and culture tourism, (ii) a shift from inter-regional to intra-regional tourism, and (iii) the expansion of the use of technology (advanced information communication technology services in developing travel plans, ticketing, marketing, and promotion) (Khatiwada 2005). Accordingly, the Nepal Association of Tour and Travel Agents has sought cooperation from the Government of Nepal in aggressive marketing in China, India, and Southeast Asia to focus on improving intra-regional tourism. The Association has also felt the need to establish active institutional representation in China, as well as public relations facilities in Delhi and Mumbai.

Mountain tourism

Mountains are Nepal's main tourism product. They have been generating substantial revenue for the Government of Nepal, good business for tourism entrepreneurs, and seasonal employment for local people for six decades. Different types of mountain tourism (mountaineering, trekking, and tourism in and around national parks) have different impacts on local communities.

Mountaineering

The revenue collected in the form of royalties from mountain climbing expeditions is deposited in the Government of Nepal's central treasury. Since 2005, there has been provision for 30% of mountaineering royalties to be allocated to the local area through the district development committees (DDCs) for infrastructure and other activities. However, this provision is currently non-functional. Funds have only been disbursed once in Lamjung and Solukhumbu districts (first instalment), but these funds were not spent due to procedural complexities in the approval of projects, procurement, account keeping, and auditing. The revised provisions governing mountaineering royalties (16 July 2008) have removed these complexities and made rates more explicit. Table 2.3.1 gives an overview of the royalties charged for climbing Himalayan peaks during spring (March to May).

Mountaineering is low-number, high-yield adventure tourism activity. In 2007, 1128 mountaineers visited Nepal, paying USD 2.444 million in royalties to the Government of Nepal. Total expenditure by mountaineering teams was NPR 966.637 million (USD 13.908 million) in 2007. During the same year, Nepal earned USD 230.617 million (spending in foreign currency) from 430,695 non-Indian tourists (i.e., international tourist, not including tourists from India) (MoCTCA 2007, pp 16, 50, 51, 68). Based on this, it can be estimated that a mountaineer spends 27.07 times more than an ordinary tourist during a visit to Nepal. Similarly, mountaineering generated seasonal employment for 4,823 high altitude workers, low altitude workers, and local porters during 2007. The overall number employed in the mountaineering sector increased from 10,000 in 1999 to 15,000 in 2004.

Table 2.3.1: Mountaineering royalties for peaks in Nepal, March–May 2008 (in USD)

Number of members in mountaineering expedition team	Everest (south east ridge)	Everest (other route)	Peaks over 8,000 m (except Everest)	7,501–7,999 m	7,000–7,500 m	6,501–6,999 m	Amadablam	Peaks less than 6,500 m
1	25,000	15,000	5,000	2,000	1,500	1,000	1,000	400
2	40,000	21,000	6,000	2,400	1,800	1,200	1,200	500
3	48,000	27,000	7,000	2,800	2,100	1,400	1,400	600
4	56,000	33,000	8,000	3,200	2,400	1,600	1,600	700
5	60,000	39,000	8,500	3,600	2,600	1,800	1,800	800
6	66,000	45,000	9,000	3,800	2,800	1,900	1,900	900
7	70,000	50,000	10,000	4,000	3,000	2,000	2,000	1,000
Per additional member	10,000	10,000	1,500	500	400	300	300	200

Notes: a. An expedition team may have a maximum of 15 members.

b. Except for Amadablam, royalties for autumn season (September to November) are half of that for spring; and royalties for winter (December to February) and summer (June to August) seasons are half of that for autumn. However, the additional fee for extra members is fixed differently for each season for all mountains.

c. The royalty for Amadablam given in this table is applicable for spring and autumn seasons and the rates are half for winter and summer seasons.

d. Royalties for the mountains of Mid Western and Far Western development regions have been waived for next five years.

Source: Compiled from information from the Ministry of Tourism and Civil Aviation

Trekking

The Government of Nepal has waived trekking fees for all destinations, except a few areas where trekking is controlled or regulated. Revenue generated in these areas is deposited in the Government Treasury. Communities have been demanding that a certain percentages of this revenue be remitted to their local area, and unofficial commitments have been made by the Government of Nepal from time to time that this will be done, but have never materialised. The structure of the fees is provided in Table 2.3.2.

Table 2.3.2: Trekking fee structure in Nepal

SN	Destination		Entry fee per head (USD)	Fee for extra days head/day (USD)
1	Upper Mustang and Dolpa		500 for 10 days	50
2	Manaslu	(Sep–Nov)	70 for a week	10
		(Dec–Aug)	50 for a week	7
3	Humla		50 for a week	7
4	Kangchenjunga and Lower Dolpa		10 per week	
5	Gauri Shanker and Lamabagar		10 per week	
6	Chhekampar and Chunchet	(Sep–Nov)	35 for 8 days	
		(Dec–Aug)	25 for 8 days	

Source: Compiled from information provided by the Department of Immigration

Both mountaineering and trekking tourism contribute immensely to local people and communities by generating income, reviving culture, and providing other livelihood support activities, as compared to any other forms of tourism in Nepal. However, there are also several negative environmental and societal impacts from this form of adventure tourism, which are analysed with some sample case studies later in this paper.

Despite the variety of potential livelihood sources available to them, the majority of mountain people still live in extreme poverty. To address this, SNV Nepal and ICIMOD have been jointly engaged in a programme called Sustainable Mountain Tourism in the Himalayas, which aims to explore avenues to benefit mountain people, especially in the areas of poverty reduction and the sustainable use of natural and socio-cultural resources. Under this programme, a new concept called the Great Himalaya Trail (GHT) has been developed, which aims to

exploit the significant potential for tourism product development and marketing synergies that exists within and between the Himalayan countries. With the objective of attracting more trekkers, including repeat trekkers, 43 trekking trails have been identified in the Nepal segment of the GHT. The trekking trails start in west Nepal (Karnali), crossing the entire northern ranges including Mustang, Manang, Manaslu, Ganesh Himal, Rolwaling, Everest, and Kangchenjunga (SNV and ICIMOD 2006, p 2). The preparatory study did an extensive stock take of infrastructure and facilities, tourist attractions, available active organisations, and main active organisations in tourism in all districts through which the GHT passes. The implementation of this initiative is expected to increase trekking tourism in remote and least developed areas, which may significantly contribute to distributing tourism benefits to more groups of people including groups that have not yet been fortunate to harness this potential. The GHT is also explicitly mentioned in the Government of Nepal's Tourism Vision 2020.

Almost a quarter of international tourists to Nepal go trekking. The majority of them are handled by registered trekking agencies, while others are free independent travellers (FITs). The general perception among local people is that the local economy is benefitted more by FITs as they consume local foods and use other local services, such as accommodation, whereas organised groups tend to bring their own supplies and even camp away from villages. The same goes for mountaineering; local people feel that a substantial portion of the income from mountaineering remains at the local level in the form of consumption of local goods and services, and the engagement of local people. Mountaineers also tend to stay longer.

Despite, several experiments carried out in the past, no visible linkages have been developed with local communities to provide guaranteed services for organised trekkers in specific sites. The adoption of such a synergetic approach would contribute to the development of trust, confidence, and business partnerships with trekking agencies, thereby benefitting the local economy.

Tourism in and around protected areas

With a view to minimising biotic pressure and for the sustainable management of natural resources, the Government of Nepal has established 11 buffer zones (BZs) in and around national parks and wildlife reserves. Work is underway to extend these to other protected areas. Conciliatory and partnership approaches have been adopted to motivate local communities to participate in the management of forest resources to fulfil their need for forest products through forest user groups (FUGs). The long-term objective is to motivate the local populace and win their support to gradually involve them in nature and wildlife conservation (DNPWC 2008, p 4).

Protected areas and conservation areas serve as strong bases for tourism in Nepal: almost a third of tourists coming to Nepal visit protected areas and many go to conservation areas. The mountain parks and reserves offer both hard and soft adventure, e.g., mountaineering, paragliding, sky diving, trekking, elephant safaris, canoeing, rafting, jungle drives, and nature walks.

Sagarmatha National Park (SNP), established in 1976 and listed as a UNESCO World Heritage Site in 1979, is one of the most visited parks in Nepal. A visitor's survey conducted recently revealed that the volume of visitors to the Park and the tourism benefits were unevenly distributed over time and place: 90% visited for trekking and only 10% were motivated by culture; most reported a desire to revisit the park and supported the increased entry fee. The finding was that Sagarmatha National Park was overcrowded and measures had to be taken to spread visitors within the seasons and between the seasons (Hindu Kush-Karakoram-Himalaya Partnership 2008, pp 9–10). Table 2.3.3 gives information on the buffer zones and conservations areas in Nepal, including population, number of user groups and user councils, and total amount of revenue collected. According to the DNPWC, during the fiscal year 2007/08, around 265,028 tourists visited Nepal's protected areas, generating total revenue of NPR 117.90 million.

Non-government institutions in tourism management

Nepal has entrusted the non-government sector with the management of tourism activities. Non-government institutions (e.g., the Nepal Mountaineer Association, Annapurna Conservation Area Project, and buffer zone management councils) have also been given the authority to generate revenue and spend this revenue on programmes approved by their own governing bodies. Nepal has experienced three modes of tourism operation, i.e., (i) strictly institutional: governed by an institution that is financially supported by others or has its own resources, (ii) a blend of institution and community: governed through the community with technical or financial support for implementation from outside institution(s), and (iii) community owned: home grown and managed by local people or their representatives. The perceptions of people of each of these categories are mixed. A few examples of these categories are presented here.

Institutional model: Nepal Mountaineering Association

The Nepal Mountaineering Association (NMA) was established to promote mountain tourism; increase awareness of mountaineering; improve the living standard of the professional workforce engaged in mountaineering; develop capacity in the field of mountaineering; organise mountain climbing activities;

Table 2.3.3: Information on buffer zones and conservation areas in Nepal (as at 2008)

Protected area attached to buffer zone	Year buffer zone declared	Population	Number of house-holds	Number of user groups	Number of user councils	Total amount provided by DNPWC from the revenue generated in the area (NPR)	Number of forests handed over to the community	Management plan (5 year duration)
Chitwan National Park	1996	223,260	36,193	1,484	21	247,621,585	28	2nd
Bardia National Park	1996	120,000	11,504	182	15	19,836,158	45	2nd
Langtang National Park	1998	54,326	12,509	315	21	19,531,424	70	Draft for 2nd
Shey Phoksundo National Park	1998	11,518	2,263	90	17	1,211,234	24	1st
Makalu Barun National Park	1999	32,000	6,000	88	12	1,395,142		1st
Sagarmatha National Park	2002	5,896	1,288	28	3	52,890,752	8	1st
Shukla Phanta Wildlife Reserve	2004	100,953	17,006	465	9	1,109,553	18	1st
Koshi Tappu Wildlife Reserve	2004	77,950	10,693	531	9		15	Draft for 1st

Ctd. Table 2.3.3: Information on buffer zones and conservation areas in Nepal (as at 2008)

Protected area attached to buffer zone	Year buffer zone declared	Population	Number of houss-holds	Number of user groups	Number of user councils	Total amount provided by DNPWC from the revenue generated in the area (NPR)	Number of forests handed over to the community	Management plan (5 year duration)
Parsa Wildlife Reserve	2005	43,238	7,228	345	11	3,356,900	25	Draft for 1st
Rara National Park	2006	11,685	1,898	127	9		20	Draft for 1st
Khaptad National Park	2006	33,272	5,311	418	16		24	Draft for 1st
Total		**714,098**	**111,893**	**4,073**	**143**		**242**	
Conservation Area	Year buffer zone declared	Population				Total amount provided by DNPWC from the revenue generated in the area (NPR)		Remarks
Annapurna	1992				100,000			
Manaslu	1998				9,050			
Kangchenjunga	1998				5,254	2,044,951.06		Instalment -1
Total					**114,304**			

Source: Compiled from information provided by DNPWC

coordinate mountaineering related activities; advise concerned institutions in related fields; and establish and manage documentation centres, museums, and so forth. The Association elects its president and other office bearers from its general body for a period of three years. There are a few nominated and ex officio members, including one representative from the Government of Nepal. Hence, this body consists almost entirely of tourism entrepreneurs and those engaged in mountain tourism.

The NMA carries out activities through its sub committees for Human Resource Development, Environment Conservation, Mountain Museum, Mountain Memorial Park, Himalayan Rescue, Publicity and Promotion, Welfare, Local Development, Branch Coordination, and Code of Conduct. During the Destination Nepal Campaign 2002–2003, the NMA was given the responsibility for management, promotion, and revenue generation for 15 new trekking peaks (between 5,500 and 6,500 m) by the Government of Nepal. This brings the total number of peaks under the NMA's domain to 33. The Executive Committee of the NMA is authorised to approve its own programmes, which are funded from the revenue collected from its original 18 peaks and 65% of the revenue from the 15 new peaks. The annual budget is required to earmark at least 20% for local development, 10% for the environment, and 5% for administrative purposes. The remaining funds can be budgeted for promotional or other purposes. Table 2.3.4 shows the revenue of the NMA.

Table 2.3.4: Revenue of the Nepal Mountaineering Association

	Description	FY 2003/04 (NPR 000)	FY 2004/05 (NPR 000)	FY 2005/06 (NPR 000)	FY 2006/07 (NPR 000)	FY 2007/08 (NPR 000)
1	Expedition fees	22,827.92	24,622.80	23,938.70	27,441.93	29,398.13
2	Membership fees	900.70	811.38	692.61	735.88	891.80
3	Donations	3,927.98	190.69	714.71	1,498.66	178.02
4	Mountain Museum entry fee	855.29	2,082.89	2,834.99	4,115.25	5,415.17
5	Other	1,306.41	1,085.19	955.06	3,986.58	1,707.33
	Total	29,818.30	28,792.95	29,136.07	37,778.30	37,590.45

Note: FY = financial year

Source: Compiled from information provided by NMA

In financial year 2007/08, the NMA issued 1,091 permits for 5,370 climbers to climb 33 peaks. This number has been increasing every year.

A few noteworthy activities carried out by the NMA include the Golden Jubilee celebration of Mount Everest and other 8000 m peaks, the cleaning of the high Himalayas, assisting the Sagarmatha Pollution Control Committee (SPCC) to carry out its activities, and supporting the education of 12 students of deceased mountaineers up to 10th grade.

Although the Association has a huge income facilitated by the Government of Nepal, local mountain communities do not have any stake in the operation of the NMA, nor are there any programmes implemented for them directly. Therefore, local communities are least benefited by this approach.

Blend of institution and community model: Annapurna and Manaslu conservation area projects

The Annapurna Conservation Area is the country's largest protected area with over 100,000 culturally diverse indigenous populations. It contains the world's deepest valley, the Kali Gandaki, which abounds with floral and faunal diversity and is flanked by some of the highest peaks, making it one of the most popular mountain tourist destinations in the world. This area caters to around 60% of the total trekkers to Nepal each year. The management responsibility for the area rests with the National Trust for Nature Conservation (NTNC), which has been in existence for over two decades. The NTNC has undertaken over 100 projects (small and large) focused on nature conservation, biodiversity protection, natural resource management, and sustainable rural development, adopting a participatory approach.

The Annapurna Conservation Area Project (ACAP), which is managed by NTNC, is a pioneer project in Nepal, with a vision to integrate conservation and community. This project was piloted in 1982 and has been in full operation since 1986. The project covers the whole district of Mustang (both upper and lower parts), Manang, and large parts of Myagdi, Kaski, and Lamjung districts. ACAP's programmes are developed, approved, and implemented through conservation area management committees (CAMCs), which are legally empowered local-level community-based institutions. Such committees have been established across the entire ACAP area. The committee members include the chairperson of the village development committee (VDC), one user from each ward within the VDC, and a few selected local people including women, people from marginalised and disadvantaged groups, and social workers. The chairperson and secretary of the committee are elected from among the members, but ex officio members are not eligible for these positions. Each CAMC has to formulate its own Con-

servation Area Management Operational Plan. The CAMCs are technically supported by ACAP.

ACAP programmes are focused on natural resource conservation, alternate energy development, conservation education and extension, community infrastructure development, agriculture and livestock development, tourism management, gender development, cultural heritage conservation, health service support, research and surveying, documentation, and capacity building. ACAP is engaged to provide technical and financial support to implement activities of interest to local communities, such as plantation, biodiversity conservation, promotion of fuel-efficient devices, installation of micro-hydro plants, awareness raising, distribution of tourism benefits among the community, mobilisation of women's groups, income generating activities, the conservation of natural and cultural heritage including the restoration of gompas (monasteries), supporting cultural practices and improvement of livestock productivity, supporting rangeland and agricultural produce, and improvement of general health facilities and emergency services, among other things. ACAP's implementation model has been replicated in the Manaslu area, where there are seven CAMCs at the VDC level, which are supported by the Manaslu Conservation Area Project (MCAP).

Local communities in the Annapurna and Manaslu areas have received both projects positively, as their involvement in all cycles of development and conservation activities are ensured. They are aware of the losses that may happen if tourism slumps. Recent news reports say that the tourist village of Ghandruk in the Annapurna area has banned the construction of concrete buildings, which are against traditional norms. The report states:

> *ACAP and Local Tourism Management Committee have issued the directive to conserve the originality of the traditional Gurung village that is known for stone houses with stone roofs, after a surge in construction of concrete buildings of late. Hotel Mountain´s Ganesh Gurung and Hotel Buddha´s Jimbal Lama have also agreed to modify their concrete buildings bearing expenses of up to Rs 700,000 each. Tourism is the major source of income in the hilly village that yields only potato, wheat and millet due to high altitude.*

<div align="right">(Republica 25 May 2009)</div>

However, with NTNC in the background, the dependency syndrome exists and seems to be interfering with local activities. Institutional and local community conflicts also emerge occasionally, but have been resolved without serious consequences so far. The impacts of the ACAP programme are assessed later in this paper.

Community owned model: Cases

The following cases represent a variety of models that engage local people, not only in reaping the benefits, but by placing them in the driving seat. In the community owned model, ownership of the programme by the community is ensured and local people are recognised as best equipped to take appropriate decisions. People benefit directly (monetarily or otherwise) from the development and promotion of tourism in their areas. This model ensures the mitigation of environmental, societal, architectural, and other impacts of tourism. However, destinations implementing such models need to have good coordination with the Nepal Tourism Board (NTB) and other travel operators to promote their areas and to develop travel itineraries. The followings cases reveal mixed experiences of communities under this model, mostly with the accomplishment of objectives.

Sirubari

Sirubari is a hill village with only 37 households and 300 inhabitants, mostly belonging to the Gurung community, including the families of retired soldiers of Indian and British armies. The community took the initiative to develop the village as an attractive tourist destination to occupy their free time for productive purposes and to provide a source of income. A Village Tourism Development Committee was established at the local level and registered with the Government of Nepal in 1997. Every household is a general member of the Committee, which elects a chair, vice chair, secretary, treasurer, and seven other members to the Executive Committee. The major regular functions of the VDC include promoting Sirubari, managing and sharing tourists among households, organising package tours, conducting cultural and recreational programmes for visitors, coordinating with concerned agencies, and other necessary activities relating to the improvement of rural tourism in the community.

The community-based rural tourism model in Sirubari is a pioneer concept in the hill districts of Nepal. It can be categorised as a micro-exercise in making tourism relevant to the local economic and environmental development. Sirubari received the prestigious Pacific Asia Travel Association's Gold Award in 2001, as well as a national award conferred by the Government of Nepal for being an Exemplary Community Forest Group. The village also received television coverage in a programme aired by NHK (Japan) and Singapore channels as an exemplary tourism model.

Awareness of tourism benefits, preservation of local cultural heritage, excellent community hospitality, improved sanitation and cleanliness, a complete tourism package, and inspirational leadership in the management of tourism are some of Sirubari's valuable tourism assets. The village is now a training centre and a role

model for rural tourism. Sirubari's model has already been replicated in other areas such as Briddhim in Rasuwa district.

However, Sirubari is still is not as effective as it could be. It suffers from poor access, weak transfer of state-of-the-art technology and practices to the new generation, low occupancy rates (the highest catered number in a year was almost 300 domestic and 1,500 foreign tourists), and lack of a local code of conduct for villagers and tourists. Sirubari tourism places little emphasis on locally produced food and the use of alternative energy sources such as biogas and solar; cultural programme are hardly ever organised as most of the youth population has migrated out or been recruited by the army (Upadhyay 2008, p 327).

For sustainability, Sirubari needs to be included in the DDC's Periodic Plan and to develop its own strategic plan for the future. It also needs to focus on retaining traditional village architecture and, most importantly, preparing the next level of local leadership to assume responsibility for the management of tourism in the future. The saying that "business goes where it is invited, but stays where it is well treated" is highly relevant to Sirubari.

Sagarmatha Pollution Control Committee
Amidst growing negative publicity about environmental degradation and pollution in mountain areas, the Rimpoche of Tengboche monastery steered the establishment of the Sagarmatha Pollution Control Committee (SPCC) by engaging local people in the Khumbu region. The Ministry of Tourism and Civil Aviation (MoTCA) and the World Wide Fund for Nature (WWF) Nepal facilitated its establishment as a local non-profit NGO in 1991. The SPCC's Executive Committee has 11 local members and 19 local staff, only one of which is female. Its head office is at Namche and there is a branch office at Lukla. The main objective of the SPCC is to help save the environment by controlling pollution and assist researchers to conduct environment related studies.

Its major activities relate to the proper management of garbage: (i) placing rubbish bins along trekking routes, near gompas (monasteries) and in selected locations, (ii) the regular collection of rubbish and separation into burnable and non-burnable items, (iii) the burying or destruction of burnable rubbish, and (iv) the transportation of non-burnable and contaminated garbage to Kathmandu. The SPCC also installs temporary radio communications at Everest base camp during climbing seasons. Facilitating climbers at the Khumbu Ice Fall by clearing the expedition route and fixing ladders over crevasses is another of its main activities, and its main source of income. SPCC's implementation partners include local people, community based organisations, youth groups, women's groups, eco clubs, community forest user groups, buffer zone forest user groups, and the VDCs.

Every expedition group has to register their climbing permit, equipment, and list of food items at the SPCC office in Namche. Teams are required to bring back burnable and non-burnable waste in separate bags after completing their trip, which is then checked and collected by SPCC staff. Non-burnable items are sent back to Kathmandu with the team itself.

The SPCC has achieved many of its objectives. In financial years 2006/07 and 2007/08 it disposed of 359.501 tons of paper, plastic, and burnable items and 69.570 tons of cans, glass, and other metallic waste. During these two financial years, 4,658 empty LP gas bottles, 8,039 (25 kg) batteries, 7,860 (2.539 tons) cans, and 3,150 (1.885 kg) bottles were sent to Kathmandu with returning expeditions teams and trekking groups for reuse or disposal. During these financial years, SPCC also constructed two toilets by engaging a local youth club and two rubbish pits (one for burnable items and one for non-burnable items) to be managed by the Gokyo Lake Management Group. SPCC has constructed 52 rubbish pits in the Khumbu region so far. Beer bottles were banned and a LP gas depot established at Namche (SPCC 2008). SPCC's involvement in checking litter through awareness building programmes, placement of containers and bins for litter collection, the widening and protection of trails, and repair and pavement of stairs with stones are some other noteworthy achievements.

As a successful local NGO dedicated to the protection of the environment, SPCC is very popular among local residents and expedition teams. It has earned the trust and confidence of its conservation partners, which include MoTCA, the Nepal Mountaineering Association, Department of National Parks and Wildlife Conservation (DNPWC), Sagarmatha National Park, NTB, Nepal Mountaineering Association, WWF-Nepal, Mount Everest-Mount K2-Italian National Research Council (EV-K2-CNR), Himalayan Adventure Trust of Japan, Kathmandu Environment Education Project, Environmental Camps for Conservation Awareness, Environmental Insertion-Economic, Process, Lodge and Hotel Association of Namche, and Yeti Airlines.

Given the urgent need to revamp the current model of community participation through an institutionalised process, it would be useful if some of the money collected by the Park or from expeditions is directed to this organisation to undertake local-level programmes.

Buffer zone management councils
Nepal has a long history of successful conservation based on dynamic concepts and approaches such as protected areas, buffer zones (BZs), and landscape level conservation planning. The concept of buffer zones (in the 1990s) and landscape level conservation planning (in 2000) changed the overall perspective of biodiversity conservation by accommodating the areas and people outside protected areas for conservation through community development. The main significance

of the BZ concept is in the sharing of benefits (e.g., access to resources and distribution of income) from protected areas with local communities and the involvement of local communities in biodiversity conservation and protected area management.

Considering people as the centre point of the management of resources, in 1993 the Government of Nepal made legal provision for ploughing back 30 to 50% of the revenue generated by protected areas to concerned buffer zone management councils (BZMCs). Since then, the Government of Nepal has uniformly ploughed back 50% of the revenue to all 11 BZMCs established so far. The main objective of the BZ concept is to involve local communities in the upkeep of protected areas by effectively engaging them in conservation management activities. This initiative also supports local people by creating new livelihood opportunities.

Box 2.3.1: Sagarmatha National Park Buffer Zone Management Committee

The Sagarmatha National Park Buffer Zone Management Council was awarded the prestigious Tenjing-Hillary Mountaineering Award by the Government of Nepal in 2009 for:

- Making a significant financial contribution to the construction of seven micro-hydro plants with a combined capacity of 903 Kw
- Protecting the area's scarce forests by transporting construction materials by air to hill villages
- Banning the use of wood stoves and making gas and kerosene available for cooking on trekking routes
- Supporting the establishment of a distilled water plant in one of the villages and banning the transportation of bottled drinks
- Widening the walking trails and replacing wooden bridges with metal bridges on trekking routes
- Installing equipment for the underground transmission of electricity and telephone wires
- Starting FM stations and conducting public awareness programmes
- Mobilising local people and training them in the crucial areas of fire and disaster management and deforestation, among other things
- Constructing porter shelters along the trekking routes
- Helping to preserve local architecture in the construction of buildings

As communities are entrusted to plan and approve community programmes, as well as handle all financial matters in their execution, the buffer zone programmes have contributed to significantly reducing park-people conflict. BZMCs have

been established in each buffer zone and are constituted by the chairpersons of all the user councils (UCs) in the buffer zone. The chairperson of the BZMC is elected from among the UC representatives for a period of five years. The Chief Warden serves as the Member Secretary of the BZMC. There are 9 to 11 members representing user groups (UGs) in each UC and the council's chairperson is elected from among these representatives. There can be up to 21 such UCs in one protected area. Each household in the BZ is eligible to become a UG member and several UGs form a UC. Each UG has to select one female and one male member to represent it on the UC.

The central account of the BZMC is maintained at the national park office and disbursed to the concerned UCs to implement approved programmes. The programmes are required to allocate 30% to conservation, 30% to community development work, 20% to income generating activities, and 10% each for conservation education and administrative purposes.

The Sagarmatha National Park Buffer Zone Management Council (SNPBZMC) is taken as the representative model for the present analysis. About 50 to 60% of the BZ area is covered with snow-capped mountains, glaciers, steep rocks, riverbeds, and other non-vegetated surfaces, which have greater significance for tourism than for traditional livelihood activities.

The SNPBZMC has successfully implemented its first Management Plan (five years) and is now engaged in implementing its second Management Plan (five years). The SNPBZMC was recently awarded the Tenjing-Hillary Mountaineering Award 2009 by the Government of Nepal. Under the provision to plough back 30% of the royalties earned from expedition teams to the DDCs, the SNPBZMC has requested 5% of these funds to finance its programmes.

Kangchenjunga Conservation Area
The Kangchenjunga Conservation Area (KCA) was declared by the Government of Nepal in March 1998. This region was also declared a gift to the Earth as part of WWF's Living Planet Campaign 2000. KCA is the first and only protected area managed by local communities in Nepal. The management responsibility was handed over to the Kangchenjunga Conservation Area Management Council (KCAMC) on 22 Sep 2006, and the Council is managing the area based on its approved management plan. The Council is supported by the Kangchenjunga Conservation Area Project (KCAP), which has been in operation since 1997 through the support of the DNPWC and WWF-Nepal (DNPWC 2008, p 29).

The DNPWC collects NPR 2,000 from each visitor to the KCA area. Fifty per cent of this is provided to the KCAMC. WWF-Nepal has also been providing financial support to the KCAMC. KCAMC is comprised entirely of non-government representatives. The Chairperson and Member Secretary are elected from

among the UC representatives in the KCAMC. The KCAMC consists of 1 representative from community forests groups, 2 from civil society, 4 from mothers' groups, the 7 chairpersons of the UCs, and 1 from the DDC. The Council formulates, approves, and implements programmes through its UGs.

KCAP used to be heavily involved in the formulation, approval, and implementation of programmes in the initial period (1997–2002). After the establishment of the KCAMC, KCAP and KCAMC jointly implemented programmes. Now that KCAMC is in its second five-year term, KCAP has redefined its role to just support in legal matters, coordination, training, research, and technical backstopping.

Three Snow Leopard Conservation Committees have been formed in the area with initial funding of NPR 1.4 million from KCAP. These committees have launched community-based livestock insurance schemes. The Committee pays compensation of NPR 2,500 for each yak killed by a snow leopard in pasture lands. An Endowment Fund has also been created by seven UCs with funding of NPR 1.46 million provided by KCAP to compensate for loss of livestock and humans by wild animals.

NPR 2 million was received for the establishment of 8 community-based anti poaching units and the purchase of necessary field gear. The interest earned on this amount is also being used for this purpose.

An inventory of non-timber forest products was completed in eight community forests and Action Plans prepared accordingly. The Community Forests were provided with technical support from KCAP. Similarly, an inventory of blue sheep and Himalayan tahr has commenced with a view to exploring the potential of restarting limited hunting activities in the KCA, which were abandoned almost 12 years ago.

A Juniper Oil Distillation Plant has been established in Ghunsha with an initial loan from KCAP of NPR 250,000. The female members of the community are heavily engaged in the collection of juniper leaves. The plant has repaid its loan and is selling its product in Kathmandu and other urban areas.

Despite all of these achievements, the dependency syndrome is widespread among the community. Thus, the major issue is the sustainability of activities because local efforts towards resource mobilisation, technical support, capacity building, entrepreneurship development, and the promotion and marketing of local products are rare. No donor other than WWF has been approached so far, and WWF's agreement with KCAP terminates in 2012.

Tourism for Rural Poverty Alleviation: A complete package of rural tourism

Although there has been no specific research done, there is a visible disparity in income and standard of living between the rich and poor in Nepal, even in rural areas. Tourism has resulted in an increase in the market price of commodities, especially during tourist season. The greatest beneficiaries of tourism are those who are comparatively better educated, speak a foreign language, are knowledgeable about hospitality and dealings with foreigners, can afford to establish commercial ventures along trekking routes, and are willing to take risks. The poor are largely deprived of the benefits of tourism, contributing to the widening of the gap between rich and poor. A glaring example of this is the economic status of people in the Solukhumbu district, which the seven-year Tourism for Poverty Alleviation Programme (TRPAP) attempted to rectify. The per capita income in the Solukhumbu is around USD 1,400, but there are still many people who fall below the poverty line. A handful of people, especially those engaged in tourism, receive high incomes.

TRPAP piloted its innovative model of pro-poor, pro-women, pro-community, and pro-environment tourism in the selected virgin areas of six districts (see Section 3.1). The programme demonstrated that livelihoods can be improved and poverty reduced through community involvement in small, traditional projects that fit with community aspirations. Through this approach, the poor were availed of better access to capacity building and financial resources. However, the development of entrepreneurship skill among the poor and their capacity to bear the risk of investment has been a challenge. Some of the commendable outcomes of the programme include the successful application of a participatory people-oriented approach with an inclusive planning model; the self identification of local needs and immediate and long-term goals through an Appreciative Participatory Planning and Action (APPA) exercise; self sufficient local level planning, approval, and implementation; and, most importantly, the active participation of communities in the development of Participatory District Tourism Development and Management Plans in all six project districts.

The APPA exercise was used as a key planning tool to prepare five-year, community-based, rural sustainable tourism plans in 48 selected VDCs in Nepal. This exercise was steered by trained social mobilisers hired by TRPAP and had the active participation of an almost equal number of women and men from local community organisations (COs). The APPA reports became the main community document for the development of rural tourism in the villages. Towards the end of TRPAP, a 're-APPA' was carried out in the same villages and with the same CO members to examine the real changes brought about by the programme, and to reassess the extent to which initial dreams had materialised. A comparison between the APPA and re-APPA reports clearly shows the outputs and impacts

of the programme in the villages, especially through the development wheel and wellbeing ranking. The outcomes of the re-APPA, such as the development wheel and the Community-Based Tourism Plan, reflected the consent of the community to the success of TRPAP's interventions (Kayastha 2007, cited in Kruk et al. 2007, p 63). It is equally vital that while involving the community in the planning process the community is made aware of the likely environmental and socioeconomic impacts of the programme, as well as management and service needs. One way of looking at the economic impact might be to trace tourism expenditure flows in the community economy in terms of the multiplier effect and discuss ways of enhancing this effect (Sharma 1995, p 14).

Capacity building was considered by many villagers as TRPAP's most important contribution. Villagers were supported through free training courses in areas such as business management, organisation, health, language, agriculture, environment, alternative energy, handicrafts, marketing, and tourism services. The local people trained in these courses were also facilitated by soft loans to start enterprises and other income generating activities, which helped feed their families and send their children to school. As a result, new small enterprises were started by local people. These included selling fruit and vegetables, poultry farming, convenience shops, lodges, restaurants, and the production of a range of handicrafts. Similarly, local women and men were encouraged and trained in the upkeep and performance of cultural programmes for tourists. This initiation succeeded in developing local culture as a key product in the presentation and interpretation of rural tourism. Eventually, it developed into a good source of income for the villagers, especially for women and members of marginalised and disadvantaged groups, as well as reviving local culture.

TRPAP developed a sustainable financial system through a self-replenishing and revolving Venture Capital Fund under the custody of the DDC, to facilitate easy access to financial resources for new enterprises. The Fund provided soft loans amounting to USD 150,000 to over 650 small business ventures belonging to the poor, women, and people from disadvantaged groups, and to CO members identified in the wellbeing ranking during APPAs, and using social collateral. Entrepreneurship training was given before extending these loans. Small sums were extended often to the poor, women, and people from disadvantaged groups to start small ventures. The sustainable tourism development committees with the DDCs and VDCs were responsible for these transactions. There was a good response to the loan disbursement, and a good repayment record; repayments crossed the 70% mark during the initial days. TRPAP trained over 13,000 people in around 350 training courses and organised 1010 Tourism and Environmental Awareness programmes with COs and functional groups (FGs) for over 27,000 persons. These programmes specialised in increasing awareness in the areas of environment and health, hygiene, and sanitation (TRPAP 2007, p 75–84).

Plough back of revenue for community development purposes

A veteran Nepali tourism expert, Mr Harka Gurung once said that "Conservation promotes tourism, tourism generates revenue for conservation and development enhances sustainability of conservation". Nepal has been following this model to generate resources for the preservation of the environment and conservation of wildlife, for the management of BZs, and to contribute to the socioeconomic development of the concerned areas by offering protected areas and conservation areas to attract tourists. There have been mixed lessons from the different management and financing models in Nepal. However, it is understood that without the appropriate management of tourism benefits, even the returns from ecotourism are not automatically ploughed back into the local economy and for the benefit of all local people. In order to ensure this, the Government of Nepal and the institutions responsible for ecotourism management must put effective mechanisms in place (Pradhan 2008, p 62). The Government of Nepal's initiatives to engage communities by extending financial backup for management are as follows:

(a) The Government of Nepal has handed over certain parts of conservation areas to the non-government sector for a specified period to implement conservation and community development activities. The non-government managing party is authorised to raise a reasonable entry fee to finance its activities. The managing party has full autonomy to use and manage funds for programmes that are approved by its executive body. However, those programmes must ensure the active involvement of local community groups in implementation. This model is applied in the lower parts of the ACAP area (also see Section 3.2). Under slightly different terms, the SPCC is also authorised to manage certain work, but not the overall area, and is paid for this work by the Government of Nepal and other institutions. Under the same model, the Nepal Mountaineering Association is entitled to charge climbing fees and use the revenue generated for programmes approved by its executive body.

(b) Between 30 and 50% of the revenue generated by the protected area is ploughed back into the respective BZMCs of all the BZs, which are authorised to formulate, approve, and implement programmes in BZ areas for the benefit of the local people (also see Section 3.2). Under this model, the Chief Warden of the Park is the Member Secretary of the governing body and funds are in his/her custody. In practice, some discrepancies have been noticed, such as a sizable amount of funds set aside by the Chief Warden for park purposes. There are instances where the unsuspecting local people have raised no opposition to such undesirable acts.

(c) The Government of Nepal has entrusted the management of new areas opened for controlled trekking to non-government institutions. A premium fee is charged for trekkers to enter these areas, but the revenue is collected by the Government of Nepal itself. There has been no commitment by the Government of Nepal to plough money back into these areas, either directly or through the managing agency. However, the managing agency is also entitled to raise a nominal fee. Under this model, the managing agency is supposed to involve the community in implementing its programmes. The Upper Mustang project of ACAP and MCAP falls into this category.

(d) The Government of Nepal ploughs back 30% of the royalties generated from expedition permits to the DDCs for the implementation of appropriate programmes. Under this arrangement, DNPWC has revealed that only Lamjung and Solukhumbu districts have received funds (one instalment each in February 2006), but these funds were unable to be utilised for procedural reasons.

Impact of tourism on local settings

Both positive and negative impacts are generated by the additional movement of people in any specified location. If planned well, tourism can create demand for locally produced goods and services and raise the living standards of rural people by creating off-farm employment and income generating opportunities in remote areas. Being community and natural and cultural resource based, rural tourism provides opportunity to harness indigenous knowledge for the socioeconomic benefit of the rural poor. But the main question remains: How can we make tourism sustainable and more pro-poor (Pandey 2009, p 20)?

Annapurna Conservation Area Project

An 'Evaluation of Ecotourism: A Comparative Assessment in the Annapurna Conservation Area Project' carried out by Thapa and Nyaupane (2004) assessed the environmental, economic, and socio-cultural impacts of tourism in a traditional tourism area, the Annapurna Sanctuary Trail (AST), and a new area, the Ghalegaon-Sikles trail (Eco trek). The AST has been in operation for over three decades and is the most popular trekking trail in Nepal; the Eco trek has been in operation for a decade and has had only a fewer trekkers so far (see also Section 3.4). This field-based study surveyed 100 households in each area, from which the responses were overwhelming (AST – 96; Eco trek – 98 families). The respondents were asked about their perception of the positive and negative environmental (13 indicators), economic (17 indicators), and social (13 indicators) impacts of tourism in their respective areas. A frequency analysis of these indica-

tors was conducted followed by a 't-test' to determine the differences in means for each indicator in the three categories.

In relation to environmental impacts, the analysis revealed that 12 out of 13 indicators were significantly different. All 6 significant negative impact statements demonstrated higher mean scores for residents of the Eco trek area, meaning that they were less likely than AST residents to perceive negative environmental impacts as a result of tourism. Conversely, 5 out of 6 positive impact statements were statistically significant. The analysis found that the residents of the Eco trek area were less likely than AST residents to perceive the positive environmental impacts of tourism.

In relation to economic impacts, the analysis revealed that 11 out of 17 indicators were statistically significant. A total of 7 out of 9 negative impact indicators showed significantly higher mean scores for residents of the Eco trek area, meaning that they were less likely than AST residents to perceive negative economic impacts as a result of tourism. Similarly, out of 8 positive impact indicators only 3 were statistically significant. The analysis found that the residents of the Eco trek area were less likely than AST residents to perceive the positive economic impacts of tourism.

In relation to socio-cultural impacts, the analysis revealed that 9 out of 13 indicators were statistically significant. All 6 negative impact indicators denoted higher mean scores for residents of the Eco trek area, meaning that they were less likely than AST residents to perceive negative socio-cultural impacts as a result of tourism. On the contrary, 3 out of 7 positive impact indicators were statistically significant. The analysis found that the residents of the Eco trek area were less likely than AST residents to perceive the positive socio-cultural impacts of tourism.

The study concluded that the residents of the Eco trek area perceived fewer negative and positive environmental, economic, and socio-cultural impacts than the residents of the AST area. This demonstrates that, while the ecotourism area minimises negative impacts, it does not maximise economic benefits, especially to local residents.

The Eco trek area was characterised by community ownership of accommodations, resulting in minimal individual income. Income from campsites was also low due to low tourist traffic. The low number of lodge clusters in the Eco trek area was another negative factor in attracting free independent travellers (FITs). On the other hand, the AST area had enough clusters of lodges along the trail (at least one at each overnight stop) to attract FITs, who spend directly at the site, as opposed to organised groups, which carry their necessities with them. In addition, organised groups did not spend more in the AST area as these group prepaid for their trips in Kathmandu or other urban centres.

One of major lessons that can be learned from this study is that small-scale, community-based, and hard ecotourism (e.g., the Eco trek area) is associated with fewer negative environmental, economic, and socio-cultural impacts, but simultaneously yields fewer positive economic benefits. Conversely, traditional forms of nature-based tourism (e.g., the AST area) experience more negative environmental, economic, and socio-cultural impacts, but draw greater economic benefits, which are unequally distributed. The study suggests that there is a trade-off between economic benefits and environmental and social-cultural costs, which must be balanced to effectively implement the concept of ecotourism (Thapa and Nyaupane 2004, p 42).

Impact assessment in and around the Sagarmatha National Park Buffer Zone

An impact study carried out during 2004 revealed that forming UGs at the settlement level was effective in reducing conflict, encouraging a high level of local participation, and enhancing social integration. As the capacity of office bearers of UGs has improved, these institutions have evolved from state-sponsored, park/reserve authority-dependant, passive service recipients to more democratic, inclusive, and autonomous organisations (New Era 2004, p ix).

Another impact assessment was carried out by interviewing 122 UG members and 3 UC members in the SNPBZ from November 2007 to January 2008. This assessment analysed responses in the areas of infrastructure development, the repair and maintenance of trekking routes and trails, implementation of conservation-oriented programmes, supply of local necessities, increased awareness levels, establishment and running of kerosene and LP gas depots, activities to increase tourists, establishment of tourism information centres, and construction of drainage and sanitation facilities under sustainable development activities. Each respondent was found to have benefitted from these activities of the BZMC.

The awareness level in relation to environmental issues was also found to be very high as all respondents reported that the BZMC programmes had supported conservation activities. Respondents were also supportive of programmes such as plantation and fencing; the establishment of alternate energy sources; promotion of the traditional 'Ngwa' system of agriculture; efforts to control illegal poaching of wildlife; conservation education and establishment of eco clubs; awareness raising about the environment; conservation of forest and wildlife including the red panda; conservation of local religion and culture; and subsidies for metal pole transportation.

Three-quarters of the respondents were of the opinion that the BZ programmes had benefitted both poor and rich people, but around one-fifth were of the opinion that they only benefitted the rich. Responding to this, the BZMC has

identified people from marginalised groups and the poorest of the poor and begun implementing programmes for this special target group.

Plans were formulated at the bottom level, i.e., by UGs and approved by the BZMC through UCs. In relation to human resource development, only a few people were trained, entrepreneurship development was lacking, and the BZMC programmes did not support the establishment of (or augment) financial capital. The assessment found that the BZMC was not contributing to the improvement of livelihoods, and, thus, the majority of User Groups and User Committee members are demanding increased investment in income generating activities.

The study concluded by revealing that the planning, implementation, and monitoring of BZ programmes concentrated on conservation (e.g., micro-hydro). To avoid this, strict adherence to the BZ guidelines is necessary. It recommended that BZMC programmes prioritise capacity development activities, the active involvement of women in decision making, increased participation of the poor in the UGs, and programmes for special target groups. The assessment recommended that programmes adopted a participatory approach and that regular monitoring be ensured involving other concerned conservation partners (Development Perspective Nepal 2008).

Conclusion

Nepal has experimented with several tourism models to ensure the active engagement of the non-governmental sector, and has mostly succeeded in doing so. Institutions like NMA have greatly helped in promoting mountaineering, which is a low-number, high-yield premium tourism product in Nepal. Local people have a lot of respect for the SPCC, which has devoted itself to preserving the environment as well as controlling pollution in the Sagarmatha region. ACAP and MCAP adopted a community-based model for managing conservation and tourism through an institutionalised process, in which the local community representatives are in the driving seat with the NTNC providing technical support. However, even after decades of working together, the community's dependency on the NTNC has not been eliminated nor has the conflict between the two been totally resolved.

Local entrepreneurs prefer FITs as they consume local food and buy services that are available locally. But the Government of Nepal has never revisited its restrictive policy to limit the number of trekkers in certain controlled areas (like Mustang), which was introduced without proper research in crucial areas including into environmental concerns, carrying capacity, social and architectural status, conservation issues, energy issues, and food deficiencies. In addition, the method is crude controlling only the number of visitors to these areas, with no

significant measures to mitigate negative environmental, social or other impacts. This policy only benefits the trekking agencies in the cities (who organise trekking groups to these areas), and the Government (which collects handsome fees from every trekker). Local people seriously object to this policy, which allows the exploitation of natural resources and heritage without benefiting the local communities or local economy. Local communities would appreciate the revision of such policies based on realistic environmental and other concerns to enable them to enjoy an equal distribution of income from tourism.

The BZ model is good for replication anywhere, as local people are actively engaged in all cycles of project implementation and financial resources are also guaranteed through the mechanism to plough back earnings into the protected area. KCA is also working well as the first and only protected area managed by the local community in Nepal; it is coming up with many innovative approaches like livestock insurance, the endowment fund, use of non-timber forest products (NTFPs), and an inventory of wild animals with a view to resuming hunting tourism. Sirubari is another good example of community-managed village tourism and has initiated a dynamic shift in the management of rural tourism. Sirubari is a role model for village tourism and training site for others to learn from.

Ownership by the local community and continuous and meaningful community participation are essential for the sustainable development of non-urban tourism. There are many positive lessons coming out of Nepal, where people have demonstrated a willingness to engage in tourism activities after successful pilot demonstrations in their locality. Local people have come together to initiate the drafting of their own visions, to produce plans and programmes, take part in decision making, and explore financial arrangements. Special projects like TRPAP have contributed to capacity enhancement and to increasing local people's access to financial resources through the provision of soft loans for small business ventures. The local people greatly appreciate these efforts, but direct tourism interventions have not always been of benefit to poor communities as, for example, home stays do not suit small houses. On the other hand, those with housing space and facilities have had little business in some villages due to lack of tourists, which may be due to location or insufficient marketing. Thus, although there have been good initial results from many of these programmes and models, substantial up scaling is necessary for success in the long term.

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›››› Section 3. Case Studies

3.1 Community-Based Pro-Poor Tourism: Lessons from TRPAP

Rabi Jung Pandey[8]

The meaning of community-based pro-poor tourism is often misunderstood or misinterpreted in tourism practice. Community-based pro-poor tourism is tourism with the participation of local poor people and that takes environmental, social, and cultural sustainability into account. Community-based pro-poor tourism is tourism that is managed and owned by the community (including marginalised groups), for the community, and that aims to enable visitors to increase their awareness and learn about the community and local ways of life.

Instead of asking "how can communities benefit more from tourism?", this type of tourism asks tourism practitioners "how can tourism development contribute to the process of community development?". Therefore, community-based pro-poor tourism has to be understood as not simply a tourism business that aims to maximise profits for investors, but tourism that emerges from a community development strategy and that uses tourism as a tool to strengthen the ability of rural community organisations to manage tourism resources with the participation of local people. However, community-based pro-poor tourism is far from a perfect, pre-packaged solution to community problems. In fact, if carelessly applied, community-based pro-poor tourism can cause problems and have negative impacts.

Likewise, the marketing of tourism products should promote public awareness of the differences between community-based pro-poor tourism and mass tourism, educating people about the importance of community-based pro-poor tourism as a community tool for resource conservation and culture preservation.

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There are many countries where this kind of tourism is widely practiced. Some are exploring it as a pilot concept and some are following it as a successful means of poverty reduction. Many individuals and institutions, including professors from renowned universities, are conducting research on community-based tourism (under this or another name). It does not matters what terminology is used, the overall objective remains the same, i.e., to benefit local communities through tourism development.

Tourism for Rural Poverty Alleviation Programme

The Tourism for Rural Poverty Alleviation Programme (TRPAP) was Nepal's first large-scale, long-term community-based pro-poor tourism project. TRPAP was a joint initiative of the Government of Nepal, United Nations Development Programme (UNDP), Department for International Development (DFID), and SNV Nepal. The Ministry of Culture, Tourism and Civil Aviation (MoCTCA) was the executing ministry at the central level, and TRPAP worked with the various district development committees (DDCs) under the Ministry for Local Development at the district level. National level implementing partners were the Nepal Tourism Board (NTB) and the Department of National Parks and Wild-life Conservation (DNPWC).

TRPAP worked with community organisations (COs) and formed or recognised existing community based organisations (CBOs) at the grassroots level, particularly in national parks where buffer zone users groups, users committees, and management councils had been legally working for a long time. For the development and implementation of training manuals, TRPAP worked with the government-owned tourism sector human resources development body, the Nepal Academy of Tourism and Hotel Management. The beneficiaries of the programme included government institutions and line agencies, policy makers and planners, academic institutions, private sector tourism entrepreneurs, and members of local communities such as guides, porters, and farmers.

TRPAP commenced as a pilot programme in September 2001 in 48 village development committees (VDCs) of six districts from the east to the mid-west of Nepal: Taplejung and Solukhumbu in the Eastern Development Region; Rasuwa and Chitwan in the Central Development Region; Rupandehi in the Western Development Region; and Dolpa in the Mid Western Development Region. The programme covered all geographical regions from the hot flat land of the Terai to the alpine zone.

Initially, the programme was scheduled to run from September 2001 to October 2006. The final evaluation in October 2006 recommended that the programme continue activities until the end of December 2006 in all project sites. Based on

the evaluation, two district programmes – Taplejung and Dolpa – continued their rural tourism activities through the NTB until January 2007, while the Sagarmatha National Park (SNP) component was fully handed over to the DNPWC and SNP at the end of December 2006. Direct implementation of Sustainable Rural Tourism activities in the remaining four districts continued until the end of June 2007.

The six pilot districts were chosen based on the extent of existing tourism development, or its potential, and the extent to which significant elements of poverty existed and to which marginalised social groups were in need of support. The programme was designed to use tourism to help address the issues of disadvantaged groups by focusing on human resources and through sustainable tourism planning and integration with tourism distribution channels and existing local government support mechanisms. The programme had a very strong social agenda and involved multiple stakeholders (community stakeholders, local governments, and the NTB) to work together towards agreed common goals.

By promoting and marketing rural tourism, TRPAP expected not only to help tourism development in Nepal, but to complement the Government's long-term goal of poverty alleviation. Its objectives were broadly classified as: (i) poverty alleviation; (ii) decentralisation; and (iii) tourism development (as a catalyst for objectives i and ii). The policy and strategic planning aspects of the programme were based on pilot demonstrations at unique sites, using tourism as a means of poverty alleviation.

The programme targeted the disadvantaged stratum of rural people. By developing linkages with the rural populace, the programme encouraged and involved people at the grassroots level in the decision-making process to ensure that the benefits from tourism would reach the rural poor.

In its approach to the overall strategic aim of poverty-reduction, TRPAP adopted a policy of extensive community consultation, local audits, and market research, followed by the creation of detailed district tourism plans. The district tourism planning process was an essential part of the process of horizontal and vertical integration, which was a key consideration for TRPAP. Through this process, the programme aimed to ensure that strong and sustainable structures were in place at the end of the programme, so that initiatives created through the programme would continue. The programme also recognised that local prosperity through tourism is only possible when national tourism thrives.

Tourism products

With the concerted efforts made by TRPAP, Nepal was able to demonstrate that community-based sustainable rural tourism models can be a vehicle for reducing

rural poverty. TRPAP enabled the country to diversify its tourism products. Seven different tourism models were developed in the six TRPAP districts: the Chitwan Chepan Hills Trail; Tamang Heritage Trail (Box 3.1.1); Pikey and Dudhkunda Cultural Trekking Trail; Eco-Treks at Phortse, Solukhumbu (Box 3.1.2); Lumbini Village Tour (Box 3.1.3); Dolpo Experience Circuit; and Pathibhara and Limbu Cultural Trails.

Box 3.1.1: Tamang Heritage Trail, Rasuwa

Langtang National Park is the third most popular trekking destination in Nepal. TRPAP introduced a completely new eight-day trail passing through the backward, but culturally rich, villages of Goljung, Gatlang, Chilme, Tatopani, Brimdang, Nagthali, Thuman, Timure, Briddhim, and Syabrubesi. This trail features Tamang culture, religious sites at Parvati Kunda and Tatopani, magnificent Himalayan views from Nagthali meadow hilltop, and the historical fort of Rasuwa Gadhi bordering Tibet. Lodges and home stays were developed in the villages along the route, and Gatlang now has accommodation in its Community Lodge and Cultural Centre.

A relatively easy, soft-trekking product, the trail contains Buddhist chortens, monasteries, traditional mountain villages, interesting architecture, crafts and customs, exquisite landscapes, and a natural hot spring. The Tamang Heritage Trail offers authentic cultural performances and has ethnobotanical and cultural features. Its promotion will help bring tourism benefits to many excluded communities in the area.

Box 3.1.2: Eco-Treks at Phortse, Solukhumbu

Phortse village, situated at 3,900m in the Sagarmatha National Park, had problems providing even basic necessities for tourists. Poor villagers were unable to afford the high price of gas and kerosene, and were dependent on firewood for cooking and heating. Forest regeneration is very slow in the area due to the high altitude and cold climate. TRPAP partnered with the Buffer Zone Management Committee, Laligurans Buffer Zone Users Group, Khumjung VDC, and the community to develop a 60 kilowatt micro-hydro set generated from the Thulung River. All 83 households in Phortse now have electricity, with 53 households using power for cooking and heating. Payment for the consumption of electricity is fixed depending on the household's economic status. Electricity has transformed the village and enabled it to become an attractive ecotourism destination. Being off

the main Everest Base Camp trail, authentic Sherpa cultural traditions have been preserved in Phortse. The micro-hydro set has reduced the impact on the forest, maintaining the environment. The Buddhist non-hunting culture also nurtures biodiversity. Other TRPAP improvements noticed by tourists include the positive effects of Tourism and Environment Awareness Programmes, safe drinking water, sewage systems, a dumping site, incinerator, and smoke-free kitchens.

Box 3.1.3: Lumbini Village Tour

Tourism in Lumbini used to be centred on the three square mile Lumbini garden, a pilgrimage site to the holy birthplace of Lord Buddha. Visitors are mainly from Thailand, Japan, Korea, Sri Lanka, China, and neighbouring India, as well as Nepal. Lumbini has sufficient accommodation, food, and transportation facilities. Several comfortable hotels and monasteries are available, but the length of visitors' stay was always short, often less than one day. In order to add value to this world-class destination, TRPAP introduced a new tour to the surrounding villages.

The TRPAP Lumbini Village Tour offers a unique experience of rural Terai that addresses the issue of poverty alleviation through tourism. TRPAP supported the Lumbini Development Trust to train local guides, replacing the imported guides of Indian origin who were taking tourists around Lumbini. The local guides have been instrumental in motivating tourists to go beyond the Buddhist sites and visit the seven TRPAP VDCs around Lumbini. To develop these VDCs for tourism, a traditional Tharu museum was constructed in a nearby Muslim village, and souvenir making using natural materials such as banana fibre, local grasses, and clay sculptures was demonstrated to tourists. These new destinations offer a look at native Tharu and Biraha culture, and include natural sites such as wetlands for bird watching, historic ponds, and village farms. Local products are gradually replacing souvenir items imported from India.

TRPAP contributed to the development of a circuit around different Buddhist sites directly related to Lord Buddha in Nawalparasi and Kapilvastu, helping to spread the benefits from pilgrimage tours. The Lumbini Development Trust's Information Centre, which was also supported by TRPAP, has displays and provides information about all of these new products.

Major thrust of TRPAP

The TRPAP programme had four major thrusts: pro-poor, pro-environment, pro-communities, and pro-women.

Pro-poor

TRPAP focused on mainstreaming the poor, marginalised groups, women, and local communities. Social mobilisation was an integral part of the programme. Almost all households in the programme areas were given the opportunity to become members of community organisations. They were given the opportunity to be trained in vocational areas, empowered to understand the value and importance of their social belonging, facilitated and mobilised to define their priority needs, and helped to identify their objectives and design a sustainable process to achieve results. In broad terms, the aim of the programme's social mobilisation was to manage human, economic, and organisational resources to increase and strengthen community participation.

Right from its initiation, TRPAP's activities focused on addressing the poverty alleviation objective of the 10th Five Year Plan (2002–2007) of the Government of Nepal. The programme worked to empower the poorest of the poor through social mobilisation, capacity building, and skill development. Local people themselves planned, implemented, and monitored programme activities. TRPAP staff always encouraged them to come to the fore by giving this high priority when making decisions during planning and implementation. Trained local social mobilisers, under the guidance of project personnel, were instrumental in organising and forming community organisations (COs) and functional groups (FGs). People were encouraged to understand the benefits of uniting for a common cause, and, thus, COs were enthusiastically established. COs emerged as an effective forum for involving the community in decision making, fund management, readiness assessment, and dialogue within the community. Common discussions in CO meetings involved livelihood issues, their causes and solutions, infrastructure and service needs, decision-making processes, financial resources, and skill enhancement.

TRPAP worked in three modalities: recognising existing COs formed by other development organisations; reactivating COs that were inactive or almost collapsed; and forming new COs. The first modality, recognising existing COs, related to COs in protected areas where buffer zone groups were working. A similar approach was used when establishing FGs. The total commitment and patience of project personnel and social mobilisers supported parties to the conflict to overcome difficulties. However, there is no doubt that the beneficial

impact of COs on livelihoods would have been more dramatic without the armed conflict.

In Nepal, women, ethnic minorities (janajati), so called 'low caste' people (Dalits), and ethnic communities are identified as the most excluded groups in terms of access to development opportunities. TRPAP paid special attention to strengthening the weak position of these vulnerable groups to ensure that their rights were recognised and realised. Local social mobilisers regularly interacted with local leaders and socially excluded groups. Direct access to tourism awareness and skills training helped them to identify tourism opportunities, services, and products, and to recognise the value of friendly cooperation with tourists.

Over the period, TRPAP formed or re-formed 781 COs with 16,098 members. Women accounted for 50.18% of members. Specially targeted groups, consisting of those unable to feed their family all year from their own agricultural resources, were also strongly represented. Similarly, 170 FGs were formed with 2,127 members during the same period.

Pro-environment

To give visitors more choice and to relieve visitor pressure on destinations, it was necessary to diversify the tourism products available and enhance the livelihoods of rural communities through tourism. TRPAP's programmes were implemented in rural, remote, and isolated areas with high tourism potential. To address the possible depletion of local environmental resources due to tourism, TRPAP implemented three categories of environmental activities, including both software and hardware-based activities: (i) Tourism and Environment Awareness Programme (TEAP), (ii) Waste Management, and (iii) Renewable/Alternative Energy Technology.

Tourism and Environment Awareness Programme
The Tourism and Environment Awareness Programme (TEAP) was introduced as a tool for introducing TRPAP into the villages. Community organisations were given a two-day training on TEAP, while functional groups (groups of entrepreneurs) and school children were given a one-day training on the interrelationship between tourism and the environment. Similarly, a three-day training was conducted for local people to make them fully aware of aspects of waste management. TEAP for COs, FGs, Eco-clubs, and students in non Eco-club areas were included under the software part of the programme. Guidelines, posters on conservation codes of conduct, pictorials, training manuals, and booklets were developed as supportive materials. Facilities for sanitation and waste management and forest conservation, either through the replacement of existing practices (e.g., replacing wooden poles with iron poles in national parks and buffer zones) or energy promotion and energy saving schemes, were included under the hardware part.

Envisioning the possible negative environmental impacts, TEAP cautiously developed and implemented its plans and programmes to halt any damage before it could occur. The implementation of TEAP immediately after the formation or recognition of existing COs was productive in raising the level of awareness of the interrelationship between tourism and the environment in the community. TEAP created an enabling environment for people to better relate to, and govern, local tourism and environmental resources. Toilet construction for better hygiene, incinerators for burnable waste, rubbish pits/bins for the temporary collection of waste, compost bins for decomposable waste, and dumping sites for non-biodegradable and disposable waste were installed to address waste management issues.

Waste Management
TRPAP published guidelines, posters, and manuals on environmental issues in addition to other materials (available at the Nepal Tourism Board). Two separate manuals (Waste Management Training Manual and Waste Management Guidelines) were produced to assist districts and other stakeholders in pollution-free tourism development. A Solar Dryer Manual was produced to guide beneficiaries along the trekking routes on how to handle distributed solar dryers in order to yield more income from their surplus vegetables during the season and increase their use during the off-season.

An Ecotourism and Biodiversity Training Manual produced under the programme's SNP component became a practical tool for human resource development in national parks. A conservation code of conduct, a biodiversity conservation poster, and a poster covering social dimensions based on the slogan/campaign 'Be a Responsible Tourist' all helped to broaden the awareness of local people. TRPAP developed partnerships with government and non-government institutions promoting renewable energy technologies and joined hands for renewable energy propagation at TRPAP sites towards environment-friendly rural tourism development.

Renewable/Alternative Energy Technology
Likewise, the promotion and propagation of improved cooking stoves, construction of toilet-connected biogas plants (both low and high altitude models), the installation of micro-hydro and peltric sets in feasible areas, and the initiation of solar home systems, solar dryers, and solar water heaters in suitable areas, at the initiative and under the guardianships of local people, were effective in relieving the pressure on already scarce local environmental resources, particularly forest resources. All these efforts substantially supported the local environmental resources and encouraged biodiversity conservation, in addition to creating employment at the local level, which was the ultimate goal of the Government. Improved cooking stoves saved fuelwood and helped to substantially reduce

indoor air pollution and smoke-related diseases of rural women, who are more affected by the kitchen environment.

Establishing plantations and replacing wooden poles with iron poles on a massive scale in buffer zones help to replenish depleted forest resources. Almost all of the measures taken have shown positive results in environmental conservation. This proves that programmes planned using a bottom-up approach, considering the guardianship of local beneficiaries, and with the wider participation of local stakeholder can be successful. This modality could be up-scaled and replicated in other areas to address the issues of the most needy people where programmes are being implemented in the absence of backward-forward institutional linkages. This modality also ensures the continuation of similar activities after the project has ended, not only because of the existence of institutional mechanisms from the centre to the grassroots level, but also because of the existence of adequate policies, strategies, and rural tourism models developed by the project.

Pro-communities

TRPAP viewed local communities as social capital – as networks of trust and reciprocity between community members, which help to transform social assets into economic, social, and environmental action. These networks reflect people's willingness to invest their time and energy in specific social relationships, and to channel this into building local organisations and user groups to facilitate coordination and cooperation for mutual benefit. In TRPAP villages, social capital existed in three tiers: (i) between social mobilisers, project personnel, and the community; (ii) between project personnel and government officials; and (iii) between community members themselves. The existence of grassroots social capital built in the form of COs and FGs to manage tourism infrastructure and enterprises was an indicator of TRPAP's success. All of TRPAP's activities were focused on benefiting the community through tourism development. People were brought together through social mobilisation, empowered, and given the skills to handle tourism activities. Communities benefited from small-scale infrastructure programmes, and an enabling environment was created for them to make decisions in relation to tourism development.

Sustainable tourism development committees (STDCs) were formed at the VDC level involving representatives from all COs and FGs, and from the social components of the VDC (see Figure 3.1.1). TRPAP carried out various development activities in the villages in coordination with COs and STDCs. The institutional capacity of COs was strengthened. The new structure encouraged government officials in the DDCs and VDCs to adopt transparent and democratic decision-making processes, particularly in relation to villagers and COs, replacing earlier forms of planning in isolation, which were often incompatible with

village needs. The newly-created institutions – the Sustainable Tourism Development Unit (STDU) at the Nepal Tourism Board (NTB), the STDCs/buffer zone users committees (BZUCs), and sustainable tourism development sections (STDSs) – played key roles in providing guidance in policy formulation and local tourism development. STDSs, STDCs, and BZUCs ensured that beneficiaries had representatives from the multi-stakeholder groups that were likely to be impacted by the tourism development process. The community's innate knowledge of development issues and corresponding solutions were integrated for tourism development through the use of Appreciative Participatory Planning and Action (APPA) and the Development Wheel (DW) for the first time in Nepal. The APPA technique became increasingly popular as a way of inspiring motivation and commitment among the villagers. APPA is a social empowerment tool based on appreciative inquiry and participatory decision making. It promotes the 'Five Ds' approach: discovery, dreaming, direction, design, and delivery/destiny. Using their knowledge and experience, participants identified core activities and future expectations, as well as a strategy to achieve them. TRPAP conducted APPAs and re-APPAs in all programme VDCs and settlements to the identify issues for different community members (see also Section 2.3).

Figure 3.1.1: Institutional linkages in TRPAP
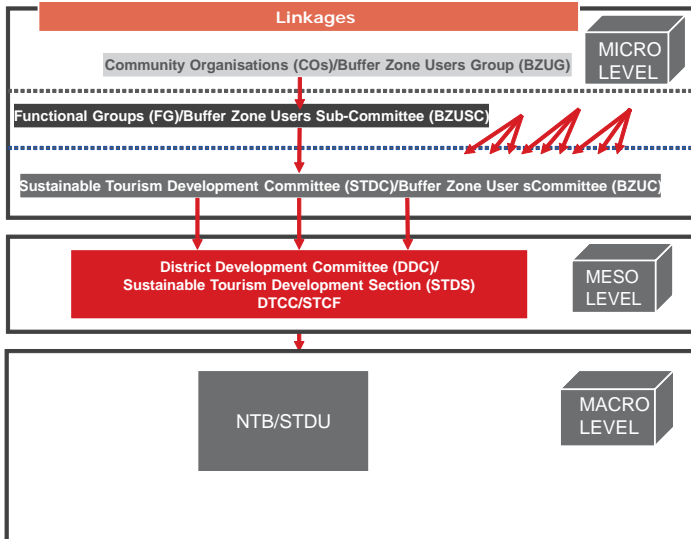
Source: TRPAP

Note: DTCC = District Tourism Coordination Committee;
STVF = Sustainable Tourism Venture Fund; STDU = Sustainable Tourism Development Unit

The Development Wheel framework replaced top-down decision-making by external authorities and encouraged a local bottom-up approach to the development process in which most of TRPAP's direct beneficiaries were involved. A feeling of ownership was generated in relation to tourism development decisions, their implementation, and the management of subsequent changes. Using this technique, villagers were given the opportunity to score and rank 14 different attributes, depicted as spokes of a wheel. Participants drew a picture clearly indicating the strengths and weaknesses of the development process and tourism potential. This tool was found to be helpful in drawing conclusions based on a community approach to assessing local capacity, strengths, weaknesses, and potential improvements.

During the project period, TRPAP implemented 38 major types of infrastructure development activities including the construction of stone paving, drinking water and sanitation facilities, public toilets, waste management facilities, dumping sites, incinerators, alternative energy facilities, improved cooking stoves, micro-hydro installations, small irrigation infrastructure, agricultural production infrastructure, suspension bridges, and culverts. These activities not only support tourists, who visit occasionally, they also support the rural poor who have suffered hardships due to lack of such facilities.

Pro-women

TRPAP emphasised the equal involvement of women and men and their active participation in the decision-making process. This was made possible by hiring local staff, forming community organisations at the local level, providing training, and granting loans for entrepreneurship development. Fixing quotas for women in all activities played a crucial role in making TRPAP pro-women in situations where including women was very difficult. A separate Gender Portfolio was introduced in TRPAP to specifically address women's issues and monitor gender mainstreaming in each and every tourism activity. This resulted in 50.65% of participants being women. To get women into the mainstream of rural tourism, preference was given to hiring women as social mobilisers (33% of social mobilisers were women). Women were given preference as social mobilisers to ensure that rural women's issues were not overlooked and to avoid having community demands primarily dominated by men. Having women as social mobilisers also helped the programme by making the women in the villages more comfortable in coming out of their homes, sharing problems, participating in activities, and making decision. Social mobilisers were given formal training, and TRPAP conducted awareness programmes on gender equality.

In Nepal, women, especially those married at child age, are generally given less priority for visits outside their community than men. TRPAP worked to ensure

the equal representation of men and women in capacity building training and study visits. Partner organisations were facilitated to support gender equality in planning and programming. Rural women were trained in a number of roles, including organic and off-season vegetable farming, as trekking guides, in environmental sanitation, home stay management, handicraft making and marketing, and CO management.

TRPAP reserved quotas for women in the membership of COs and FGs. In all COs, either the chairperson or manager was a woman, thereby giving equal decision-making power to women. TRPAP also encouraged the formation of women-only COs.

Management approach for an inclusive sustainable tourism development process

TRPAP focused on developing sustainable tourism practices through the formation of various institutional set ups, and devised the necessary policy documents and financial mechanisms to support such activities.

Linkages, activities and institutions

TRPAP was designed to run for a stipulated period. To ensure the continuity of TRPAP's activities after the project ended, institutional mechanisms were established from the grassroots to the central level for backward and forward linkages. TRPAP proved that to achieve sustainable tourism development a programme needs to focus on institutional, legal, and governance reforms. The key to TRPAP's institutional model was social mobilisation, which united and empowered the villagers to form COs at the grassroots levels. The COs provided a forum for poor and disadvantaged groups to raise their voices. TRPAP provided technical support through its advisors and social mobilisers. The institutions that provided the backward and forward tourism linkages were the sustainable tourism development committees (STDCs) at the grassroots level, separate sustainable tourism development sections (STDSs) within the DDCs, and the Sustainable Tourism Development Unit (STDU) at the Nepal Tourism Board (see also Figure 3.1.1).

TRPAP was able to work unhindered during the insurgency because of its people-centred programmes and locally recruited staff. The sustainable implementation of rural tourism programmes requires the institutionalisation of 'social inclusion'. TRPAP approached the Nepal Tourism Board to host the STDU and the Department of National Parks and Wildlife Conservation, under the Ministry of Forestry and Soil Conservation, to have a Tourism Unit for this purpose. The STDU, STDSs, and STDCs are crucial to the establishment of

ongoing and sustainable linkages between the central government, local bodies, and community organisations.

Policy issues

Poverty alleviation is a priority agenda of the Government of Nepal. TRPAP demonstrated the effective implementation of this concept by developing a sustainable tourism policy for adoption by the Ministry of Culture, Tourism and Civil Aviation. In order to reduce poverty in Nepal and facilitate the economic expansion of the tourism sector, the tourism policy seeks to enshrine pro-poor sustainable tourism strategies in all aspects of Nepal's tourism. The six pilot districts where TRPAP worked have recognised tourism as a core economic sector. For the very first time in these districts, Participatory District Tourism Development and Management Plans were prepared through wide consultation with the local community; these Management Plans include tourism activities in the District Periodic Plans. By adopting a participatory people-oriented approach, communities can identify their immediate and long-term goals and work towards achieving them. APPA exercises proved very successful, not only as a planning tool, but also for social empowerment and capacity building to enable self-sufficient local-level planning and implementation. Policy level documents prepared by TRPAP included a: (i) Pro-poor Tourism Policy, (ii) Tourism Industry Strategic Plan, (iii) Tourism Marketing Strategy 2005–2020, (iv) District Tourism Development and Management Plans for all six programme districts, and (v) a Sagarmatha National Park Management and Tourism Plan, which are discussed here.

Pro-Poor Tourism Policy
A pro-poor tourism policy was developed as an approach to tourism development and management in the hope of enhancing the linkages between tourism businesses and poor people to increase tourism's contribution to poverty reduction and enable poor people to participate more effectively in product development. The overarching principle behind the Pro-poor Tourism Policy was that it must be developed as a supplementary economic activity to produce incremental revenue and, thus, provide opportunities to enhance livelihoods.

Tourism Industry Strategic Plan
The Tourism Industry Strategic Plan acknowledges and defines the objectives and strategies for 11 distinct, but interwoven, components of Nepal's tourism industry and draws linkages between formal and informal, and direct and indirect tourism sectors. Critically, it has a section specifically geared to stimulating the harnessing of tourism to assist in livelihood change for the poor and, thus, to stimulate poverty reduction. The Strategic Plan primarily attempts to enhance the advantages and minimise the negative impacts of tourism.

Tourism Marketing Strategy 2005–2020
A Tourism Marketing Strategy for Nepal 2005–2020 was prepared to guide the tourism industry and the Nepal Tourism Board in marketing to help achieve the targets set by the Government of Nepal in the short term, and to suggest ambitious long-term targets for future growth.

District Tourism Development and Management Plans
Participatory District Tourism Development and Management Plans were prepared for all six programme districts to help and guide the development and management of nature and culture based tourism activities for the overall development of the district, as indicated in the Periodic District Development Plans for the programme districts.

Sagarmatha National Park Management and Tourism Plan
The Sagarmatha National Park and Buffer Zone Management Plan (2006–2011) was prepared with a view to bringing both the Park and Buffer Zone management under a single plan and to place strong emphasis on the management of tourism. The Plan is divided into two major geographic areas (National Park and the Buffer Zone) and three thematic sections (tourism, culture, and research). Extensive stakeholder consultations and reviews, both at the local and central level, were conducted as part of the participatory planning process.

Financial resource utilisation

TRPAP created the Tourism Infrastructure Development Fund (TIDF) to finance grants for tourism and socioeconomic infrastructure development. This fund was used for small-scale tourism infrastructure development at all VDCs. The development was monitored by the COs, and STDCs/BZUCs, thereby reducing costs and ensuring payments were transparent and free of corruption. In the post-TRPAP phase, care must be taken that these funds are not captured by self-interested local leaders and that ownership and management responsibilities for these investments are maintained. One of the greatest needs of villagers was access to financial resources for new enterprises. TRPAP's venture capital fund, as a separate Sustainable Tourism Development Fund (STDF), has remained very successful and is replicable in other parts of Nepal. This fund provided soft loans to CO members based on the wellbeing ranking during APPAs, and using social collateral. Entrepreneurship training was given before extending loans. Small sums were extended for operating lodges and restaurants, producing handicrafts, poultry farming, livestock rearing, milk production, vegetable growing, fruit farming, and other ventures, often to the poor, women, and disadvantaged communities. The STDCs, together with the DDCs and VDCs, were responsible for these transactions.

Lessons learned

TRPAP has taught us that tourism can be a viable tool for development and poverty reduction. Pervasive rural poverty issues can be addressed by involving local people. However, the commitment of the Government, private sector, donors, and local communities must be ensured for its extension, expansion, and replication to enlarge the benefits.

The followings are some of the main lessons learned, drawn from the TRPAP publication entitled 'Nepal's Experience Implementing Sustainable Tourism Development Models' (TRPAP 2007):

1. Livelihoods can be improved and poverty reduced through community involvement in local tourism development activities. A participatory approach is more likely to be sustainable than one imposed from the outside. There was sufficient enthusiasm among the villagers in the TRPAP areas to embrace tourism, providing initiatives were of a suitable kind and scale to match their abilities and skills.

2. Rural community development, such as health, water, bridges, trails, and power supply, and sustainable small tourism businesses, such as home stays, guesthouses, teashops, guiding services, and handicrafts, must be complementary and undertaken simultaneously.

3. TRPAP confirmed that with conventional tourism most of the benefits are retained in the central and city areas, with only a minor share reaching the villages. However, through pro-poor sustainable tourism strategies and using the inclusive planning model adopted by TRPAP, local communities (including women and disadvantaged groups) can become meaningfully engaged in tourism, increasing their share of the benefits.

4. Meaningful community participation and social mobilisation empowered villagers and harnessed support for TRPAP activities. This approach enabled TRPAP to continue to perform, even during the most difficult phase of the insurgency.

5. In all TRPAP districts the beneficiaries of tourism activities experienced growth in household income, diversity of revenue sources, employment opportunities, and self-esteem and self-confidence resulting in an improved ability to work with government officials.

6. The most important aspect of any community-based pro-poor tourism development plan is ensuring ongoing community involvement. At each stage, awareness and education should be important elements. This not only

keeps people interested and supportive, but prepares them to take advantage of opportunities. This is the essence of community-based pro-poor tourism.

With the concerted efforts of many individuals and institutions, TRPAP was able to demonstrate that community-based pro-poor sustainable rural tourism can be a vehicle for reducing rural poverty in Nepal. During the project period (2001–2007), TRPAP enabled the country to diversify its tourism products. Seven different tourism models were developed in the programme's six pilot districts. Piloting new pro-poor sustainable tourism products in rural areas was a major activity of TRPAP. TRPAP successfully introduced tourism products to new areas and new communities, with a special focus on the participation of women and disadvantaged groups. Even in established tourism destinations, TRPAP sought to spread tourism benefits to new and more remote areas, and among a broader segment of the community. Local communities, local and central governments, and private sector entrepreneurs appreciated and felt ownership of programme activities. Even during the height of the conflict, TRPAP was able to keep running. TRPAP was considered one of the most successful programmes by the communities where the project was implemented, the Government, and donors.

With the recent lessons learned from TRPAP and from projects in other countries, community-based pro-poor tourism can develop in a myriad of ways. However, experiences have shown that communities that base tourism development on an open and inclusive process reap benefits earlier, more broadly, and in a more sustainable fashion.

Box 3.1.4: Steps for the development of community-based pro-poor tourism

Step 1. **Get organised:** Form a local team or action committee to develop assessment procedures. The team should be widely inclusive and action-oriented.

Step 2. **Identify community values:** The local team should identify community values and determine what the community expects to get from tourism, what it is willing to contribute, and what it is not willing to give up.

Step 3. **Establish a vision:** To identify community values, use community meetings to establish a vision and set broad goals. Seek community involvement and commitment to this vision and goals.

Step 4. **Create an inventory of attractions:** Create an inventory of attractions determining what the community has to offer tourists. Identify these attractions by category and the kind of tourist that would be attracted.

Step 5. **Assessment of attractions:** In parallel with Step 4, do an assessment of attractions with in-depth analysis of their potential, including a clear and detailed examination of the quality of each attraction and tourism target market.

Step 6. **Establish objectives:** Use the assessment of attractions to establish objectives. Treat the attractions as units and develop objectives for each of them complete with cost/benefit analysis.

Step 7. **Carry out impact analysis:** Carry out an impact analysis to determine the potential economic, social, and environmental costs, and create plans to minimise or overcome these costs.

Step 8. **Make a business plan:** The business plan should select priorities, establish yearly objectives including funding sources, and identify target groups and goals.

Step 9. **Develop a marketing strategy for each attraction:** As part of the business plan, develop a marketing strategy for each attraction.

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3.2 An Overview of Sustainable Tourism Development in Bhaktapur

Basudev Lamichhane[9]

Figure 3.2.1: Map of Bhaktapur District
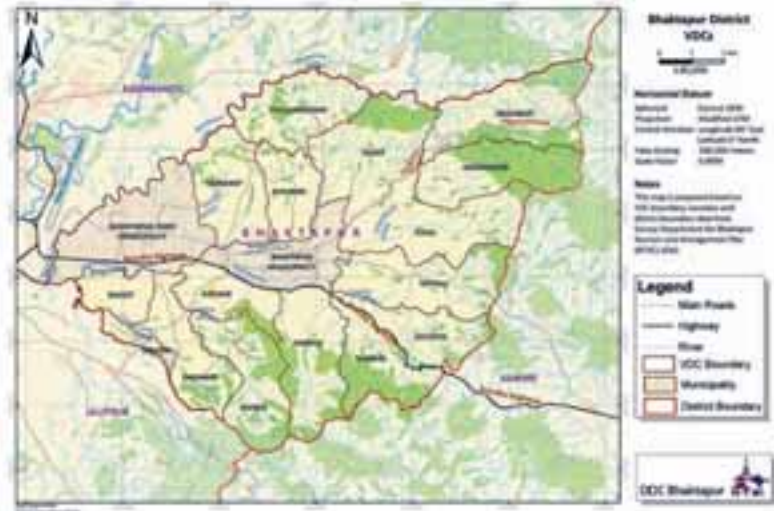
Source: Government of Nepal, Ministry of Local Development

Introduction

Bhaktapur is one of the smallest districts of the 75 districts of Nepal. It occupies 138 sq.km and lies 14 km to the east of Kathmandu at 1401 masl. The district is divided into 2 municipalities (Bhaktapur Municipality and Madhyapur Thimi Municipality) and 16 village development committees (VDCs).

Bhaktapur city was founded in the 9th Century and was the centre of Malla Dynasty. Between the 12th and 15th centuries, Bhaktapur city was the capital of the unified Kingdom of Kathmandu Valley, which disintegrated in 1484 AD into three different states – Kathmandu, Lalitpur, and Bhaktapur. Most architectural masterpieces and outstanding monuments, including Bhaktapur Durbar Square, Dattatraya Square, the Five Storey Temple, and so forth, were erected during this period. With the passage of time, modernisation and urbanisation

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took place rapidly in Kathmandu and Lalitpur cities, but Bhaktapur city has retained its medieval, traditional, and cultural identity.

Bhaktapur Municipality is spread across an area of 6.88 sq.km and contains one of three capital cities of the Kathmandu Valley, locally known as Bhadgaon or Khwopa. It is a place of historical importance and centre for medieval art and architecture. It is also renowned for its colourful festivals, traditional dances, and typical indigenous Newari lifestyle. Bhaktapur city is inhabited by 80,000 Newars, the majority of which are engaged in agriculture. Besides agriculture, the people of Bhaktapur are also engaged in pottery, handicraft production (thanka painting, wood carving, handloom cloth weaving, Nepali cap making), and hotel/restaurant activities. Bhaktapur is recognised as Nepal's 'Cultural Capital' and is a living open-air museum. This ancient city is also variously known as the 'City of Culture', 'City of Devotees', 'Nepal's Living Heritage', and 'Nepal's Cultural Gem'.

Major tourist attractions

Bhaktapur city is one of the most visited cultural destinations in Nepal. There are 172 temples, monasteries, and mosques. Bhaktapur has 17 *patis* (public shelters), 27 *sattals* (public inns), 19 *maths* (priest houses), 152 wells, 34 ponds, and 77 sunken stone waterspouts. Visitors to Bhaktapur can enjoy diverse cultural events and festivals, and witness ancient traditions being performed in much the same way as hundreds of years ago.

Bhaktapur city has innumerable elaborate temples and monuments. Most of the temples are in pagoda style with terracotta tile roofs supported by intricately carved wooden struts, with wooden doors, gilded roofs, and pinnacles, set in open brick-paved spaces, and, above all, presided over by an image of a deity. Every temple and monument is architecturally unique and culturally significant. Each monument reflects a different aspect of the religious belief, social outlook, and economic status of the indigenous Newars.

There are a number of tourist attractions scattered in different parts of the city. Bhaktapur Durbar Square was declared a UNESCO World Heritage site in 1979. It contains the Golden Gate, Taleju Temple, Statue of King Bhupatindra Malla, the Fifty-five Windowed Palace, the Big Bell, Chyasin Mandap, and various other temples. The Chatu-brahma Bihar (square) at Sakotha is an open-air living museum. Although most of the monuments and Buddhists *bihars* (monasteries) were destroyed in the 1934 earthquake, the square still contains a palace, pagodas, Shikhara-style temples, as well as Buddhist monasteries with unique architecture.

Taumadhi Square is another attractive square, which divides the ancient city into upper and lower halves. Bisket Jatra, Bhaktapur's biggest festival, which takes place every April, starts from this square. The major attractions in this square are Nyatapola (the Five Storey Temple), Bhairab Temple, and Til Madhav Narayan Temple.

Dattatraya Square contains innumerable monuments that are masterpieces of woodcarving. The seat of royalty until the late 1500s, this square is home to the ancient city's best-known artisans, especially woodcarvers. Dattatraya Square was probably the original centre of Bhaktapur. Originally known as 'Tachapal', meaning 'Grand Rest House', the square contains seven of the twelve *maths* (priest houses) in Bhaktapur. Bhimsen Temple, the famous Peacock Window, the Bronze and Brass Museum, Woodcarving Museum, and Dattatraya Temple are other major attractions in this square.

Bhaktapur's two pottery squares are world renowned. The first pottery square is to the southwest of Taumadhi Square and the second is to the east of Dattatraya Square. Here visitors can see the ancient city's renowned craftsmen absorbed in a craft inherited from their ancestors. Buddhist monasteries, local handicrafts, traditional waterspouts and ponds, as well as local festivals, are other attractions for visitors.

Box 3.2.1: Festivals and ritual dances in Bhaktapur

Bhaktapur's monuments serve as a stage for the city's many festivals and cultural dances, which are at least as spectacular as any of its monuments and architecture. Many religious rituals are performed daily by local people. There are over 150 musical bands and over 100 cultural groups, making Bhaktapur culturally lively. The Devi dance depicts the killing of the demon Mahisasura by Durga; the Bhairav dance, Lakhey (demon) dance, and Monkey dance are other famous dances.

Market analysis

Bhaktapur city is a major tourist centre in the Kathmandu valley, receiving a total of 142,509 visitors from Europe, America, and South Asian Association for Regional Cooperation (SAARC) countries in 2008. A recent study conducted by the Bhaktapur Tourism Development Committee (BTDC) revealed that the major motivational factor for visiting Bhaktapur was its status as a World Heritage Site (32%), followed by experiencing local culture (30%), observing the local lifestyles (29%), and study or research (2%) (Visitor Opinion Survey, BTDC 2008a).

However, the study revealed that 70% of visitors spent only a few hours to one day in Bhaktapur city. Only 16% of visitors spent one to two nights and only 10% spent more than three nights in Bhaktapur. Visitors spending more than three nights were repeat visitors.

The average expenditure per visitor, per day was also very low, i.e., USD 30 to 40. Handicrafts, especially woodcarvings and thanka paintings, were the most purchased souvenirs, and 70% of the visitors bought handicrafts in Bhaktapur. The most purchased handicrafts included *paubha* (scroll) paintings, papier-mâché masks, cotton cloth, woodcarvings, metal work, jewellery, homespun *haku-patasi* (black saris), and traditional black caps.

Tourism revenue and heritage conservation

The Bhaktapur Municipality started levying NPR 50 from non-SAARC visitors on 21 July 1993. From 16 July 1996, the fee increased to NPR 300, and again to NPR 375 on 17 August 2001. Since 1 January 2001, the fee for non-SAARC visitors increased to NPR 750 or USD 10. An entrance fee of NPR 30 for SAARC visitors was introduced on 1 January 1998 and the Municipality increased this to NPR 50 on 1 January 2001. Table 3.2.1 gives an overview of the number of visitors to Bhaktapur city and tourism revenue collected from tourism entrance fees from 1993 to 2010.

Tourist flows have followed an increasing trend since 1993 when the Municipality started charging an entrance fee. The number of visitors to Bhaktapur city continued to increase even after the fee was increased to its present rate of USD 10 (for non-SAARC visitors). The Visit Nepal 1998 campaign stimulated the first significant increase (from 87,345 to 153,230), and the numbers continued to increase for several years after the campaign. Nepal's internal conflict and other security issues affected visitor numbers after 2001. But again, since 2006 when the peace and security situation improved, visitor numbers have been increasing. The daily visitor records of Bhaktapur Municipality show that approximately 600 visitors visit Bhaktapur everyday during the tourist season.

The entrance fee is the major source of income for Bhaktapur Municipality. Since 2006/07, Bhaktapur Municipality has collected at least 60 million Nepalese rupees annually from the tourist entrance fee. Recently, the Municipality has increased the entrance fee from USD 10 to USD 15 for non-SAARC country visitors and NRP 50 to NRP 100 for visitors from SAARC countries. The Municipality spends almost 45% of these funds on keeping the city clean and improving urban infrastructure. The remaining funds are spent on heritage conservation and management (35%), health and education (15%), and cultural promotion (5%).

Table 3.2.1: Visitors and tourism entrance fee revenue, Bhaktapur (1993–2010)

Year	No of Visitors		Total	Tourism Revenue (NPR)
	SAARC	(Non-SAARC)		
1993/1994	N.A.	87,345	87,345	4,367,250
1997/1998	31,880	121,350	153,230	36,405,000
1998/1999*	57,728	140,077	197,805	43,984,114
1999/2000*	49,764	148,117	197,881	46,130,368
2000/2001*	38,741	141,312	180,053	74,516,607
2001/2002	22,100	69,700	91,800	53,730,124
2002/2003	30,592	54,561	85,153	42,456,252
2004/2005	19,138	68,467	87,605	51,394,752
2005/2006	22,919	69,411	92,330	51,828,682
2006/2007	32,194	89,237	121,431	66,140,260
2007/2008	36,380	110,965	147,345	79,292,238
2008/2009	38,900	104,343	143,243	80,320,531
2009/2010	44,740	112,587	157,327	86,135,666

*Increased visitor arrivals due to impact of Visit Nepal Year Campaign 1998

Source: Bhaktapur Tourism Development and Management Plan, District Development Committee, Bhaktapur 2010

The urban heritage conservation of Bhaktapur not only includes its important monuments, but their surroundings, courtyards and squares, lanes, and streets, as well as the skyline and cityscape. The Bhaktapur Municipality was awarded the UNESCO Peace Price for 1998/99 in recognition of its endeavours to conserve and preserve the cultural heritage of the city.

Tourism impacts

The ever-increasing flow of tourists has economic potential, but also threatens the cultural heritage of the city. Economic developments are taking place rapidly and the impact on the city's cultural heritage is clearly visible. Development has also brought about changes in the cultural landscape with the introduction of modern technology in communication and the emergence of concrete structures

in the old city, either replacing the old heritage house or modifying them altogether. Tourism has also impacted positively on Bhaktapur's heritage in that the local government and people have realised the value of heritage conservation. Tourism has been used to generate revenue for heritage conservation and provide economic benefits to the people. Tourism has also contributed to the preservation and promotion of traditional skills like handicrafts, stone masonry, pottery, handloom weaving, and metal work; the handicraft products of Bhaktapur are becoming more popular day-by-day.

Bhaktapur's economy is still predominantly agriculture based, and tourism is the second main economic activity of the people. With the increase in visitors, the city has seen a considerable surge in tourism activities including hotels, restaurants, and handicrafts. There are 27 tourist hotels (Visitor Opinion Survey, BTDC 2010), and lodges and restaurants of various sizes and standards, which can accommodate up to 500 visitors every day (Visitor Opinion Survey, BTDC 2008a). In addition, there are 81 handicraft shops, 35 wood carving and mask making centres, 19 pashmina shops, 33 thanka painting shops, and 17 pottery centres. It is estimated that at least one member of each family is engaged in knitting handloom and handicraft related activities.

Beside the direct employment that tourism has created in Bhaktapur, the development of tourism and expansion of tourism related activities has contributed to the creation of indirect employment at the local level in the district and surrounding areas. Locally produced agro-products have easy access to local hotels and restaurants, directly benefiting local farmers. The extent of the benefit provided by the local hotels and restaurants has not yet been studied.

Bhaktapur Development Project: A turning point in tourism development

The conservation of Bhaktapur's heritage is imperative for its identity and the continuation of its culture and further development, as well as for tourism. The Bhaktapur Development Project (BDP) ran from 1974 to 1986 with assistance from the Federal Republic of Germany. The project completely renovated 182 priest house, public shelters, and inns; 17 sunken taps and ponds; 2 museums; 6 private buildings of archaeological value; and various other monuments destroyed over centuries and in the 1934 earthquake. The project paved 140,586 m^2 of streets, installed 4,520 private and 38 public toilets, installed 2 sewerage plants, and carried out various activities to uplift the socioeconomic and health status of the people. The renovation work was carried out by the project from 1974 to 1986, with some follow up projects carried out from 1987 to 1991. The declaration of Bhaktapur Durbar Square as a UNESCO World Heritage Site in 1979 finally prepared Bhaktapur to become a tourist hub. Once a very dirty city (before 1970), Bhaktapur was converted into a living museum, and, now, its

enchanting art, architecture, cultural heritage, and colourful festivals lure visitors from around the world.

Role of Bhaktapur Municipality

After the renovation work carried out by the Bhaktapur Development Project, the responsibility for the conservation and preservation of Bhaktapur's heritage was handed over to the Bhaktapur Municipality. Since then, the Bhaktapur Municipality has been carrying out conservation projects on its cultural heritage in its own capacity and in partnership with the Department of Archaeology. In order to preserve art, architecture, and the functional value of this heritage, the Bhaktapur Municipality provides technical and financial support to heritage house owners for the maintenance of heritage houses. The Bhaktapur Municipality has been providing a 100% subsidy for traditional bricks (*Daachi Apa*) and a 75% subsidy for wood for the construction of new private houses inside the municipal area to maintain the heritage look of building facades. With the objective of creating public ownership of heritage conservation, the Municipality is also encouraging the participation of local people, both financially and in kind, in the conservation of Bhaktapur's heritage. A building code and by laws have been introduced and applied, and the building of new private and public structures near the heritage site are checked. According to the building code, no new construction can rise more than 35 feet in the heritage zone, 41 feet in the nearby zone, 45 feet in the residential zone, and 52 feet in the commercial zone. Recently, the Municipality has installed barricades at the main entrance of Bhaktapur Durbar Square in order to check vehicular movement. But attempts to declare the other heritage sites, such as Dattatraya Square and Taumadhi Square, as vehicle free zones have not been successful due to the existence of private houses and commercial enterprises near the heritage area. A massive awareness campaign is needed to create the necessary sense of ownership to accomplish this.

Role of Bhaktapur Tourism Development Committee

Bhaktapur Tourism Development Committee, established in 1997, has been working in four main areas of tourism: product development, product promotion, service quality enhancement, and sustainability. Its main function is to identify measures that contribute to the conservation and development of historical and cultural sites, as well as to traditional skills and technologies. The Committee has been involved in developing new tourism products, conducting training programmes, and disseminating information. It has been a catalyst for the development of cultural-based tourism products, like the Bhaktapur Night and Food Festival, and for promoting such products in direct partnership and cooperation with the Nepal Tourism Board, Bhaktapur Municipality, and District Development Committee (see Box 3.2.2). Similarly, there have been

initiatives to develop short hiking trails and biking trails, as well as home stays in the surrounding rural VDCs to lengthen the stay of visitors. In addition, workshops, seminars, and awareness campaigns have been carried out by the BTDC on heritage conservation, the preservation of traditional skills, and medieval music and dances. The BTDC has also organised various promotional activities like handicraft fairs and cultural shows, despite its limited resources. The BTDC publishes brochures, booklets, and tourist guidebooks on Bhaktapur, and a runs a Tourist Information Centre from its office. Since 2008, the BTDC has been actively engaged in bringing the concerned stakeholders together in a single platform to work for sustainable tourism development in the district.

Box 3.2.2: Cultural promotion

> Bhaktapur has innumerable marketable, culture-based tourism products. The marketing of such products is carried out jointly by the Bhaktapur Municipality, BTDC, and Nepal Tourism Board. Different informational materials regarding the culture, festivals, music, and dances of Bhaktapur have been published, and efforts have been made to organise daily cultural shows in Bhaktapur and Thimi, and to send traditional dance groups abroad for cultural shows.

Challenges and constraints

Despite the huge potential of tourism in Bhaktapur, some challenges and constraints have emerged. Some of the major challenges and constraints on tourism development in Bhaktapur are listed here:

- The seasonal nature of tourism has had an adverse effect on the hospitality service industry in Bhaktapur and on the people who depend for their living on producing and selling handicrafts. Most international tourists visit Bhaktapur during the main season (February to May and September to November). During these seasons, business for hotels, restaurants, and handicraft producers surges and tourism activities boom. But during the off-season, business is significantly lower and hotels, restaurants, and handicraft producers struggle to cover operating costs, and even have to lay off staff between seasons.

- Little attention and priority has been given to the diversification of tourism products based on local culture, music, and dance, or on hiking and home stays in the surrounding rural areas.

- There is a lack of basic tourist service infrastructure for visitors to the city of Bhaktapur, such as tourist toilets, information and communication centres, city maps, signposts, information on Bhaktapur's heritage, culture, and festivals, and health facilities.

- Traditional dance and music, one of the major cultural assets of Bhaktapur, is disappearing rapidly due to lack of financial incentives and lack of encouragement of cultural groups by authorities.

- Bhaktapur is an open-air museum, and historical, cultural, and archaeological items of high value are scattered throughout the city, unprotected. Some of these items are disappearing, either smuggled or stolen.

- Modernisation poses a threat to the conservation of the tangible and intangible cultural heritage of Bhaktapur. Despite the building code and by laws introduced by the Municipality, the construction of modern concrete buildings, telecommunication towers, and commercial billboards on top of buildings are increasing.

- The growing number of brick kilns is a threat to the environment and has reduced the air quality and beauty of the city.

- The free movement of vehicles in heritage areas restricts the ability of visitors to observe the art and architecture of the city.

- Beggars and hawkers are disturbing visitor by begging for money and forcing visitors to buy souvenirs.

- There is a lack of trained human resources in the hospitality sector, affecting the quality of the food and services provided.

- Local guides are motivated more by financial gain than providing correct information to visitors.

- There is a lack of coordination and cooperation among local government, the local people, and other stakeholders in relation to tourism development and the management of cultural and natural attractions.

- There is a lack of mechanisms for sharing the benefits of tourism among the local people.

Recommendations

Bhaktapur Municipality's work in heritage conservation has been exemplary, but its efforts towards tourism development and promotion are inadequate. Although tourism revenue is the Municipality's main source of income for heritage conser-vation, investment in the development of cultural tourism products, tourism

infrastructure (information centres and toilets), regular cultural shows, and the publication of tourist information brochures has been neglected. The simultaneous investment of tourism revenue in heritage conservation and the development and promotion of tourism activities is necessary for sustainable tourism development in Bhaktapur. In developing tourism, steps must also be taken to mitigate the negative impacts of tourism. Here are some of the recommendations for the sustainable development of tourism in Bhaktapur and the mitigation of its negative impacts:

1. Develop new tourism products and activities based on culture and nature to lengthen visitor stay in Bhaktapur (see Figure 3.2.2).

2. Invest in basic tourist services and facilities (both infrastructural and human resources related).

3. Take appropriate security measures to protect Bhaktapur's architectural heritage. Cultural heritage conservation should encompass tangible and intangible cultural assets – failing to preserve cultural assets can affect the conservation of architectural heritage assets.

4. Build a new hotel on the periphery of the city to attract high-end tourists who want to stay in Bhaktapur and who will spend more per day.

5. Control vehicle flow and beggars, and regulate local guides in heritage sites to maintain a positive image of Bhaktapur.

6. Encourage the latest technology in brick production to reduce pollution around the city, which is threatening air quality and the beauty of the city because.

7. All stakeholders should work and act together with a sense of cooperation and in mutual partnership to maximise the tourism potential of the district.

Future strategy

The future of tourism in Bhaktapur is based on its culture and heritage. Whatever tourism development efforts are made in the district, the conservation and preservation of its cultural and architectural heritage is foremost. A mere focus on heritage conservation, overlooking the necessary infrastructure for tourism, hampers heritage conservation and tourism development. Hence, the local government should adopt a balanced approach to heritage conservation and tourism development, directly associating tourism development with heritage conservation.

Figure 3.2.2: Product diversification: Potential new tourist activities in Bhaktapur district
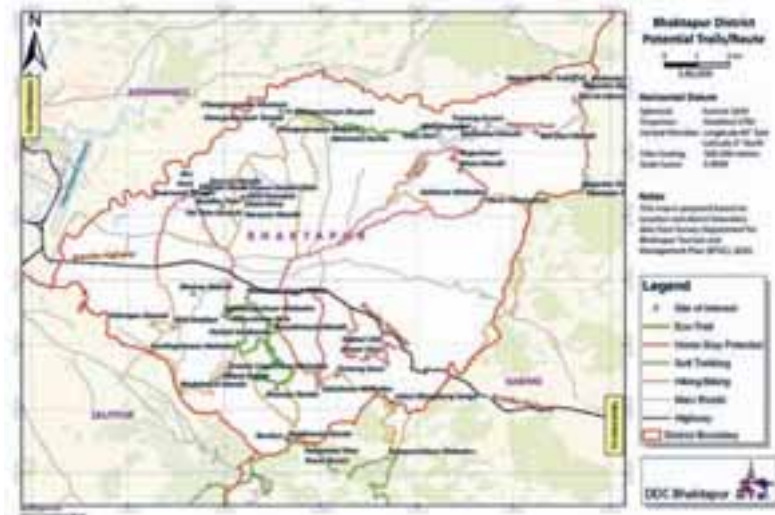
Source: Government of Nepal, Ministry of Local Development

A Tourism Development and Management Plan has been formulated for Bhaktapur district to preserve, conserve, and manage its rich cultural heritage; diversify tourism products and develop new tourism activities; minimise the negative impacts and other socio-cultural problems created by tourism; lengthen visitor stay; enhance the economic condition of the rural-urban community; and reduce poverty. This plan is has been formulated with the active involvement of the Bhaktapur District Development Committee, Bhaktapur Municipality, Madhyapur Thimi Municipality, Nepal Tourism Board, all 16 village development committees in Bhaktapur, the Bhaktapur Tourism Development Committee, Bhaktapur Chamber of Commerce and Industry, and other stakeholders.

Box 3.2.3: Major objectives of Bhaktapur Tourism Development and Management Plan

The objectives of the Tourism Development and Management Plan of Bhaktapur District (Pandey et al. 2010) are to:

• Develop a five-year tourism development and management plan containing a marketing and promotion strategy, human resource development strategy, and resource management and mobilisation strategy.

Ctd. Box 3.2.3: Major objectives of Bhaktapur Tourism Development and Management Plan

- Ensure sustainable tourism development in the district with a focus on heritage conservation by bringing all concerned stakeholders together.

- Develop new tourism activities and destinations, and to disburse visitors, currently centred mainly in Bhaktapur, Changunarayan, and Nagarkot, to the other parts of the district in order to lengthen their stay and increase their per day average expenditure.

- Promote conditions for tourism while preserving the natural, cultural, archaeological, and historical heritage.

- Improve the quality of life of local communities and contribute to inclusive economic growth.

- Strengthen local institutions and organisations to plan, implement, monitor, manage, and coordinate tourism development activities.

- Develop the whole district as a major tourist destination in Nepal.

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3.3 Tourism Development in Annapurna Conservation Area

Siddhartha B. Bajracharya[10]

Figure 3.3.1: Map protected areas of Nepal

Source: NTNC

Introduction

The Annapurna Conservation Area (ACA) is the largest protected area in Nepal, covering 7,629 sq.km. It is located in the hills and mountains of west-central Nepal (83057'E, 28050'N), covering five districts. The area is bounded to the north by the dry alpine deserts of Dolpo and Tibet, to the west by the Dhaulagiri Himal and the Kaligandaki Valley, to the east by the Marshyangdi Valley, and to the south by the valleys and foothills surrounding Pokhara. The ACA is well known both nationally and internationally for its scenic beauty, unique ecology, and rich cultural heritage. Some of the world's highest mountains and the deepest river valley are in the ACA. Rich in freshwater resources, and home to a great variety of flora and fauna, as well as a number of biodiversity hot spots, the ACA

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offers opportunities for the development of the area itself, as well as for surrounding lowland areas.

Figure 3.3.2: Annapurna Conservation Area elevation zones

Source: NTNC/ACAP

The ACA contains some of the most spectacular natural areas in the world in a remarakable physical setting. It has an exceptionally high level of biodiversity in terms of species richness and degree of endemism, which is due to the wide range of climatic conditions and altitude, which provide a diverse array of ecosystems. The area is home to the snow leopard (*Uncia uncia*), blue sheep (*Pseudois nayaur*),

Tibetan wild ass (*Equus kiang*), Tibetan gazelle (*Procapra pictiacaudata*), Himalayan musk deer (*Moschus chrysogaster*), Himalayan brown bear (*Ursus arctos*), red fox (*Vulpes vulpes*), common ghoral (*Nemorhardus goral*), Himalayan tahr (*Hemiragus jemlahicus*), Himalayan marmot (*Marmota himalayana*), and many other species. More than 450 birds species including the lammergier (*Gypaetus barbatus*), golden eagle (*Aquila chrysaetos*), Himalayan monal (*Lophophorus impejanus*), cheer pheasant (*Catreus wallichi*), crimson horned pheasant (*Tragopan satyra*), Tibetan snow cock (*Tetraogallus tibetanus*), demoiselle crane (*Anthropoides virgo*), Himalayan griffon (*Gyps himalayensis*), and the Eurasian eagle owl (*Bubo bubo hemachalanus*) dwell in the ACA.

Mountain protected areas and tourism

Protected areas are specially designated areas for the protection and maintenance of biodiversity and the cultural heritage of that area. Mountain protected areas aim to conserve the unique natural features of mountains, which often contain diverse landscapes, rich biodiversity, and prominent cultural resources. At present, more than 30% of the Nepal Himalayas are protected under different categories of protected areas, including Sagarmatha National Park, Makalu-Barun National Park, Langtang National Park, Manaslu Conservation Area, Annapurna Conservation Area, Rara National Park, Khaptad National Park, Shey Phokshundo National Park, and Kangchenjunga Conservation Area. These protected areas cover all the major Nepal Himalayan ranges. Some other important mountain ranges such as Gaurishanker-Rolwaling have also recently received protected status (Gaurishanker Conservation Area). The establishment of these mountain protected areas is a major achievement in protecting pristine mountain ecosystems.

Although the mountain protected areas of Nepal are providing tremendous benefits, as elsewhere in the world, there is a significant funding gap for management. Tourism is an obvious option for the sustainable financing of protected area management and for achieving sustainable mountain development. Tourism has emerged as the fastest growing industry worldwide and has remained at the forefront of global economic growth (Campbell 1999; Sharma 2000; see also Section 1.1).

Nowadays, national parks and other protected areas have a well-established connection with tourism (Boyd 2000). Protected areas in Nepal have played a very significant role in tourism development. Tourists visit parks and protected areas because such areas can provide experiences that cannot be encountered elsewhere (Eagles and McCool 2002). National parks and protected areas such as Chitwan National Park, Sagarmatha National Park, and the Annapurna Conservation Area are the main tourist destinations in Nepal outside the Kathmandu Valley

(Wells 1994; Nepal 2000; Williams, Singh et al. 2001). Tourism has become one of Nepal's most important development sectors (see Section 1.1). As elsewhere in the world, protected areas have played a significant role in driving Nepal's tourism industry (Nepal 2000).

Tourism in protected areas is considered to provide significant opportunities for economic advancement. Tourist expenditure on the way to the park and in communities adjacent to or within the area may be significant, leading to increased income, the alleviation of poverty, and opportunities for vertical advancement in the tourism business. Tourism also assists in protecting the resources on which it is based through the generation of revenue for park management agencies (Eagles and McCool 2002). This can provide a powerful economic justification for conserving biological resources, particularly in protected areas (McNeely 1988). However, there are other roles that tourism plays, which are often overshadowed by its obvious economic role, including social and environmental impacts – some of which are considered negative, others positive, and some neutral (Eagles and McCool 2002).

A balanced interaction between tourism, parks, and local communities – or between biophysical resources and people – is expected to provide mutual benefits for all. Such a balance is also considered important for strengthening the conservation capacity of the park authority, while at the same time influencing local attitudes toward conservation (Nepal 2000). Local communities in and around the mountain parks of Nepal, such as Sagarmatha National Park and the Annapurna Conservation Area, have received substantial income and employment benefits from tourism (Wells 1994; Nepal et al. 2002). The focus of this paper is on tourism development in the Annapurna Conservation Area, one of the most famous tourist destinations in Nepal.

Tourism development in the Annapurna Conservation Area

The ACA is the most popular trekking destination in the Nepal Himalayas, receiving more than 76,900 international visitors in 2009. The ACA is well known for different forms of tourism such as adventure tourism, nature-based tourism, and ecotourism. Tourism development and management in the ACA is considered a good example of ecotourism (Williams et al. 2001). Two major types of trekkers, organised group and independent trekkers, visit the area, as well as mountaineering groups. Organised group trekkers are those participating in an agency-arranged camping trek, while independent trekkers are those who travel on their own and stay in local tourist lodges. Tourism data indicates that there is an increasing trend in the annual number of visitors to the ACA (see Figure 3.3.3). However, there was a sharp fluctuation in the number of tourist

between 2000 and 2006, which is a reflection of the impact of the political insta-
bility in the country on tourism.

Figure 3.3.3: Annual number of foreign visitors to Annapurna Conservation Area
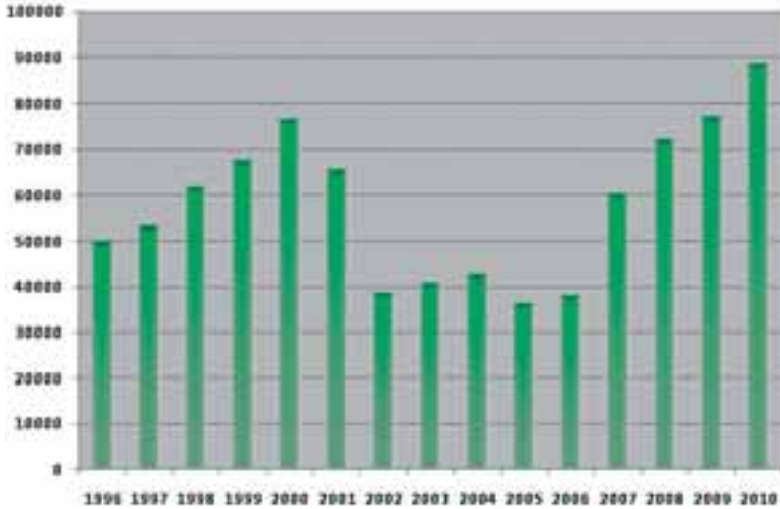
Source: NTNC 2010

The ACA was created partly to alleviate environmental degradation linked to
trekking tourism by managing conservation and development (Sherpa et al.
1986; KMTNC 1997; Pobocik and Butalla 1998). The sustainable development
of tourism is one of the principal goals of the ACA management (KMTNC
1997). ACAP was the Global Winner of the British Airways Tourism for Tomor-
row Award in 1991, a scheme that gives professional recognition to sustainable
projects. Tourism management in the ACA is globally considered to be a good
example of community involvement (Cater 1994). Moreover, the revenue from
tourism to the area has helped to restore degraded features of the natural and
cultural environment in the ACA (Gurung and de Coursey 1994).

An analysis of annual revenue (tourism revenue, support from donors, and other
revenue) against the annual ACA budget shows surplus income. For the five-year
period from 1996/97 to 2000/01, the revenue from tourism covered 85% of the
annual budget. It is clear that tourism revenue has become a major driving force
in the overall conservation and development policy of the ACA. In contrast,
many park authorities and institutions, both in Nepal and in other developing
countries, are still seeking a mechanism for the durable funding of parks (Wilkie
and Carpenter 1999; Newar 2003). If tourism is weakened in the ACA, then

there are direct consequences for the ability of the park to fund its current conservation and sustainable development activities.

Figure 3.3.4: Signposting in Annapurna Conservation Area (Mt Machhapuchhare)

Photograph: Siddhartha B. Bajracharya

Impacts of tourism in the Annapurna Conservation Area

All forms of tourism produce negative impacts on the natural environment (Buckley 2001); the ACA is not exempt from such negative impacts and needs to monitor the effects of tourism. Ecotourism, which is generally considered as compatible with biodiversity conservation, can also cause the degradation of natural areas if unregulated (Davenport et al. 2002). The impact of tourism on the natural environment depends on the nature of the ecosystem and the human activity concerned (Buckley 2001), as well as on park facilities and the policies and regulations of the park, and the nation (Davenport et al. 2002). These impacts may include the crushing or clearing of vegetation, soil modification, the introduction of weeds and pathogens, water pollution, visual impacts, and disturbance of wildlife. Research to date has focused on the impact of tourism on forest resources and wildlife populations. The ACA receives around 76,900 tourists annually. Each tourist brings with them an average of at least one support staff as a guide, porter, or cook, which makes the total number of outside visitors

to the area about 148,000 per annum. This number is higher than the total population of the area. However, the number of trekkers alone does not indicate the intensity of the impact (Sharma 1998). For instance, tourism impact is reported to be higher in the Sagarmatha (Everest) National Park than in the Annapurna Conservation Area, although the Sagarmatha National Park receives fewer tourists (Nepal et al. 2002). This indicates that, although the impacts of tourism are inevitable, they can be reduced by community-based management. For this reason, the ACA provides a good case study of tourism development and its impacts in the Nepal Himalayas.

Biophysical impacts

The environmental impacts of mountain tourism have been noted in numerous previous publications, particularly deforestation and forest degradation caused by the demand for fuelwood. This is largely generated by tourists and tourism activities (Sharma 1998; MacLellan et al. 2000). It has been reported that most tourist lodges in the ACA still used fuelwood for cooking and heating (Nepal et al. 2002). Hence, tourism is contributing to deforestation in the area (Pobocik and Butalla 1998). However, Bajracharya et al. (2005) found that tourism does not have a significant impact on the structure and composition of the forests in the ACA, because various conservation activities including the provision of alternative forms of energy have been successfully introduced in the ACA. This finding is also supported by the report of Shrestha (undated), which emphasises that tourism does not exhibit any significant impact on the natural vegetation in the ACA.

The development of tourism together with conservation interventions has reduced the demand for fuelwood through an increase in the use of different sources of energy in the ACA (Banskota and Sharma 1995; KMTNC-ACAP 2001; Nepal 2002; Bajracharya et al. 2005). This is primarily because of the successful development of community and private woodlots through the establishment of tree plantations, together with an increase in conservation awareness and the introduction of alternative energy sources (such as fuel-efficient stoves, kerosene, LP gas, solar technology, and electricity); these have all contributed to reducing pressure on forests in the ACA (Bajracharya 2005). The 'self-sufficiency in fuel' policy of the ACA for organised trekking groups has also probably contributed to a reduction in fuelwood use. The ACA example shows that tourism can have a negative impact on forests, but that these impacts can be reduced by careful planning and the sensitive management both of natural resources and tourism (Eagles and McCool 2002).

An increase in tourism has prompted local herders in the ACA to switch to tourism-related enterprises (Shrestha and Ale 2001), thereby reduced livestock

herding practices (Nepal 2000). However, a study in 2004 showed that there were no significant differences in average livestock units per household, number of domestic grazing animals, and amount of dung in forests between villages with tourism and without tourism in the ACA (Bajracharya 2004). Hence, it is reasonable to argue that tourism is not the prime reason for the decrease in livestock numbers in the ACA. The reduction in livestock numbers could also be due to labour shortages, a decrease in the interest of young people in traditional farming, increased involvement in tourism-related businesses, and temporary migration within or outside the country for employment.

Wildlife populations in the ACA were reported to have increased after the introduction of conservation initiatives. Bajracharya et al. (2005) also reported that hunting in the ACA was minimal. Although there is occasional hunting in the ACA, evidence suggests that tourism has made a positive social contribution to the conservation of wildlife because tourists are sympathetic to the cause of environmental protection and conservation. The direct effect of tourist activity on wildlife depends largely on the intensity of tourism development, the resilience of the species to the presence of tourists, and their subsequent adaptability (Cater 1987). Some negative impacts on wildlife behaviour observed in the ACA were the frequent sighting of the common langur and birds such as crows scavenging on discarded food and litter in camping sites. It appears that some wildlife species have become habituated to humans as a source of food in tourist areas. Similar behavioural changes in wildlife have been described by Newsome et al. (2002).

Another visible tourism impact in the ACA is on the physical environment. The construction of new tourist lodges or the expansion of existing tourist lodges in villages with tourism has increased. This was also reported in the ACA tourism facilities survey report (KMTNC-ACAP 2001). The construction of new buildings is a visible sign of land-use impact in many of protected areas frequented by tourists (Byers 1987). There has been an increase in the number of new lodges, which are modern in design undermining the traditional local style (KMTNC-ACAP 2001). These new tourist lodges do not blend with the landscape, creating visual impacts. Similar development was also reported in Sagarmatha National Park (Nepal, Kohler et al. 2002).

Socioeconomic impacts

The social impacts of tourism are "the sum total of all the social influences that come to bear upon the host society as a result of tourist contact" (Prasad 1987, p 10). These impacts can both benefit and impose costs on the community (Wearing 2001). There can be a range of socioeconomic impacts, such as revenue sharing, effects on income distribution, inflation, employment, and infrastruc-

ture development (Lindberg 2001; Wearing 2001; Nepal et al. 2002). Generally, the economic impacts of tourism are considered positive, and social and environmental impacts negative (Liu and Sheldon 1987). However, Banskota and Sharma (1995) reported that the social and environmental carrying capacities of the ACA have been improved, but enough focus has not been given to the economic carrying capacity.

Tourism is a driving force for integrated conservation and development in the ACA. Significant investment has been made in infrastructure schemes such as micro-hydro schemes, health centres, and bridges in the ACA (Bajracharya et al. 2006). This suggests that tourism has helped to generate resources for these schemes and has also increased the capacity of local communities to contribute to these schemes. Similar improvements in social services from tourism have been reported in Sagarmatha National Park (Rogers and Aitchison 1998).

Although there have been improvements in infrastructural facilities in the ACA, the majority of the trekking trails beyond the villages are not well maintained (Bajracharya 2004). Trail erosion and degradation due to tourism is a major management issue (Newsome et al. 2002). Beyond increased pressure from trekking tourism on these trails, the ever-increasing number of mules transporting tourism-related supplies (kerosene, LP gas, cement, food items, and so forth) is contributing significantly to the degradation of these trails. Nevertheless, the trails in the ACA are reported to be in much better condition than those in Sagarmatha National Park (Nepal et al. 2002).

Income generation and employment from tourism enterprises, such as jobs for porters, cooks, and guides, are the major economic benefits of tourism in the area. Nepal et al. (2002) reported that more than 1,500 local people are employed by lodges alone in the southern slopes of the Annapurna area. Lodge owners in the ACA are clearly benefiting from tourism (Wells 1994). Nevertheless, not all employment benefits accrue to local communities (MacLellan et al. 2000).

There is little doubt that tourism has brought economic opportunities to remote mountain areas of Nepal where agriculture and animal husbandry were traditionally the main occupations of most households (MacLellan et al. 2000). Observation has shown that these opportunities have increased access to better housing conditions, education, and healthcare in villages. However, communities in villages without tourism do not have such earning opportunities, and are, thus, still engaged in subsistence activities. The ACA management policy needs to manage the disbursement of benefits more carefully if it wants to avoid potential grievances in the future (Bajracharya 2004).

It is a proven fact that that tourism generates economic opportunities. However, tourism also generates biodegradable and non-biodegradable waste. Waste, both

solid and liquid, has increased significantly in the ACA with the increase in the number of tourists requiring food, beverages, and other services (KMTNC-ACAP 2001). Deposition of solid waste is a serious concern because decomposition is an extremely slow process in the high mountain environment (Banskota and Sharma 1995). Its effects and significance depend on the volume produced, the application of recycling, waste prevention strategies in place, and the nature of the receiving environment (Newsome et al. 2002). Some promising efforts have been made in the ACA to manage solid waste. Other studies have also reported the systematic management of solid waste in the ACA (Sharma 1998; Nepal et al. 2002).

Figure 3.3.5: Annapurna–South from Landruk

Photograph: Siddhartha B. Bajracharya

Some villages, such as Chhomrong, have been very successful in preventing the accumulation of plastic water bottles and glass beer bottles. The lodge management committee of this village has banned the use of plastic water bottles and glass beer bottles, and instead encourages the use of boiled water, electric water filters, and canned beer. However, in some villages, such as Landruk, solid waste is disposed of by hiding it out of sight, rather than by managing it.

Tourism also brings inflation and an imbalance to the village economy (Lindberg 2001). The majority of foodstuffs, fuel sources, and household items come from outside the ACA region. Therefore, tourism causes economic leakage and local inflation by driving prices up without necessarily creating local economic oppor-

tunities (Pobocik and Butalla 1998; Lindberg 2001). Local communities have also expressed growing concern about the shortage of labour for agriculture, which is deflected to tourism. This pattern has also been observed elsewhere (Cater 1994; MacLellan et al. 2000; Nepal et al. 2002). Therefore, the costs and benefits of tourism are not evenly distributed within communities (Cater 1987).

Tourism management modalities in the Annapurna Conservation Area

The ACA is exploring and developing different tourism routes with different management modalities. The aim is to provide a wide range of experiences to different interest groups. At present, there are three clearly defined tourism management modalities in the ACA: community-based sustainable tourism management; controlled sustainable tourism management; and ecotourism management. These modalities are briefly discussed here.

Community-based sustainable tourism management

The United Nations World Tourism Organization (1998) defines 'sustainable tourism' as a model form of economic development that is designed to improve the quality of life of the host community, provide a high quality of experience for the visitor, and maintain the quality of the environment on which both the host community and the visitor depend. Community-based sustainable tourism (CBST) is promoted in the major trekking areas of the ACA. In fact, CBST is the key tourism management modality in the ACA. CBST associates the sustainability of the tourism location with the management practices of the communities that are directly or indirectly dependent on the location for their livelihood. CBST is promoted in these areas to ensure that development is a positive experience for local people, tourism companies, and tourists themselves.

Tourists and local communities who promote community-based sustainable tourism are sensitive to the negative impacts of tourism and seek to protect tourist destinations, and to protect tourism as an industry. This form of tourism is based on the premise that the people living next to a resource are the ones best suited to protecting it. Accordingly, tourism activities and businesses are developed and operated mainly by local communities, and certainly with their consent and support. Some good examples of this model are the villages of Ghandruk, Chhomrong, Landruk, and other villages around Annapurna Base Camp and the Annapurna Circuit.

A salient feature of CBST in the ACA is that local knowledge is usually used alongside wide general frameworks for ecotourism. The ACA has allowed the participation of locals at the management level through tourism management sub-committees (TMsCs). The use of local knowledge also means an easier entry

into the tourism industry for locals whose jobs and livelihoods are affected by the use of their environment as a tourism location. The involvement of locals has helped to restore the ownership of the environment to the local community and allowed an alternative sustainable form of development for communities and their environments, which are typically unable to support other forms of development. CBST has helped to uplift the living standard of local communities in trekking tourism destinations in the ACA.

Controlled sustainable tourism management

Controlled sustainable tourism (CST) is promoted in the Upper Mustang area of Mustang district. The area was restricted to visitors until 1991. With the lifting of this restriction, CST was promoted in the area. CST aims to develop tourism in the prestigious and unique historic landscape of Upper Mustang. The main objective is to promote high-value and low-volume tourism in the area. It also aims to protect the area's archaeological and historical heritage, as well as maximise economic returns and benefits to local communities and the area. However, there are considerable constraints that need to be overcome to achieve this, because the revenue generated from tourism (approximately USD 700,000 per year) is not controlled by the area, but goes to the Treasury of the Government of Nepal.

Ecotourism management

The ACA has promoted ecotourism in the Ghalekharka-Sikles area. Ecotourism is travel to fragile, pristine, and usually protected areas that strives to be low impact and small scale. The International Ecotourism Society defined Ecotourism as: "Responsible travel to natural areas that conserves the environment and improves the well-being of local people". The Ghalekharka-Sikles area provides a great experience of travel along a clean Himalayan river, through pristine rhododendron forests, with tranquil views of the Annapurnas, and culminating in the wonderful Gurung village of Sikles. The main aim is to help educate tourists, provide funds for conservation, directly benefit the economic development and political empowerment of local communities, and foster respect for different cultures and for human rights. It gives us insight into our impact as human beings and also a greater appreciation of our own natural environment.

Tourism management activities in the Annapurna Conservation Area

Tourism in the ACA is directly contributing to the effective conservation and sustainable development of the park. Tourism has also provided direct and indirect economic opportunities to local communities in the ACA. More than 800 local teashops, lodges, and hotels in the area benefit from tourism. The develop-

ment and management of sustainable tourism in the ACA is critical and challenging. Thus, attempts have been made to develop a win-win-win situation among the local community-tourists-park authority by conserving the environment, enhancing and developing tourist attractions and infrastructure, and enabling local communities to benefit from tourism. In order to achieve this, the ACA has chosen the community-based tourism approach using the sustainable nature-based tourism principle. Some of the key aspects of the ACA's sustainable tourism model are discussed here.

Tourism management sub-committees

Tourism management sub-committees (TMsCs) have been formed in the villages along the major trekking trails. The members of the TMsCs include local lodge operators and local tourism entrepreneurs. The key aim of the TMsCs is to achieve sustainable tourism management through community involvement and empowerment. They are responsible for effectively managing the tourism related activities in their area. They also develop policies regarding tourism including a policy to reduce firewood use. One of the effective policies developed by the TMsCs is the 'no campfire' policy in the ACA. Moreover, the TMsCs are responsible for improving the quality of their services, standardising their rates, and preparing menus. The TMsCs also look after the security of the tourists in their area.

Capacity enhancement of tourism entrepreneurs

Various training is regularly provided to local lodge owners and tourism entrepreneurs to improve the quality of their services. Accommodation facilities, food quality and variety, menu costing, sanitation and hygiene, spoken English, hospitality, and so forth are addressed. Various workshops such as the 'tourism awareness mobile camp' are conducted to generate awareness about the impacts of tourism, garbage management, firewood conservation, sustainable tourism, and alternative energy technology. Exchange visits are also organised to observe and share experiences with other communities groups within ACA, and elsewhere in Nepal.

Generating awareness among visitors

Awareness about the fragility of the mountain area among the national and international visitors is very important. Visitors to the ACA are informed about environmental and cultural issues. These issues are addressed through information provided in the form of brochures, minimum impact codes, and documentaries available at the information centres and check posts in the ACA.

Tourism infrastructure development

Support to improve tourism infrastructure through TMsC is important to enhance the quality of the experience of trekking tourists and for sustainable rural development. Trail improvement, bridge construction, construction of safe drinking water stations, campsite development, the establishment of information centres, and placement of signposts are some of the important infrastructure activities being developed and managed in the ACA.

Development of new trekking destinations

The ACA is continuously exploring new destinations for trekking tourism to reduce pressure on one particular area, provide a more wilderness experience, counteract national development interventions such as road construction, and provide different experiences in different destinations. An example is the Ghalegharka-Sikles ecotourism route, which was developed in the late 1990s. The main aim of this route is to give tourists a unique experience of nature and culture in a pristine form. The area was developed by locating campsites at specific distances equipped with basic amenities.

Tourism development in the ACA is often considered to be a benchmark for the development of tourism in other areas of Nepal. Nevertheless, there are certain constraints that might hinder tourism development in the ACA in the future. The rampant construction of motorable roads along trekking routes and the possible development of mega projects such as hydropower schemes in major trekking areas might put decades of development efforts at risk.

Conclusion

Tourism is widely held to be responsible for different environmental, socio-cultural, and economic impacts in Nepal. Positive impacts can be achieved with the careful planning and management of tourism and conservation, and by working together with local communities. Improved forest condition and a perceived increase in wildlife populations in the ACA are some of the positive environmental impacts of tourism. Improved social services are also evident in the ACA. However, the main positive impact of tourism on the ACA has been economic. Tourism, principally through the generation of revenue, is making a direct positive contribution to conservation and development in the ACA. The present situation in the ACA is considered a win-win-win scenario in which the environment, local communities, and tourists are all benefiting.

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3.4 Community-Based Rural Tourism in Ghalegaon, Lamjung, Nepal: A Case Study

Chet Nath Kanel[11]

Introduction

Ghalegaon is situated in the western part of Nepal in Uttarkanya Village Development Committee (VDC), Lamjung district. It lies at an altitude of about 2,100 masl and is approximately 175 km from Kathmandu. The village is mostly populated by Ghale Gurungs, a major Mongoloid ethnic group in Nepal. There are 116 households in the village, which has an overall population of about 700 (Pandey et al. 2008).

Uttarkanya VDC falls within the Annapurna region and is covered by the Annapurna Conservation Area Project (ACAP). ACAP has been working in the region for the past 25 years, particularly focusing on natural resource management, livelihood improvement, and social empowerment. Ghalegaon and its surrounding areas are known for their natural beauty, rich biodiversity, and Gurung culture and traditions. Traditional round houses are also unique to this region.

This paper briefly looks at the importance of tourism in Ghalegaon including the key features of its tourism product, the benefits to the local economy, major tourism initiatives including the Gurung Heritage trail, the modality of tourism development and promotion in Ghalegaon, the impacts of tourism on Ghalegaon, and the issues and challenges facing the community in relation to tourism development. Some measures are also proposed for the further development of community-based tourism in Ghalegaon.

The tourism product

Before the 18th Century, it is said that Ghalegaon was the domain of the Ghale Kings. The area was jungle until 1417 AD when Siseura Ghale settled there clearing the forest. The village built on this site was named 'Ghalegaon' (Adhikari 2009).

Realising the uniqueness of the village, in 2001, some locals initiated home stay based community rural tourism in Ghalegaon. The Nepal Tourism Board (NTB) supported the organisation of an annual tourism festival (Ghalegaon Mahotsav) in April of 2001, which was instrumental in developing and promoting home

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11 Director, National Development Centre

stay tourism in the village. Since then, Ghalegaon has emerged as a well-known community-based tourism destination in the ACAP region with high-value cultural assets.

The main attractions for tourists are Ghalegaon's natural beauty, unique architecture and artefacts, and the rich culture and traditions of the local people including music, folk dances, and costumes. Different types of Gurung dances are performed on special occasions, such dances include Ghatu, Krishna Charitra, Sorathi, Lama dance, Ghabre dance, Jhyaure, Chudka, and Kaura. Other cultural attractions are the traditional community sheep farming (see Box 3.4.1) and honey hunting in the nearby cliffs.

Box 3.4.1: Traditional sheep farming in Ghalegaon

Traditional community sheep farming in Ghalegaon is typical in the region. There are about 500 sheep in the village, which are tended to by two or three shepherds. The sale of sheep and sheep-products (mainly meat and wool) is handled by the owners themselves. A certain amount is contributed to the community fund for the effective and sustainable group farming of the sheep. This is a very unique practice. The best time to see community sheep farming is in the winter months as in summer the sheep are taken to the high mountains in the north of the district (Dudhpokhari and surrounding areas) in search of good pasture.

Apart from the rich cultural resources of Ghalegaon, the village is also endowed with superb natural resources. The landscape of the village and its surroundings attracts many domestic and foreign visitors. The village has panoramic views of the snow-capped high Himalayas, including Annapurna II, Himchuli, Buddha, the Fishtail Mountain (Machhapuchhare), and Lamjung Himal. The main tourist activities are based on these natural and cultural attractions. Visitors to Ghalegaon can participate in various tourism activities (see Box 3.4.2).

Box 3.4.2: Tourist activities in Ghalegaon

- Cultural programmes (singing and dancing)
- Cultural studies (special interest groups)
- Village walks (to the view tower, tea gardens, temples, or to see sheep farming)
- Sports at the natural playground (stadium) at the east corner of the village (football, volleyball, etc.)
- Honey hunter tours (seasonal)

- Involvement in farming activities (seasonal)
- Sunrise and sunset viewing from the view point

Tourism and the local economy

The mainstay of Ghalegaon's economy is farming – agriculture and livestock (cows, buffalo, goats, sheep). Remittances and pensions from foreign employment also contribute significantly to the local economy. So far, tourism has made very little contribution to the economy of Ghalegaon, and is considered an additional source of income for the few people involved in providing home stays. Very few households are directly involved in home stay tourism, and mechanisms for the wider distribution of tourism benefits are yet to be established. Only a few households are engaged in other tourism-related activities (such as guiding, running small shops, producing handicrafts, honey hunting, doing cultural performances, selling fruit and vegetables, or selling animal products).

Community-managed, 'home stay' based tourism is the main feature of tourism in Ghalegaon, and around 40 households are engaged in providing this service (Adhikari 2009). Other people in the village and its surrounding areas are engaged in tourism through cultural performances, as helpers (porters/local guides), and, to some extent, in the selling of agricultural products and handicrafts. Local handmade woollen blankets (*raadi-kaamlaa*) and waistcoats (*bakhu*) are famous in Ghalegaon. The locals also make bamboo and wooden items such as *Theki*, *Pung*, and *Pache*. The woollen handicrafts are mostly prepared by women. Traditional equipment (*taan*) is used for weaving, and the process itself can be interesting for tourists. There is a local museum containing traditional artefacts, agricultural equipment, and costumes.

Locally produced organic food is offered on a standard menu approved by the Ghalegaon Tourism Management sub-Committee (TMsC). Uniformity in hospitality, whether it is food or other services, is a speciality of Ghalegaon. The TMsC plays a significant role in setting norms and facilitating group members in the community. Different types of local food are offered: local eggs, *sel roti* (fried bread), *chapattis* (flat bread), and beans or other green vegetables are usually offered for breakfast; traditional *daal bhat* (rice, lentils, vegetables, chicken, and pickle) is served for lunch and dinner. Ghalegaon produces a lot of grains, such as maize, as well as green vegetables. Modern alcoholic beverages are not generally available in the village. Visitors are encouraged to try local and organically prepared alcohol (*raksi, jaand*). This helps decrease the leakage of tourism expenditure from the village.

Gurung Heritage Trail

Over the last four years, Ghalegaon has also been promoted under a new tourism brand, the Gurung Heritage Trail. This initiative is supported by the Nepal Tourism Board, Lamjung Chamber of Commerce and Industry (LCCI), and Annapurna Village Tourism Development Committee (AVTDC).

The Gurung Heritage Trail extends from Besisahar or Khudi to Pokhara, encompassing seven major Gurung settlements along the way: Ghalegaon, Ghanpokhara, Bhujung, Pakhrikot, Nagidhar, and Mijure/Thumsikot. In April, the spectacular rhododendron forests blossom along the trail. The route boasts natural beauty, Gurung culture, and biodiversity (Upadhyay 2008).

Ghalegaon is the main attraction of the trail. It is also considered to be a pioneer site for rural tourism development in the district. Ghalegaon also has the potential to attract tourists heading towards Dudhpokhari for the annual religious festival held during *Janaipurnima* (sacred Hindu thread wearing ceremony).

The traditional foot trail from Beshisahar/Khudi, one of the gateways to the Annapurna Circuit Trek, takes about six hours. However, a new road-link is under construction from Beshisahar via Baglungpani. Almost 16 km of motorable road has been completed and the remaining 4 to 5 km is expected to be completed within 2 years. The road is being built with support from the Government of Nepal and the participation of the local people. Small vehicles (mostly jeeps) ply the road during winter. During the rainy season, however, the slippery road cannot support vehicles. The locals expect that more tourists will come to Ghalegaon all year round once the road is complete. The road is also expected to accelerate non-tourism based development activities, as in other villages in the district.

Modality of tourism development and promotion

Process and model adopted

Ghalegaon initiated rural tourism activities in 1998 (during Visit Nepal 1998) with the objective of promoting the village and its surroundings as a community-based tourism destination for domestic as well as foreign tourists. ACAP, the NTB, Lamjung District Development Committee (DDC), Lamjung Chamber of Commerce and Industry (LCCI), Ministry of Tourism and Civil Aviation (MoTCA), and Federation of Nepal Chambers of Commerce and Industry's (FNCCI) worked together in this initiative from the beginning. Every year, Ghalegaon receives some kind of funding support from these organisations to develop local infrastructure or organise festival/events.

The village was also influenced by Sirubari village in Syangja district where home stay tourism started in 1997. Sirubari village is considered to be the first 'village tourism' site in Nepal with home stay accommodation (Kanel and Sigdel 2005). The ethnic background of the Sirubari people is the same as in Ghalegaon (Gurung). A group of local leaders and entrepreneurs were supported by the NTB to visit Ghalegaon for a study trip in 2002.

Ghalegaon has also learned from other tourism areas in the ACAP area (Ghandruk, Sikles, Chhomrong, Dhampus), which contributed greatly to the development of the home stay based tourism concept in Ghalegaon. All these factors inspired Ghalegaon residents to organise the first Ghalegaon Mahotsav (tourism festival) in 2001.

Regular media trips (familiarisation trips) supported by NTB have helped to popularise Ghalegaon as a destination, both domestically and internationally (NTB 2007). Ghalegaon Village Resort (a private company) is also supporting the villagers through the promotion and marketing of Ghalegaon tourism. An NGO, called the Annapurna Village Tourism Development Committee (AVTDC), is providing some assistance through skills trainings, mainly regarding cooking and serving. These institutions have assisted tourism development in Ghalegaon through:

- Small infrastructure development, e.g., drinking water, trail improvement, the construction of a community hall (with capacity to hold 200 people)

- Tourism-oriented skill development training (cooking and hospitality)

- Sanitation and environmental management activities

- Organising promotional festivals

- Media visits/familiarisation trips

- Development of collateral materials (brochures, posters)

- Destination marketing

All these initiatives have been led by a village-level committee called the Ghalegaon Tourism Development Sub-Committee (GTDSC). The sub-committee is under the Area Management Committee (AMC) at the VDC level, as per the ACAP criteria and norms. In addition, there are three ward-level mothers' groups (called *Aama Samuha*) under the GTDSC. There is also a Joint Mothers' Group with representatives from all mothers' groups. Some key highlights of the tourism management model are presented in Box 3.4.3.

1. Community-based tourism: home stay based accommodation services
2. Every household has 2 beds in a separate room
3. Toilet and bathroom facilities (with hot water)
4. A community hall for cultural performances
5. Local food items with a standard menu
6. Active mothers' group in each ward (total of 3 in Ghalegaon)
7. Ghalegaon Tourism Management sub-Committee (TMsC) under the ACAP/Area Management Committee (since 2001)
8. TMsC manages the welcoming of tourist and rotation of tourist accommodation
9. Linkages with the Uttarkanya VDC, Lamjung DDC, Lamjung Chamber of Commerce and Industry, ACAP, NTB, and Ministry of Tourism and Civil Aviation

Promotion and marketing

The GTDSC has been organising an annual tourism festival called the Ghalegaon Mahotsav during April each year since 2001. The event has been very useful in promoting the image of the village as a tourism destination nationally and internationally (Kanel et al. 2005).

The village also takes part in other national and regional tourism promotional events where appropriate. The Nepal Tourism Board has been promoting Ghalegaon as a prime rural destination, in the same way as Sirubari and other sites developed under the Tourism for Rural Poverty Alleviation Programme. Some key promotional activities are summarised in Box 3.4.4.

Box 3.4.4: Promotional activities

1. Annual tourism festival (Ghalegaon Mahotsav)
2. Brochures
3. Media/familiarisation trips
4. Participation in national and regional fairs/events
5. Annual sports competitions (football, volleyball)
6. Promotional support from NTB

Tourist arrivals and impact of tourism in Ghalegaon

Tourist arrivals

The year 2001 marked the beginning of formal tourism development and promotion in Ghalegaon. The first Ghalegaon Mahotsav in that year attracted some 80 tourists (domestic and international). After that, a gradual increase in the number of tourists in Ghalegaon was noticed every year, even during the armed conflict (1995–2006). Table 3.4.1 shows the trend in tourist arrivals in Ghalegaon.

Table 3.4.1: Tourist arrivals in Ghalegaon (2001–2007)

Year	Domestic tourists	International tourists	Grand total	% Growth rate
2001	62	18	80	
2002	75	22	97	21.25
2003	130	55	185	90.72
2004	225	70	295	59.46
2005	304	90	394	33.56
2006	508	107	615	56.09
2007	855	134	989	60.81
Total	2,159	496	2,655	–

Source: Upadhyay 2008

The data shows a steady increase in tourist arrivals each year. However, these figures are far less than the expectations of the villagers and other stakeholders involved in Ghalegaon tourism promotion. This could be due to the political situation in the country. Other reasons might include inadequate promotion and the low number of Ghalegaon 'package' sellers in Kathmandu and Pokhara.

Visitors arriving in Ghalegaon generally spend only one night in the village. These tourists come directly from Kathmandu, Pokhara, and other towns for home stay and then either return back to their place of origin or continue to other parts of the ACAP region. Domestic tourists constitute the majority of tourists to Ghalegaon.

Lack of adequate and/or professionally packaged tourism activities in the village, as well as the emergence of other similar tourism experience products and activities in nearby Gurung villages have affected the potential for tourists to stay longer in Ghalegaon.

Positive tourism impacts

Ghalegaon now receives about 1,000 tourists annually; some 150 international and about 850 domestic visitors (see 2007 data Table 3.4.1). Several positive impacts have been observed including:

- increasing sensitisation of the locals to the conservation of natural resources and biodiversity

- increasing interest in local tourism and home stays

- increased additional income from tourism (not yet quantified)

- growing positive image of the village

- development of local infrastructure and its maintenance

- improved health and sanitation conditions

- growing market for the sale of local agricultural and craft-based products

- more linkages and partnerships with different tourism stakeholders in the region, and the nation

- promotion of cultural performances

- recognition by the Government of Nepal of Ghalegaon as a Model Village (SAARC-level)

- replication of the Ghalegaon model and tourism development practices by other villages

Negative tourism impacts

Given the limited number of tourists in the village, negative tourism impacts are minimal at the moment. No specific negative impacts of tourism have yet been reported by the villagers, although the use of firewood has increased with tourism expansion. This may have some negative effects on the forest resources if alternative sources of fuel for cooking and heating are not developed.

Key issues and challenges

Ghalegaon tourism has a lot of potentials; at the same time, however, it faces some challenges. The main issues and challenges are:

- Low number of tourist arrivals (capacity 80 per day, but arrivals in 2007 were approximately 80 per month)

- Absence of a separate strategic tourism development plan for Ghalegaon (a single plan for the whole ACAP region will not work for Ghalegaon)

- Insufficient promotional activities (the annual festival is not enough)

- Exploitation of forest resources for firewood

- Generation gap (young generation are not staying in the village and are less interested in tourism)

- Motorable road heading towards other villages along the Gurung Heritage Trail (what will happen after road construction?)

- More and more Gurung villages (inside and outside the Gurung Heritage Trail) are emerging as new rural destinations attracting more tourists and increasing competition

- Equity in tourism benefits and participation of non-Gurung (Dalit) households that are not involved in home stay management (all groups should be directly involved in tourism development and management in Ghalegaon)

- Lack of participation of youths in tourism activities, except cultural shows and sports (to stimulate their interest in home stay management and other activities special interventions are needed)

Lessons learned

Despite several challenges and opportunities, Ghalegaon has been – and will remain – an important model for community-based responsible tourism (CBRT) in Nepal. Many lessons can be learned from Ghalegaon Tourism:

- The participation of women in home stay tourism is very high in Ghalegaon, and they play a crucial decision-making role in the overall management of home stay guests. This could be a good lesson for others on how the engagement of women can benefit home stay tourism management.

- The rotational management of tourists in the home stays provides equal opportunity to all involved in providing home stays.

- Linkages with the Nepal Tourism Board and Ministry of Tourism and Civil Aviation from the very beginning of product development have been crucial.

- Conservation-focused tourism and development activities are more successful and sustainable.

- Annual and special tourism festivals (e.g., Ghalegaon Mahotsav) are essential for tourism promotion and a basic factor in initiating tourism in any new

village. This approach helps locals to come together for a common cause, know the interests and demands of the tourists, and modifying the product accordingly without compromising local values and norms.

Suggestions and recommendations

Ghalegaon is rapidly emerging on the tourism map of Nepal and also in the SAARC region. The following suggestions and recommendations are provided to make Ghalegaon Tourism more sustainable and vibrant:

1. A strategic tourism development plan for Ghalegaon is urgently required. This can be done jointly with Ghanpokhara, which is considered to be the origin place of the Ghale Gurungs in Nepal.

2. The quality of home stay houses/rooms needs to be improved (minimum criteria should be developed by management and strictly followed). In some households, there are cattle sheds very close to the home stay room.

3. Adequate information (signage) and interpretations are required to facilitate tourists coming to the village. A welcome gate at the entrance of the village would add an extra point.

4. Promotion and marketing through private companies (Kathmandu and Pokhara-based companies that have a strong sense of corporate social responsibility) should be strengthened.

5. The new rural tourism model – the Government of Nepal and NTB-recognised 'Sustainable Tourism Development Fund' modality developed by Tourism for Rural Poverty Alleviation Programme (TRPAP) – should be adopted in Ghalegaon. A soft micro-loan facility should be availed to poor entrepreneurs. Ghalegaon tourism should also consider the gender perspective and social inclusion so as to promote inclusive and ensure that benefits are distributed more broadly.

6. Capacity/skills development of the locals is needed, particularly in relation to hospitality, housekeeping, food and beverages, cultural performances, sanitation awareness and hygiene maintenance, local guiding, English language, leadership development, destination management, and the diversification of handicrafts.

7. Dynamic and active leadership should be developed among existing leaders and new leaders should also be cultivated to ensure the future of tourism in Ghalegaon.

8. New activities/tourism products should be developed to lengthen the stay of tourists in the village.

9. More external linkages should be established to facilitate the overall development of community-based rural tourism development in Ghalegaon.

10. The newly developed Gurung Heritage Trail may attract more tourists to Ghalegaon. Hence, Ghalegaon should play an active role in developing and promoting the Gurung Heritage Trail.

11. The proposal to recognise Ghalegaon as a 'SAARC model village' will create further opportunities for promoting international tourism to Ghalegaon. Therefore, the systematic development of Ghalegaon as a 'model village' is widely sought.

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>>> Section 4. Transboundary Tourism

4.1 Role of Actors and Institutions in Regional Tourism[12] Development in the Hindu Kush-Himalayan Region

Nakul Chettri[13]

Introduction

Tourism, as a part of a country's economic growth strategy, has the potential to contribute significantly to economic, environmental, social, and cultural change (Neto 2003; Kruk and Banskota 2007; Kruk et al. 2007a). With its biological, economic, and, less frequently, cultural and social aspects, the role of actors and institutions in cross-border cooperation for tourism development has been highly recognised and various stakeholders (the private sector and local communities) and institutions (national tourism organisations and regional bodies) have an important role to play in transboundary cooperation for tourism development (Eeva-Kaisa 2007; Sharma et al. 2007; Saxena and Ilbery 2008). Border areas in the Hindu Kush-Himalayan region are generally remote and inaccessible, and have limited livelihood options; hence, tourism can play an important role in their economic development. However, these areas are fragile and impoverished. To minimise the ill effects of tourism, and for sustainability, it is necessary to balance social, ecological, and economic aspects. Wunder (2000) argues that economic incentives for sustainable development are imperative and without multi-stakeholder cooperation it is difficult to balance the social, eco-

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12 In this paper, the terms 'regional tourism', 'sub-regional tourism', 'cross-border tourism', and 'transboundary tourism' are used interchangeably in reference to tourism to more than one country in the HKH region.

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logical, and economic aspects of tourism. Thus, sustainable tourism development is a complex process as there are many challenges involved in ensuring multi-stakeholder participation. Recognition of the need to pool knowledge, expertise, capital, and other resources through coordination and collaboration among actors is evolving through a new set of theories (Hall 1999; Bhattacharyay 2006). The multifaceted and transversal nature of tourism was recognised in the 1970s; and today this kind of tourism is fully entrenched in the global economy and political trends.

Tourism specialists claim that the most 'backward regions' often offer the most 'exotic' resource base for the promotion of tourism (Sharma et al. 2002; ADB 2004; Kruk and Banskota 2007). While this may not be true for all of the underdeveloped countries of the world, it is largely true for the states located in the Hindu Kush-Himalayas. Although the database on tourism in the HKH is generally poor, available information reveals that tourism is already an important activity and significant contributor to the region's economy (ADB 2004; Kruk and Banskota 2007; Rasul and Manandhar 2009). It can be stated without much hesitation that the Himalayan states, which until very recently were in one of the least developed regions of the world, have achieved commendable success by exploiting the scenic beauty of the region. The mountain environment in the HKH is ideally suited to outdoor recreation and the saleability of its aesthetic properties is undoubtedly a boon to local communities. However, organised tourism and the roles of the various actors and institutions in transboundary tourism development are still underexplored in the HKH.

The International Centre for Integrated Mountain Development, an intergovernmental regional learning and enabling centre, has been instrumental in promoting regional tourism across the HKH (Kruk and Banskota 2007; Kruk et al. 2007a, 2007b). During the past 25 years, ICIMOD has been active in conceptualising mountain tourism and providing enabling platforms for dialogue, both for policy makers and academics (ICIMOD 1995, 1997, 1998; Kruk and Banskota 2007; Kruk et al. 2007a). This paper gives some insight into tourism development in the HKH from an historical perspective, as well as looking at 'regionalism' and 'sub-regionalism' in participatory tourism planning involving stakeholders. This trend towards participatory regional tourism development is reflected in the establishment of regional bodies such as South Asian Sub-Regional Economic Cooperation (SASEC) (ADB 2004; Rasul and Manandhar 2009). No matter what the objective of tourism (economic development, conservation, or social justice), we are discovering the importance of collaborative action in many regional and sub-regional programmes. Such integration could spawn a diverse array of new institutional forms and agreements in the HKH region. This paper recommends that a strategic framework be put in place to institutionalise regional cooperation in mainstream tourism in the HKH.

Tourism in the Hindu Kush-Himalayas

The HKH has been a central attraction for many tourists and entrepreneurs since time immemorial (Kruk et al. 2007a; Chettri et al. 2008). The region has a rich bounty of natural tourism products based on its natural beauty, biodiversity, cascading streams, and mountains, as well as its rich ethnic, cultural, and religious diversity. Historically, some parts of the HKH were considered the most economically developed regions in the world. Asia contributed about 58% of the world's gross domestic product (GDP) in 1500AD. Over the next century, this share declined sharply to a meagre 27% in 1902, plunging to a mere 19% in 1950 as a result of colonist powers, the global depression, and the devastating effects of World War II (Bhattacharyay 2006). This 19% share is meagre compared to the total population of Asia, which, at that time, accounted for 60% of the world's population (Maddison 2001). However, after World War II and then the end of the Cold War, many innovative approaches evolved to address the complex political and economic aspirations of nation states in the form of 'regionalism', where group of countries initiated negotiations towards the common goal of regional prosperity. Such initiatives were witnessed mainly after the end of the Cold War. Since then, regionalism has become increasingly important in world politics, especially in the context of economic globalisation (Lane 2006). Not surprisingly, there has been a resurgence of interest in regionalism among policy makers, business people, and academics, mainly in relation to peace and economic prosperity (Kim 2003). In many parts of the world, opportunities afforded by the end of the Cold War have resulted in a significant increase in regional/sub-regional institutions such as the Association of South East Asian Nations (ASEAN), European Union (EU), and South Asian Association for Regional Cooperation (SAARC). However, since regionalism is 'constructed', as opposed to 'natural', it is an inevitably a contested concept both in theory and practice, and is still the subject of debate. As a result, many such past initiatives have faced integration and operational problems (Bhattacharyay 2006; Lane 2006). Moreover, although the tourism sector has been the key component in the prosperity of the region, scholarly debate about HKH regionalism tends to neglect tourism as a key area for cooperation.

Triggered by reduced marketing budgets and tourism downturns, recent trends have shown many countries pooling their financial and human resources and establishing cost-effective regional joint marketing and promotion programmes. Successful examples include the Agency for Coordinating Mekong Tourism Activities and the South Pacific Tourism Organisation. SAARC member countries are also recognising the benefits of sub-regional grouping to promote tourism. Based on the available resources and the region's potential, several studies show that the region is going to re-emerge as a market force in tourism in

a dramatic fashion in the next few decades (Wilson and Purushotaman 2003). The countries sharing the HKH have made significant progress in terms of economic development, reaching up to 30% of global GDP in 2004 (UNDP 2005), and the tourism sector has shown progressive trends (Liu and Wall 2005; Chettri et al. 2008; Gurung and Seeland 2008; Kruk et al. 2007a). The progress made by the region has been possible due to various innovative interventions by the individual countries. The tourism industry of China, a "sleeping giant" (Hall 1994), is gradually developing to be massive in scale as a direct product of economic reforms (known as the 'open door' policy, promulgated by the Deng Administration in 1978), which encouraged substantial social and economic changes (Chow 1988). Tourism has since been widely adopted as an important economic strategy to facilitate the move from a Soviet-style economy driven by heavy industry, to an economy incorporating a complex amalgam of quality services (Choy et al. 1986). This change was possible through human resource development and changes in planning processes (Liu and Wall 2005). Similarly, given Nepal's geography and state of underdevelopment, its attractive natural scenery has yielded adventure tourism as a viable economic activity for the development of remote areas (Sharma 2000; Bhattarai et al. 2005; see also Section 1.1). However, the industry faces many hurdles; the most problematic being uncertainty and security issues resulting from insurgencies and political conflicts in the region (including the recent civil conflict in Nepal) and the September 11 attacks, along with the industry's dependency on foreign capital, and the negative impact of industrial development on tourism, as most tourism development interventions are in protected areas (Nyaupane and Thapa 2004).

In today's tourism environment competition is intense between the major international destinations, and this trend is likely to increase. At the same time, there is greater recognition by almost all country governments of the substantial benefits associated with tourism, such as job creation, foreign exchange earnings, and other benefits. Despite an impressive range of attractions, the countries of the HKH have generally not reached their full potential in terms of regional tourism – the main reason being lack of a concerted regional approach. Travel procedures in some countries in the region are exceptionally complicated and restrictive. Border formalities, including visas and permits, are among the most significant barriers. In addition, security, basic infrastructure facilities, narrow seasonality, the quality of services, and highly inequitable sharing of benefits are limitations in many destinations in the region (Nepal 2000, 2003; NTB 2005). In almost all of the mountain areas of the Himalayas, most of the earnings from tourism flow to large urban-based tour and travel agents and entrepreneurs in the hospitality industry, with little spontaneous effects on poverty alleviation for rural mountain people (e.g., Chettri et al. 2005). In last two decades, tourism in the HKH has been mainly focused on mountain tourism, with an emphasis on

recreational activities in protected areas (Gurung and de Coursey 1994; Maharana et al. 2000; Nepal 2000). And, in many cases, the positive environmental, socioeconomic, and socio-cultural impacts of such tourism are arguable (Nepal 2000; Brunet et al. 2001; Kruk and Banskota 2007). It appears that the benefits of such tourism are not equitably shared, and, hence, tourism development in the region is not sustainable. The majority of local actors and beneficiaries are deprived of benefits and the revenue generated by tourism is not reaching marginalised groups (Nepal 2000; Chettri et al. 2005).

While responsible tourism or ecotourism may bring significant benefits to host communities, it is not necessarily aimed at poverty alleviation (Neto 2003). The need to address mountain concerns and the potential contribution of tourism to mountain communities is increasingly being recognised. Agenda 21 of the UN Conference on Environment and Development (UNCED) stated that the fate of the mountains may affect more than half of the world's population; it also acknowledged mountain tourism as an important component of sustainable mountain development and conservation (UNDESA 1992). Given that the United Nations Millennium Declaration has placed poverty at the centre of the international development agenda, it can be argued that sustainable tourism development should go beyond the promotion of broad socioeconomic development and give greater priority to poverty alleviation. This priority shift would address a somewhat ignored recommendation of the seventh session of the United Nations Commission on Sustainable Development which, inter alia, urged governments to "maximize the potential of tourism for eradicating poverty by developing appropriate strategies in cooperation with all major groups, and indigenous and local communities" (see UN 1999). As a result, tourism researchers from the HKH have started debating the promotion of pro-poor tourism as a way of maximising the benefits to the poor (Banskota and Sharma 2000; SNV Nepal and ICIMOD 2006; Kruk and Banskota 2007). Research has shown that tourism does not necessarily lead to development and conservation if deliberate efforts are not made to link the industry with development concerns in the mountains – specifically poverty alleviation, environmental conservation and regeneration, and the empowerment of local communities (Kruk and Banskota 2007). Even in the highly successful model of the Annapurna Conservation Area Project (ACAP), the benefits of tourism development are said to go mainly to lodge and restaurant owners, with subsistence farmers and the poor and marginalised groups benefiting only to a limited extent (Nyaupane and Thapa 2004; Chettri et al. 2005). The main reason why the poor seem to have been unable to benefit much from tourism is that the linkages between tourism and local production systems are weak, and supply side planning and management have been poor and, in some cases, even completely ignored (Chettri et al. 2008). In the HKH, perhaps the most impoverish area in term of the proportion of poor, pro-

poor tourism is evolving as a promising approach for sustainable development (SNV Nepal and ICIMOD 2006; Kruk et al. 2007a, 2007b).

Formal and informal transboundary tourism

Economic globalisation and liberalisation have been driving the world economy, breaking national barriers, and integrating national economies into the global economy. Over the past few years, we have witnessed tourism development processes in cross-border destinations in many parts of world (Timothy 1999, 2003; Eeva-Kaisa 2007; Saxena and Ilbery 2008). These processes have stimulated regional cooperation and integration among neighbouring countries in many parts of the globe (de Aroujo and Bramwell 2002; Uiboupin 2006). Such changes are only possible with mutual understanding and coordination among the stakeholders, joint planning processes, and policy support. In other words, tourism is an important economic activity that needs partnership and coordination at local, national, regional, and global levels. Hence, the issues of coordination, collaboration, and institutional partnerships are now at the forefront of much tourism research into solutions to resource management and destination development problems.

In the HKH context, regionalism and sub-regionalism in tourism is gaining impetus (Ghimire 2001; Timothy 2003; Rasul and Manandhar 2009). The regular meeting of the ASEAN National Tourism Organisations has been instrumental in formulating and coordinating regional strategies to promote tourism, including facilitating intra-ASEAN travel and tourism (ADB 2004). The South Asian Association for Regional Cooperation has also been focused on promoting intra-regional tourism using common resources, shared culture, and common physical infrastructure (Timothy 2003; Khan and Haque 2007; Rasul and Manandhar 2009). Like SAARC, SASEC and the Bay of Bengal Initiative of Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) have undertaken several initiatives to promote regional tourism, the former being focused on regional perception and individual actions by its participating countries. Such progress has only been possible as a result of mutual understanding and dialogue among the state actors for regional development.

Other than the abovementioned formal mechanisms, there are plenty of examples where entrepreneurs and local actors are active in regional tourism at local, national, and regional levels. The involvement of various stakeholders in the development of 'ecotourism' and informal business collaborations between travel agents and business entrepreneurs (such as the Travel Agents Association of Sikkim and the Travel Agents Association of Nepal in the promotion of Sikkim and Nepal as complimentary destinations) are playing an important role in regional tourism (Sharma et al. 2002) (see Box 4.1.1).

Box 4.1.1: Roles, responsibilities and activities of different groups involved in the promotion of ecotourism in Sikkim, India

	Tour operators	Communities/NGOs	Government	The Mountain Institute (TMI)	GB Pant Institute of Himalayan Environment and Development (GBPIHED)
Role	Plays a role in conservation, policy, and infrastructure development, and in the management of the tourism industry. Key agencies: Travel Agents Association of Sikkim (TAAS); Pelling Tourism Development Association (PTDA)	Plays a role in the preservation of natural and cultural heritage. Local communities/stakeholders use natural resources. Local NGO: Khangdzonga Conservation Committee (KCC)	The Government of Sikkim is responsible for policy formulation and resource control and management.	Works with the community to conserve the mountain environment and cultural heritage through education, conservation, and development. TMI also plays a role in the development of participatory and scientific monitoring.	Focal institute for the advancement of scientific knowledge, the evolution and demonstration of integrated management strategies for resource and sustainable development. Plays a role in the development of participatory and scientific monitoring, and conducts applied research.
Activities/responsibilities					
Product and site enhancement	Fuelwood reduction; trekking huts, garbage, litter and sanitation management; promotion of health and safety measures	Community forest management; conservation education; village beautification	Infrastructure development; promotion of health and safety measures	Enterprise destination enhancement	Technical input in choice of species and planting techniques

	Tour operators	Communities/NGOs	Government	The Mountain Institute (TMI)	GB Pant Institute of Himalayan Environment and Development (GBPIHED)
Entrepreneurial skills and product development	Trekking staff training; new product development	Study tours for guides; lodge management; promotion of local food; micro-enterprise development	Tourism Departments participation in training	Training inputs; organisation of training	Greenhouse vegetable production; composting; indigenous food promotion
Ecotourism marketing	Surveys market trends; designs and implements marketing strategies	Assists in implementation of tourism promotion activities	Quality tourism development	Provides international experts	Provides local experts; study tours and workshops
Planning, monitoring and applied research	Policy review; business surveys; participatory monitoring	Community resource management	Policy review and implementation	Policy workshops	Participatory, biological, socioeconomic, and enterprise monitoring
Biodiversity preservation	Ensure threatened habitats and areas are not exposed to tourists	Avoid disturbance and negative impacts on wildlife	Signboard about vulnerable species and implement laws	Plan activities with no negative impact	Carry out impact studies and monitoring
Cultural preservation	Trekking staff to sensitise visitors about culture and values	To be aware of and feel pride in culture and traditions	Cultural site planning for tourism	Support in managing cultural sites and museums	Support in the management of cultural sites

Source: Sharma et al. 2002

Similarly, there has been significant progress in stakeholders' participation and there have been concerted efforts to provide quality services in Bhutan (see Gurung and Seeland 2008). In China, in recent years, there has been a significant paradigm shift in tourism development through policy change and rigorous planning processes (Chow 1988; Choy et al. 1986; Liu and Wall 2005). The Chinese Government's priorities and entrepreneurial thinking in relation to tourism have changed significantly over the last 50 years (see Table 4.1.1). These developments indicate that there is a larger role for both private and public sector actors in tourism development in the region. However, as pointed out earlier, most of the tourism in the region is recreational and based in protected areas, many of which are transboundary in nature. The approach of pro-poor tourism has great potential to address poverty issues with 'pro-poor transboundary tourism'.

Table 4.1.1: Paradigm shift in tourism planning in China

Attributes	1949–1978	1979–1980s	1990 onwards
Motivation	Expanding political reach	National economic growth	Regional development
Objectives	Diplomatic; relationships	Foreign exchange; balance of payments	Foreign exchange; modernisation
Approach	Controlled	Centralised	Decentralised
Mechanism	As a diplomatic strategy	As an economic sector	As a social–cultural activity
Focus	Limited organisational set up; infrastructure for 'selected' visitors	Increase infrastructure; simplification of accessibility; and human resource development	Product development; diversification of ownership; marketing and promotion
Target visitors	Tourists from socialist countries and non-aligned nations	International tourists; Chinese compatriots from Hong Kong, Macao, and Taiwan; 'overseas Chinese'	International tourists; Chinese compatriots from Hong Kong, Macao, and Taiwan; domestic tourists

Source: Information adapted and revised from Liu and Wall 2005

Need for a regional cooperation framework

In order to define transboundary cooperation (TBC) and elucidate different aspects of this phenomenon, several investigations have been undertaken around the world during the past few decades. Some researchers see TBC as a modern regional development practice. While traditional regional development practices were originally intended to address regional discrepancies within national boundaries, TBC is new in that it involves foreign, national, and regional governments in addition to supranational institutions and promotes transnational cooperation structures between two or more territories located in different countries (Enokido 2007; Smallbone et al. 2007). The need for regionalism in the form of TBC has been the subject of consensus in many regional initiatives in the HKH. For example, the South Asia Tourism and Travel Exchange is an important regional travel mart and showcasing event. Its organisers are motivated to further 'regionalise' the event. After the SAARC Islamabad Declaration, the timing is right for 'pro-poor cross-border tourism' to capitalise on the current wave of cooperation, feelings of pride, and regional identity in the HKH. However, tourism is a multi-sectoral activity; therefore, all actors (transport providers, restaurants, park officials, souvenir shops, hotels, and governments) have to come together and act cohesively for its development. Accordingly, it is necessary to have integrated regional plans and programmes. At present, SAARC, SASEC, and BIMSTEC are working almost entirely independently. Their programmes need to be integrated in order to bring about synergy and avoid duplication (Rasul and Manandhar 2009). As a regional institution, ICIMOD is well placed to play a coordinating role in facilitating transboundary tourism cooperation, as it has done over the last 20 years.

The sustainable mountain tourism sector is complex, multi-faceted, and embraces a wide variety of stakeholders from the public and private sectors. These actors include local communities, a number of government agencies and departments (local and national), INGOs, NGOs, banks and donor agencies, business associations, accommodation and transport providers, restaurants, retail outlets, journalists, guidebook writers, tourists, and tour agents (at the local, national, and international levels). To get these different stakeholders working towards common goals and to achieve the best results in sustainable mountain tourism, collaboration is needed (Buysrogge 2007, cited in Kruk et al. 2007, pp 71–81). Stakeholder collaboration stimulates the active involvement of all parties involved. It helps to create common understanding and encourages local ownership of projects. Informal exchange of business, a common understanding of complimentarily, and tourism promotion are being practice among the stakeholders in the region. The Khumbu trade (see Figure 4.1.1) is a good example of how tourism can become a component of local trade and how it is linked to

regional trade. Such examples are plenty in the Himalayas. Although the general principles have been laid out for multi-stakeholder collaboration (Buysrogge 2007), so far, limited efforts have been made to formalise such transboundary collaboration at the local level in the Himalayas. There is a dearth of information and knowledge on how such transboundary tourism is promoted by these actors and what role they play. Relationships in the region are historically politically sensitive; hence, there is a need for a politically neutral regional institution such as ICIMOD to conduct research on the roles of actors and institutions, build the capacity of these actors, and promote a pro-poor approach to tourism development. A regional centre like ICIMOD can also bring global know how and experience to its regional member countries and develop a platform for dialogue. ICIMOD can play a pivotal role in customising tourism as per global agendas – such as that of the Convention on Biological Diversity's Article 8j, the recommendations of the World Summit on Sustainable Development, and the Millennium Development Goals – by bridging local to global linkages as shown in Figure 4.1.2.

Figure 4.1.1: Regional trade in the transboundary region of Khumbu
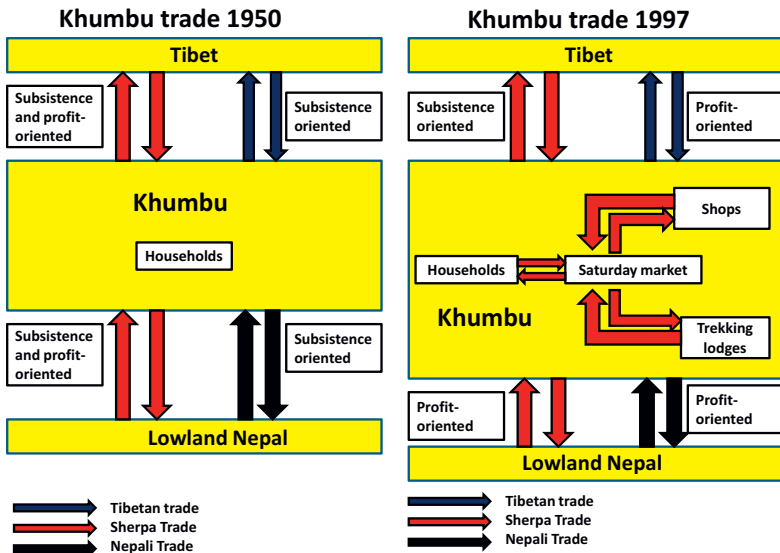
Figure 4.1.2: Local to global linkages in pro-poor tourism: A conceptual framework
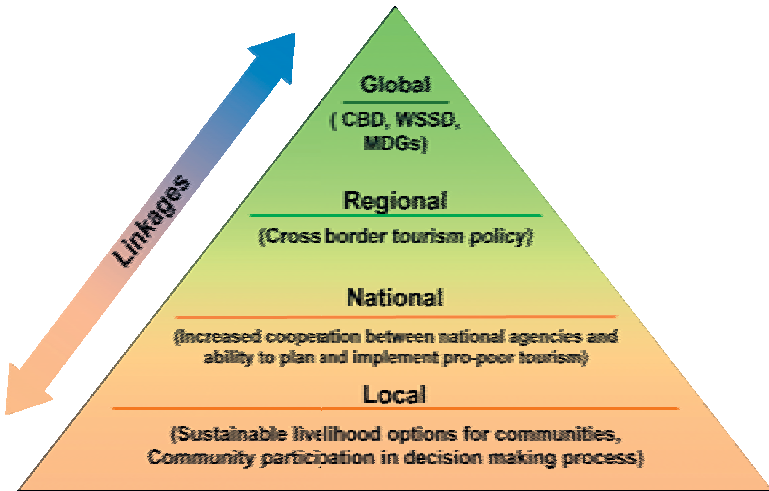
Notes: CBD = Convention on Biological Diversity; WSSD = World Summit on Sustainable Development; MDGs = Millennium Development Goals

Conclusion

The major economic powers in the HKH are realising the potential of tourism for regional economic development. However, so far, planning for regional tourism seems to be a complex undertaking, representing a formidable challenge for any partnership. A key issue is that it affects multiple groups, such as governments, the private sector, non-government organisations, and local communities. These groups differ according to whether their interests are focused at the local, regional, or national scale. If regional tourism partnerships are so complex, why are they useful? In theory, regional bodies are well positioned to bring together local, regional, and national interests within a regional development perspective through various regional initiatives. These initiatives also have the potential to assist national governments to take account of local aspirations and characteristics, and, hence, to reduce tensions among national, regional, and local views. The growing emphasis by government tourism organisations on partnership arrangements with the private sector is also related to developments in management theory. For example, strategic planning now places substantial emphasis on relations with stakeholders as part of the planning process, with the emergence of theories of collaboration and network development in processes of mediation, promotion, and regional development.

Therefore, an integrated approach towards pro-poor transboundary tourism planning is urgently needed, and processes should be neither top-down, where the goals at each level in the organisation (or spatial area) are determined based on the goals at the next higher level, nor bottom-up, where the goals of individual units are aggregated together. Instead, it should be an interactive or collaborative process that requires participation and interaction between the various levels of an organisation or unit of governance and between the responsible organisation and the stakeholders in the planning process to realise horizontal and vertical partnerships among the regional players. The need for coordination has become one of the great truisms of tourism planning and policy. Coordination for tourism should be both horizontal, i.e., between different government agencies that are responsibly for various tourism-related activities at the same level of governance (e.g., national parks, tourism promotion, transport), and vertical, i.e., between different levels of government (local, national, and regional) within an administrative and policy system. Nevertheless, coordination at the transboundary level is a political activity, and, as a result, coordination can prove difficult, especially when, as in the tourism industry, there are a large number of actors involved in the decision-making process. Thus, facilitation by a neutral institution like ICIMOD is essential.

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Acknowledgements

4.2 Planning and Governance in Cross-Border[14] Tourism Development

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Introduction

With tourism accepted by development agencies as having a role to play in contributing to sustainable livelihoods for rural and mountain communities, this paper examines the planning processes and governance strategies that have been applied in recent South Asian and Himalayan pro-poor transboundary tourism initiatives. Sub-regional cooperation can achieve a significant increase in tourism and lead to overall economic growth and the reduction of poverty, producing 'a whole greater than the sum of the parts'. Because of the complexity of the planning and governance issues associated with sub-regional and transboundary tourism, it is interesting to examine the recent approaches and to take lessons from cross-border experiences in the region. Planning with such a wide geographic and sectoral range of stakeholders can present challenges. Issues of governance are even more difficult, as there is no authority that spans the nations of the region. This paper shares first-hand sub-regional planning experiences, examining their current relevance and implications with a view to practical application, analysing options and strategies, identifying issues and constraints, and extrapolating useful lessons learned in terms of best practices and realistic expected outcomes.

Patterns and demand

There has been strong growth in South Asia visitor arrivals since the South Asia Sub-Regional Economic Cooperation (SASEC) Tourism Development Plan (TDP) of 2004. Much of this growth is fuelled by business and social travel to India rather than leisure tourists. The sub-regional patterns of tourism have remained largely unchanged for many years, resulting in the perception of the region as a 'tired destination'. This also applies to tourism in the Tibet Autonomous Region (TAR) of the People's Republic of China, despite tenfold growth in international visitor numbers and the increase in domestic tourism following the opening of the rail link.

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14 In this paper, the term 'cross-border tourism' is used interchangeably with 'transboundary tourism', 'regional tourism', and 'sub-regional tourism' in reference to tourism to more than one country in the HKH region.

15 Tourism Resource Consultant

Patterns of demand from Western source markets remain similar, but overall numbers have increased significantly. The number of visitors from South Asian Association for Regional Cooperation (SAARC) countries has declined slightly, but the number of visitors from 'other Asia' has marginally increased. With its superb range of natural and cultural attractions, there is convincing potential for growth. South Asian countries are uniquely well positioned to respond to the high value demand for ecotourism products from long haul as well as short haul markets. Recent studies conclude that care must be taken to match products with market demand. Despite strong government commitment to tourism in South Asia, world-class infrastructure and product development remains lacking. Impediments to travel, including difficulties with access, security, connectivity, and border procedures, remain constraints.

There is potential for growth in both volume and yield from Western ecotourism market segments in all South Asian countries, provided that the high standards of guiding and interpretation that these markets require can be developed. Trekking in the Himalayas, ecotourism in the Ganga-Brahmaputra, and adventure in South Asia remain relevant ecotourism sub-themes for sub-regional visitors.

With regard to Buddhist pilgrimage circuits, the 376 million Buddhists worldwide represent approximately 6% of the global population. The enormous opportunity for Buddhist pilgrimage travel is now widely recognised. The 'Footsteps of Lord Buddha' sites remain the core Buddhist heartland attractions in the region, with potential for growth from pilgrimage and cultural sightseeing markets. Recent trends associated with the search for spiritual wellbeing appeal to broader, general interest visitors, including Westerners. 'Living Buddhism' market segments are targeted in the 'Incredible India' campaign and by the Sri Lankan Tourism Board, among others. With improved access, guiding, and interpretation, the history, iconography, and art associated with Buddhism in the South Asian region is a significant untapped resource. In terms of new markets, there is potential to target high-value segments from Asian countries with strong Buddhist connections, such as PR China, Japan, South Korea, Sri Lanka, Taiwan, and Thailand.

The SASEC experience

The SASEC initiative started in 2001 with technical assistance from the Asian Development Bank (ADB). Inspired by the ADB tourism experience in the Greater Mekong Sub-region, the SASEC grouping grew out of the South Asia Growth Quadrangle, a response to the lack of effective action on regional tourism development by SAARC. The SASEC area is Bangladesh, Bhutan, 13 States of India (West Bengal, Bihar, Uttar Pradesh, Orissa, Jharkhand, Assam, Meghalya, Manipur, Tripura, Mizoram, Nagaland, Arunachal Pradesh, Sikkim), Nepal, and Sri Lanka.

SASEC planning processes involve regular meetings of the SASEC Tourism Working Group (TWG), whose members are the secretaries of tourism and national tourism organisations (NTOs) of the governments of Bangladesh, Bhutan, India, Nepal, and Sri Lanka. Development partners have been included in the TWG meetings from the beginning. SASEC progress since 2001 has included the design and implementation of the Tourism Development Plan published in 2004, the Human Resource Development and Capacity Building in the Tourism Sector project (2005–2006), and the Sub-Regional Tourism Infrastructure Development Project of 2008.

SASEC objectives relevant to multi-country tourism are defined by the TWG as to:

• Build a cooperative spirit among the tourism industries of the sub-region

• Contribute to sustainable economic growth

• Utilise tourism as a tool to reduce poverty

• Generate employment opportunities

• Facilitate private sector investment in tourism

SASEC trends and projections

An examination of sub-regional tourism trends found strong growth in arrivals with 5.6 million foreign visitors to SASEC countries in 2006, which is a 70% increase since the TDP of 2002 (6.2 million in 2007, up 80% since the TDP of 2002), and 3.7 million to the SASEC sub-region in 2006, an 118% increase since 2002. There has also been strong earnings growth, with USD 6.3 billion in tourism revenue in SASEC countries in 2005, an 89% increase since the TDP of 2002. This figure does not include domestic tourism revenue, which is significant, particularly in India where the 11th Five Year Plan set a target of 760 million domestic tourist visits by the end of 2011. National visitor projections for SASEC countries total 14.9 million arrivals by 2020 (see Table 4.2.1).

Table 4.2.1: National visitor projections for SASEC countries by 2020

Country	Visitor Arrival Projections by 2020 (million persons)
Bangladesh	0.9
Bhutan	0.115
India	8.9
Nepal	2
Sri Lanka	3

Source: Compiled from national tourism statistics

The comparative advantages of the source markets attracted by ecotourism based on nature and cultural heritage were considered by SASEC countries to be:

• Strong Western market potential in volume and yield

• Care to match products with markets, i.e., guiding and interpretation

• 'Other Asian' markets increasingly showing up

• Undeveloped potential in Bangladesh and India

• Demand expected from domestic and regional visitors

• SASEC tourism resources and attractions are well placed to respond to high-value demand

The potential for tourism growth to Buddhist Heartland pilgrimage sites, although low-yield, was found to be excellent, particularly from Asian countries with large Buddhist populations. There is also excellent potential for general interest sightseeing from Asian countries with Buddhist connections. However, these markets are susceptible to security issues, and need improved amenities and better interpretation.

SASEC planning

Relevant to all transboundary tourism planning, the SASEC planning team methodology and overall approach was to emphasise in-country consultations with stakeholders, seeking government and industry views on how best to use sub-regional cooperation as a means for strengthening both intra-regional and international tourism. The essential strategy was to thoroughly understand the tourism development agendas of the five SASEC countries (Bangladesh, Bhutan, India, Nepal, and Sri Lanka), so as to build on existing policies and priorities. In line with SASEC's overarching goal of poverty reduction, all project interventions were screened for their adherence to pro-poor tourism principles, as well as their potential social, environmental, and economic impacts. Although each proposed initiative required a sub-regional rationale, implementation will be undertaken on a national basis.

The planning team undertook research in each country through local specialists, followed by a series of national stakeholder workshops hosted by the NTOs. In addition, the planning team took a macro-planning viewpoint, seeking ways to foster tourism sector growth by analysing the tourism and development patterns of the SASEC sub-region as a whole. The outcomes of these two 'bottom-up' and 'top-down' approaches were merged. The resulting ideas were consolidated, then discussed with the TWG at a sub-regional workshop that included prospective development partners, resource managers, and the private sector tourism industry.

Tourism Development Plan 2004

The Tourism Working Group development framework stipulated that the Tourism Development Plan 2004 should:

- Identify 'unique' products

- Adopt two key themes with common competitive advantages for each member country (e.g., Buddhist circuits and ecotourism based on natural and cultural heritage)

- Use existing master plans and policies as a basis for the plan

- Work towards 'bankable' projects based on joint products and joint marketing

The resulting TDP 2004 presents profiles of existing tourism patterns and the future tourism development agendas of the member countries. It then proposes core strategic directions for the TWG that will build upon and add value to national agendas. The core strategic directions include:

- Tourism should be sustainable and contribute to the reduction of poverty

- Branding should focus on SASEC's products and not the SASEC sub-region itself

- Joint marketing should be established first, then measures introduced to ensure product quality

- Reposition the sub-region as a tourist-friendly destination

- Facilitate the development of a more competitive tourism industry

- Improve tourism links with neighbouring countries

As a framework for the TWG's activities and for setting the TWG's future agenda, the TDP 2004 presented 7 sub-regional programmes, 1 national programme, and 23 sub-regional projects. The 7 sub-regional programmes begin with long-term, generic issues of concern to all countries: Coordinated Marketing; Enhancing Product Quality; Facilitating Travel; and Developing Human Resources. Two product-focused programmes pick up the previously agreed product themes: Developing Ecotourism Based on Nature and Culture, and Developing Buddhist Circuits. The seventh programme is aimed at the private sector: Enabling the Private Sector. The national programme is: Fostering National-Level Projects in 'Key Areas'. The SASEC TDP programmes listed in Box 4.2.1 are useful as a guideline for planning and addressing governance issues in other cross-border initiatives. One key to success is that each project was led by one country, and development partners were involved from the start.

Box 4.2.1: SASEC Tourism Development Plan programmes 2004

1. Coordinated Marketing
1.1 Joint Marketing to Brand and Promote Ecotourism and Buddhist Circuits
1.2 Regional Marketing with South Asia Tourism and Travel Exchange (SATTE)
1.3 Harmonising Arrival Statistics
1.4 South Asia Events Calendar

2. Enhancing Product Quality
2.1 Product Standards and Industry Codes of Conduct in Ecotourism and Buddhist Circuits
2.2 Green Labelling and Other Quality Assurance for High-end Nature / Culture Tourism
2.3 Enhancing Quality in Health Tourism

3. Facilitating Travel
3.1 Eastern Himalaya Caravan
3.2 Bagdogra Tourism Gateway and Hub
3.3 'South Asian Traveller'
3.4 Asian Highway Improvements Advocacy

4. Developing Human Resources
4.1 Encouraging Asia-Pacific Education and Training Institutes in Tourism (APETIT) to Engage with South Asia
4.2 South Asian Host
4.3 Travel Media Training
4.4 Project Management Training for national tourism organisations (NTOs)/local tourism organisations (LTOs)

5. Developing Ecotourism based on Nature and Culture
5.1 Trekking in the Himalaya (including Great Himalaya Trail)
5.2 Ecotourism in Ganga-Brahmaputra
5.3 Adventure Tourism in South Asia
5.4 South Asia Sustainable Tourism Forum
5.5 SASEC Integrated Product Development Plan for Ecotourism Based on Nature and Culture

6. Developing Buddhist Circuits
6.1 Footsteps of Lord Buddha
6.2 Living Buddhism in the Himalaya
6.3 Buddhist Art and Archaeology in South Asia

7.   Enabling the Private Sector
7.1   Tourism Investment Fund
7.2   Public Private Partnerships
7.3   Fiscal Policy Study

8.   Fostering National-Level Projects in 'Key Areas'

Conceived as focal areas for tourism sector development arising from the TWG's sub-regional programmes, the 11 agreed Key Areas each include at least 2 countries and have growth potential of sub-regional significance (see list of Key Areas in Figure 4.2.1). The TWG maintained a general strategic interest in tourism planning in the Key Areas, leaving the actual development projects to individual governments. The 23 sub-regional projects are presented under programme headings 1–6 in Box 4.2.1. Financing and implementation arrangements are stipulated and potential development partners identified in the SASEC Tourism Development Plan. The Key Area programme suggests 33 projects for national-level implementation.

Figure 4.2.1: SASEC Key Areas

Source: SASEC Tourism Development Plan, in ADB 2004

SASEC Human Resource Development and Capacity Building in the Tourism Sector Project 2005–2006

The main objectives of the Technical Assistance project supported by the ADB were to improve the overall service standards in the sub-region's tourism industry and to achieve this through the development of human resources in the tourism industry and related sectors in Bangladesh, Bhutan, India, Nepal, and Sri Lanka. Common minimum training programme (CMTP) activities were decided following a series of country visits, needs analysis, and wide consultation with tourism ministries, NTOs, training institutes, development agencies, and public and private sector tourism industry. Priorities were defined as:

- Organising for cooperation

- Creating a network of excellence

- Mobilising the private sector

- Strengthening the travel media

- Improving frontline hospitality

- Fostering community-based tourism

- Improving standards of guiding

- Professionalising tourism small and medium enterprises (SMEs)

- Supporting tourism training institutions

- Strengthening NTOs and LTOs in project management

Twelve sub-regional 'training of trainers' workshops targeted three tiers of capacity building and were organised by the NTOs and delivered by a range of development partners to 271 participants (listed in Box 4.2.2).

Box 4.2.2: Sub-regional training workshops for Human Resource Development and Capacity Building in the Tourism Sector Project

Travel Media Training Workshop (Tier II), 26–27 August 2005, Nepal with UNWTO

1. South Asia Host Workshop – ToT (Tier I), 22–23 June 2006, India with ITC-Welcome Group Hotels

Ctd. Box 4.2.2: Sub-regional training workshops for Human Resource Development and Capacity Building in the Tourism Sector Project

2. Community-based Tourism Programmes Workshops
   - Workshop 2.1 Preservation and Revival of Traditional Crafts – ToT (Tier 1), 28–29 March 2006, Bhutan with Aid To Artisans
   - Workshop 2.2 Tourism Environmental Awareness Programme (TEAP) – ToT (Tier 1), 5–9 June 2006, Nepal with TRPAP

3. Guide Training Workshops
   - Workshop 3.1 Ecotourism (Trek/Naturalist) Guides – ToT (Tiers I and II), 16–22 December 2005, Nepal with The Mountain Institute
   - Workshop 3.2 Heritage Guides – ToT (Tiers I and II), 6–11 May 2006, Bhutan with UNESCO

4. Hospitality and Business for SME Owners Workshop – ToT (Tier II), 19–20 June 2006, India with Nepal trainers

5. Competency Building for Core Staff in Tourism Institutes Workshops – ToT (Tier II and III)
   - Workshop 5.1 Kitchen, 14–15 January 2006, Nepal with Taj Hotels
   - Workshop 5.2 Food and Beverage, 20–21 January 2006, India with UNESCAP and APETIT
   - Workshop 5.3 Front Office, 23–24 January 2006, India with Taj Hotels
   - Workshop 5.4 Housekeeping, 26–27 February 2006, Bangladesh with UNESCAP and APETIT

6. Project Management Training for NTOs/LTOs Workshop (Tier III), 12–17 June 2006, Nepal with ICIMOD/SNV

The SASEC Sub-regional Tourism Human Resource Development Strategy and Action Plan 2006–2011 included key outcomes and lessons learned from the sub-regional training experience. Although these focus on implementation, they are relevant for planning and governance, and include the following:

- Despite enthusiasm for the concept of sub-regional cooperation, NTOs often have limited time and resources for sub-regional activities and national priorities take precedence. Simple mechanisms, pragmatic approaches, and concise communications are needed.

- Constraints on NTOs led to organisational problems and delays with some of the CMTP workshops, mainly due to the workload of NTOs.

- Following the CMTP, there is now a pool of 271 tourism trainers who are ready to cascade the knowledge and lessons learned in the workshops to the national level to create a 'ripple effect'. Each NTO needs to monitor and evaluate the ongoing training and to ensure that it reaches national and local-level tourism workers.

- There is a wide disparity in sub-regional training standards and very few best-practice training model institutions, although world-class expertise does exist in NGOs and the private sector. Upgrading standards is best approached through processes designed to share experiences.

- User-friendly communication and annual meetings are necessary to sustain the valuable relationships created among and between the NTOs, with development partners, tourism training institutions, private sector groups, community organisations, and workshop participants.

- Sharing course structures between sub-regional trainers on a web-based network will have immediate mutual benefits.

- The web-based 'Network of Excellence' approach will encourage interactive networking and experience sharing. NTOs might need assistance and training to make this a reality.

- The appointment of Human Resource Development Focal Persons by NTOs is key to the sustainability of the programme.

- One country should be responsible for the successful completion of each sub-regional Human Resource Development objective. This system worked well with the TDP. However, frustration among members persists when deadlines agreed by the TWG are not met.

SASEC Tourism Infrastructure Development Project 2008

Building on the TDP 2004 findings, including the identified Key Areas, the SASEC Tourism Development Project was required to enhance the positioning of the sub-region in both intraregional and interregional markets as one of the world's leading destinations for spiritual tourism and nature and culture-based ecotourism. The aim was to develop good quality, high-yielding sub-regional products that focus on Buddhist circuits and ecotourism, and package the required infrastructure to facilitate these into national projects with each of the five countries. The overarching goal of poverty reduction is addressed by developing styles of tourism on a scale that creates opportunities for increased local employment and small business generation.

The rationale for sub-regional effort was that new multi-country circuits and patterns of inclusive styles of tourism can be generated, based on the two SASEC themes, through sub-regional packages that:

- Improve access that links the countries
- Enhance key destinations
- Assist local communities to participate more effectively in tourism

Figure 4.2.2: Current SASEC tourism patterns

During the eighth meeting of the TWG in July 2007, representatives of the SASEC countries considered tourism development priorities in the sub-region and the overlaps with national tourism development agendas. Adopting India's approach of identifying circuits, the TWG conceived a broad pattern for the future of SASEC tourism. Assuming an overarching goal of putting the South Asia Ecotourism Circuit and the South Asia Buddhist Circuit on the world tourism map, various potential sub-circuits were identified on these themes. The 'before' and 'after' maps (Figures 4.2.2 and 4.2.3) illustrate a pattern of inter-linked air, road, river, and trekking sub-circuits. Figure 4.2.3 shows greatly

enhanced air access, viewed by the TWG as a key to tourism growth in the sub-region.

Figure 4.2.3: Future SASEC tourism patterns
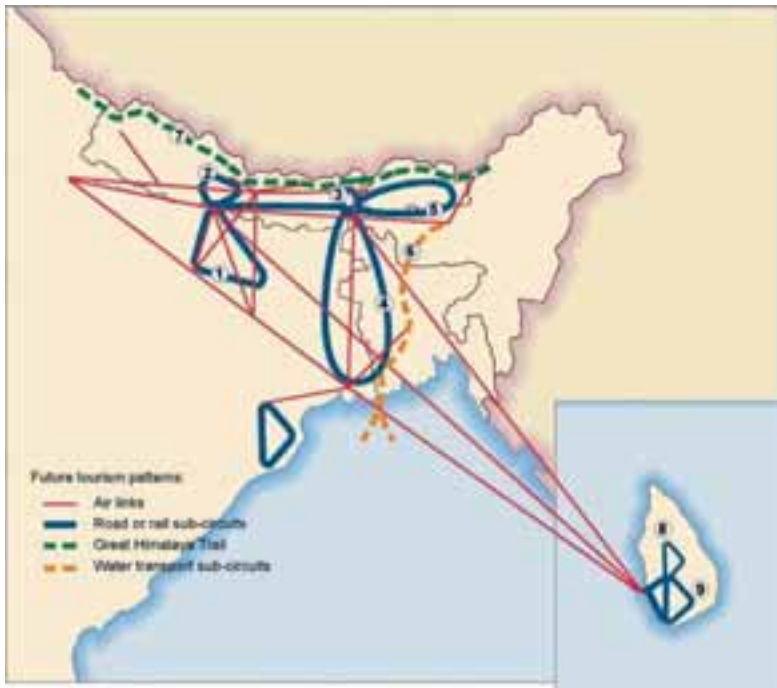
Source: SASEC Tourism Development Project, in ADB 2008

The future pattern envisages ecotourism sites and Buddhist circuits becoming more integrated through air and road connectivity. Tourism in India and Nepal become intertwined at Lumbini where the 'Footsteps of Lord Buddha' sub-circuit (1) meets the proposed 'Nepal Ecotourism Road' sub-circuit (2). Bagdogra becomes not only an air gateway for the expansion of India's tourism circuit development patterns into the North East states, but also a hub for a 'North East Himalaya' sub-circuit (3), linking the Himalayan culture, trekking, and adventure destinations of Sikkim and Bhutan. In Bangladesh, a 'Heritage Highway' concept creates a new international sub-circuit (4) with West Bengal.

A former 'Bhutan-India' sub-circuit (5) is restored, providing a road linkage from Bhutan to Assam's air hub at Guwahati. Also linking India and Bangladesh, a 'Brahmaputra River Cruise', sub-circuit (6) will be created by extending the current Assam cruise pattern down to the sea. As a ribbon running east west along

the northern boundary of the sub-region, the 'Great Himalaya Trail' sub-circuit (7) spreads trekking along the entire length of the Himalayas, linking remote areas of Nepal, India, and Bhutan. Sri Lanka's established 'Cultural Triangle' sub-circuit (8) in the central region and the proposed 'Southern Ecotourism Triangle' sub-circuit (9) link wildlife, ecotourism, and significant Buddhist attractions.

These sub-circuits were priority ranked using three criteria: (i) market demand, (ii) contribution to sub-regional tourism development, and (iii) national priorities. Sub-circuit development issues were considered, such as the constraints on growth, gaps and need for improvement in access infrastructure, destination management concerns, and the notion that inclusive (i.e., pro-poor) tourism development could become a significant comparative advantage for the sub-region in the future. The vision of the project evolved around the idea that inclusive styles of tourism based on the two SASEC themes will be greatly enhanced if access is improved, key destinations are developed and better managed, and local communities participate more effectively in tourism.

Potential activities in the sub-circuits were then evaluated. A 'very long list' of gaps and needs was reduced to a 'long list' by a process using selection criteria and then screening for eligibility for inclusion in the project. Eligibility criteria included avoiding overlap with national government and other donor funding pipelines and ensuring that activities have priority in national government plans. The 'long list' was then reduced to a 'short list' using the following criteria: national priority; ability to generate additional sub-regional travel; potential for inclusive and pro-poor development; responds to target market demand; contributes to TDP Key Areas; and expected financial and economic viability. In addition, a check was made on expected environmental and social safeguard issues to ensure no potential roadblocks in this regard. Activities were listed by sub-circuit and assigned a priority score based on the short-listing criteria.

The entire 'short list' provides a development-planning framework for the TWG and is the basis for funding discussions between the countries, the ADB, and other development partners. Because funding and implementation will be on a national basis, the packages of complementary activities were designed to be implemented together or in a phased way. Activities were classified as either access infrastructure, destination amenities, or capacity building/human resource development. The access infrastructure components consist largely of airports. Capacity building and human resource development mainly involves building capacity in communities and sector organisations to participate in tourism generated by improved access and enhanced destinations. Some activities were identified as 'sub-projects', i.e., for immediate implementation and to be funded within the project. Other activities were identified as 'complementary', i.e., for immediate implementation with funding from other sources. Others were

'follow-on' activities, i.e., on the roadmap for future projects. This development framework approach was adopted in order to keep the scope of the planned actions broad and to provide flexibility in light of some funding uncertainties.

Three sub-regional programmes were included in the project and designed around lessons learned from previous SASEC tourism experiences. The first is a programme to boost the marketing of South Asia tourism, led by India and using an experienced destination-marketing agency. The second is a programme to removing roadblocks to cross-border tourism, using events arranged around the meetings of the TWG to resolve issues. The third is a programme to build national capacity for developing sustainable tourism through sub-regional sharing of experience and expertise, with a focus on: managing tourism infrastructure and destinations; dealing with tourism at sensitive cultural and natural sites; and effective community participation. All three sub-regional programmes were envisaged for grant funding, with contribution of effort by recipient countries. Implementation will start in 2009 with ADB assistance.

Great Himalaya Trail

Designed as a multiple-day 'Great Walk' linking Nepal, Indian, Bhutan, and Tibet, the Great Himalaya Trail has both a marketing and development rationale. Recently adopted as sub-brand in the Nepal Tourism Vision 2020, it was first developed in the ADB Ecotourism Programme in 2001 and included in the SASEC Tourism Development Plan 2004. In 2007, SNV Nepal and ICIMOD prepared the Great Himalaya Trail Development Programme concept document for consultation with prospective donors and development partners, trialling, implementation, and marketing in pilot sites during 2008–2009. Many development organisations (including The Mountain Institute and WWF Living Himalaya Network Initiative in 2008 in the Eastern Himalaya ecoregions) are considering the concept as a way of bringing community and conservation benefits.

The Great Himalaya Trail concept emerged in the late 1990s as having merit from both a marketing and development perspective. The idea is to develop an iconic, trans-Himalayan, east-west walking trail using existing pathways and linking currently popular trekking areas like a 'string of beads'. The spectacular route could include Tibet and stretches from Myanmar, through India's remote Arunachal Pradesh, through Bhutan and Sikkim, past Kangchenjunga and eight of the world's fourteen 8,000 m peaks in Nepal, and then into India, beneath K2 in Pakistan, and eventually to the Wakhan Corridor and Afghanistan. The Trail will deliver an enriched trekking experience, encourage increased and repeat visitation, provide a market focus on remote valleys, and bring tourism benefits to neglected rural villages between the popular trekking areas neglected by current tourism flows. The concept builds on the success of other 'great walks'

around the world and helps further establish the Himalayas as a major trek destination, offering the visitor an unrivalled diversity of scenery, peoples, and cultures. The route will also be suitable for mountain bikers.

The programme has significant relevance to the sub-region's overall tourism context, offering a new sub-regional product and responding to government policy, poverty targets, and market trends. The recovery of Nepal's tourism arrivals since the peace accord provides a timely opportunity to expand Nepal's trekking areas from Annapurna, Langtang, and Sagarmatha. This new mountain tourism product will broaden the presently constrained product, attract significant new markets, link the NTB's priority destinations, and help Nepal's Ministry of Tourism and Civil Aviation to address poverty reduction objectives. The development rationale responds to the urgent need for donor agencies to find innovative mechanisms to deliver tangible livelihood benefits to rural communities in the Himalayan region.

Figure 4.2.4: Great Himalaya Trail development concept Nepal

Source: SNV

The Great Himalaya Trail development programme activities include the following:

• A marketing and promotion campaign, which will establish the Great Himalaya Trail in 12 unique regional destination brands and complementary product packages (including unique local crafts and produce) to inspire

and motivate tourists to visit less developed areas of the country, and as a recognised trek and mountain bike product upon which other activities can be based.

- Infrastructure and product development along the Trail, which will take the form of a range of planning, infrastructure, and pro-poor sustainable tourism product development initiatives in selected pilot sites along the length of the Trail. Physical improvements will include trail and bridge improvements and maintenance, porter shelters, signage, restoration of key historic/cultural attractions, and so forth. Pro-poor sustainable tourism best practice will be promoted, and an integrated tourism resource planning GIS mapping system will be developed for stakeholders.

- Organisation and capacity building, which will be conducted with the creation of a national and regional Great Himalaya Trail institutional structure to coordinate and manage programme interventions in the long term, with an associated capacity-building programme.

- Research and knowledge development, which will involve the documentation and monitoring of impacts and lessons learned.

- Access to capital, which will be enabled by helping local people and organisations to more effectively access available development funds.

The Great Himalaya Trail development programme offers significant opportunities for donor agencies to form partnerships with the private sector to deliver tangible benefits to remote rural communities.

Brief summary of conclusions

Issues and challenges

The difficulties of sub-regional planning and governance can be summarised as:

- There is a need for government commitment and political will to get results.

- Implementation is a major issue as there is no regional governance. Although the rationale for development may be sub-regional, inevitably implementation will be achieved at a national level. NTOs, INGOs, and other development agencies have a critical role to play in implementation.

- The lack of human and financial resources from governments and NTOs for cross-border activities is an issue.

- National priorities often conflict with sub-regional needs.

- The leadership and sustainability of sub-regional activities is dependent on the commitment and enthusiasm of individuals within the government and NTOs.

- There is a wide disparity between tourism standards in each country in the sub-region.

- Focal persons appointed within each NTO are necessary for networking and staying connected between the countries.

- Sub-regional cooperation, by definition, moves slowly as there are many layers of decision making. Expect delays, even though tourism can move faster than other sectors.

Lessons learned

Useful lessons from sub-regional planning experience can be summarised as:

- Sub-regional and cross-border tourism planning takes time.

- It is necessary to actively involve development partners from the start, and especially the private sector travel industry.

- Building on existing national plans and policies and liaising with other sectors will avoid duplication and help build commitment from the government and NTOs.

- An inclusive approach ensuring pro-poor priorities is a strong driver for governments and development agencies who have poverty reduction as an overarching goal.

- It is expedient to keep communication systems simple and pragmatic.

- Study tours are very useful to build confidence and expose stakeholders and decision-makers to success stories.

- Workshops and other forums for networking and sharing experiences are an effective way to progress the sub-regional agenda.

- Start with joint marketing activities that have obvious mutual benefits and build confidence in working alliances, and then evolve sub-regional programmes to address more complex and sensitive product development initiatives.

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4.3 Prospects for Cooperative Development of Tourism in the China-Nepal Border Area and the Case Study of Zhangmu Town[16]

Tubden Kyedrub[17] and Liu Yajing[18]

Introduction

Sustainable development is a relatively new concept in tourism put forward by the United Nations World Tourism (UNWTO), which defined it as a type of tourism that meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future (UNWTO 1998). Ever since, this concept has been adopted by influential tourism stakeholders and regional tourism organisations.

The joint establishment of the Transnational Tourist Area of Mount Everest by China and Nepal in the 1980s marked the beginning of China-Nepal border tourism. On 9 October 1978, Deng Xiaoping advised the Civil Aviation Administration of China and National Tourism Administration in a meeting with Sewell (transliteration), Chairman of Pan American Airways that:

> [W]e should open tourism routes to Lhasa. Foreigners are interested in Lhasa. Tourists to Nepal can also come to Lhasa, and Nepal will be pleased about that.
>
> (Xiaoping 2000)

The cooperative development of tourism along the China-Nepal border not only represents an historic trend, it also meets the needs of the times. China-Nepal border tourism has become a vehicle for mutual benefit, common development, and cooperation between China and Nepal. Moreover, with the sustainable development of border tourism and enhancement of border trade, the friendly relations between the two countries have increased together with the harmonious coexistence of the inhabitants of the border area.

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16 This paper is the periodical result of 'A Study on Human Resources Development and Measures in Tibet Tourism', a research programme of humanities and social sciences of higher education institutions conducted in the Tibet Autonomous Region in 2009.

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In this paper, three essential aspects of cross-border tourism[19] between China and Nepal are discussed. The first section highlights the need for regional cooperation in cross-border tourism between China and Nepal. The second section presents an historical overview and the present status of tourism development in the border area between China and Nepal. The last section presents a case study of Zhangmu Town in the Transnational Tourist Area of Mount Everest – identifying the advantages of Zhangmu as a tourist destination and prospects for the cooperative development of border tourism in Zhangmu, including the responsible tourism products that could be jointly developed.

Need for cooperative development of border tourism

'Border tourism' refers to the cross-border tourism activities conducted in frontier ports of entry (Guangrui 1997). It is an extension of domestic tourism and an important part of international tourism. At the same time, however, tourism development in frontier ports of entry is often complex due to characteristics of the geo-political environment and the integrity of resources in border areas. In order to ensure that tourism benefits both countries involved, the development of tourism products, as well as management of tourism markets in border areas, should follow the principle of coordination and cooperation. Collaboration and the joint development of tourism resources and products in border areas can optimise the benefits of border tourism for both countries.

Cooperative tourism development:

• *Promotes the economic and social development of border areas*

Far from the political, economic, and cultural centre of the country, a border area is typically socially and economically backwards. Social and economic development are important for inhabitants of border areas and for harmonious frontier relations, which is the focus of much attention from governments. Tourism contributes to the prosperity of border areas, and can serve as a good 'vehicle' for social and cultural integration. The fact that tourism requires low levels of investment, produces quick returns, has high multiplier effects, and is a strong driving force for broader development, makes tourism a particularly effective tool for the social and economic development of border areas.

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19 In this paper, the term 'cross-border tourism' is used in a narrower sense than 'transboundary tourism', 'regional tourism', or 'sub-regional tourism' to refer to tourism in a border area that involves tourism on both sides of the border. More specifically, it is used to refer to tourism between Nepal and the Tibet Autonomous Region of China, and particularly in the border area of Zhangmu.

- *Ensures that natural tourist resources are developed holistically*

The ecological environment and its natural resources are an integrated system. However, political boundaries drawn by men often artificially divide natural resources of touristic value into different territories, complicating the development and management of these resources. For instance: Mt Everest lies partly in China and partly in Nepal, and for both areas to receive optimal benefits from tourism to Mt Everest, it must be developed jointly and holistically. The cooperative development of natural tourism resources in border areas can optimise the benefits from these resources on both sides of the border.

- *Ensures the comprehensiveness of development design*

Cross-border tourism resource systems are subject to double (and even multiple) systems of control imposed by the different countries in which the resource systems are located. If the development of tourism resources is carried out in isolation by the different countries, it can be partial and disconnected, making a rational allocation of various types of resources impossible. The cooperative development of cross-border tourism ensures the integration of tourism development design; it takes into consideration not only the rational allocation of resources, but the economic interests of the various countries, addressing cross-border tourism in a multi-level way and from multiple angles.

- *Boosts the sustainability of tourism for both countries*

As cross-border tourism resources belong to two (or more) countries, different development levels, scales, and planning schemes by different countries may affect the ecological environment or result in damage to the ecological system. Developing border tourism resources through international cooperation can minimise the negative ecological impacts of cross-border tourism on the environment and help to maintain the ecological balance, thereby contributing to the sustainable development of tourism in the border area.

- *Elevates the level of regional competition*

The cooperative development of tourism resources in frontier areas goes beyond purely inter-regional tourism cooperation. It optimises the potential of the region and enables regions of different levels and types to achieve an institutional balance in aspects such as the economy, environment, planning, culture, scientific research, and education, thereby increasing the competitive edge. Cooperation should focus on transforming an underdeveloped region into a developed one, and improving the content of economic cooperation through the cooperative development of tourism products and resources. Meanwhile, regional cooperation in border areas can play a positive role in addressing existing problems of the

region, such as unemployment, migration, family, security, and crime, and in resolving border conflicts.

Historical overview of the development of tourism between China and Nepal

Travel between China and Nepal dates back at least 1,800 years ago, when Faxian and Xuanzang, eminent monks of the Jin Dynasty and Tang Dynasty, respectively, went on pilgrimages to Lumbini, the birthplace of Sakyamuni Buddha in the South of Nepal in search of Buddhist scriptures – one of the earliest records of travel for religious purposes. In more modern times, China and Nepal established diplomatic relations on 1 August 1955. Since then, tourism has been the focus of bilateral relations between the two countries. The year 1987 saw the opening of an air route linking Lhasa and Kathmandu. On 26 November 2001, the Kathmandu-based office of the China National Tourism Administration was officially opened, and China and Nepal formally signed a Memorandum of Understanding enabling private Chinese citizens to legally travel to Nepal. In June 2002, Nepal was formally approved as an overseas tourist destination for Chinese citizens. In July of the same year, Gyanendra, the then king of Nepal, paid a state visit to China; meanwhile, the two governments formally agreed to strengthen economic and technological cooperation between the two countries and enhance Nepal's social and economic cooperation with Tibet. An Honorary Consul of Nepal was set up in Shanghai to attract more Chinese tourists to Nepal. For the convenience of travellers, on 6 August 2003, the Government of Nepal launched a new policy giving all travellers staying in Nepal for more than three days a free visa. Meanwhile, travellers from China and South Asia were granted entry visas free of charge (Qingzhen 2004).

In May 2005, a direct bus line commenced services between Lhasa and Kathmandu. On 23 September 2005, after negotiations between delegates from both countries, the representatives of Tibet and Nepal, from the China Tibet-Nepal Tourism Joint Coordination Committee, signed a second Memorandum on issues such as the opening ports of entry, the start of Nepal's Kathmandu-Lhasa-Chengdu air route, improving basic tourist reception facilities at the Holy Mountain, Mt Kailash, and Lake Manasarovar, handling transnational tourists' complaints, and regulating travel agencies. Central cities such as Beijing, Shanghai, Chengdu, and Guangzhou now have non-stop flights to Nepal, marking a new phase of comprehensive cooperation for tourism between China and Nepal.

Present status of cooperative development of tourism in the China-Nepal border area

China and Nepal share a border of more than 1,400 kilometres. Nepal borders the county of Purang (in Ngari) and the counties of Gyirong, Nyalam, Tingri,

and Gamba (in Shigatse) in the Tibet Autonomous Region. The main regions conducting China-Nepal border tourism are Nyalam in Shigatse and Purang in Ngari, but only Nyalam has a highway connection with Nepal.

However, residents along the China-Nepal border have been in contact for thousands of years, but tourism was not frequent until after the establishment of diplomatic relations between China and Nepal in 1955. Over the subsequent decades, border tourism has brought immense benefits to the inhabitants of the China-Nepal border area, and the border has been transformed from an impoverished and desolate area into a prosperous and bustling place. This transformation finds expression in the rapid growth of border tourism in towns like Zhangmu Town, which has experienced rapid growth of border tourism from 2004 to 2008. Tourism has injected new vitality into Zhangmu's economy. As a result of the opening of the Qinghai-Tibet railway and the rapid development of tourism in Tibet, in 2007, Zhangmu's tourism revenue reached a peak of 4,020,500 Yuan (approximately USD 600,000), almost triple the figure for 2006 (see Table 4.3.1). Tourism infrastructure has also improved. By 2007, Zhangmu had extended its National Highway 318 to the Friendship Bridge on the China-Nepal border. The reconstruction and extension of the Disigang-Lixin country road, at a total cost of 2.5 million Yuan (approximately USD 375,000), is now complete. Tourist accommodation in Zhangmu, consisting of hotels and family inns, has been gradually improving. Zhangmu now has two standard reception hotels, the Zhangmu Reception Office and Zhangmu Hotel, which meet the demand for tourist accommodation, supplemented by family inns. Considerable improvements have been made to urban functional facilities – most border counties and towns now have access to water and electricity, urban communication power facilities are well-established, and educational, health, and medical institutions have been established.

Table 4.3.1: Tourism revenue and arrivals for Zhangmu (2004–2008)

Year	Total tourism revenue (Yuan)	Arrivals
2004	1,305,000	25,211
2005	1,385,000	27,591
2006	1,583,400	49,816
2007	4,020,500	95,645
2008	696,500	4,350

Source: Zhangmu Government Office, 2009

Despite the significant progress made in China-Nepal border tourism, the development of border tourism is still in the preliminary stages, which is manifested in following:

• *Low awareness of cooperative development of border tourism source market*

At present, tourism enterprises and organisations in both countries are focused only on outbound and inbound travel, with little concern for border travel. Tourists stay only briefly in border areas. For example, Zhangmu is only four hours from Kathmandu, so outbound tourists from Nepal don't have to stay in Zhangmu, but inbound tourists to Nepal may have to stay one night depending on arrival time. Except for accommodation, there are few consumption items available, as the arrival time scheduled is usually late.

Moreover, because of the complicated Chinese exit formalities, travellers who have not obtained an exit permit or passport in Lhasa have to stay within Zhangmu Town. This is also true on the Nepal side of the border. Hence, both sides can only enjoy one-direction tourism, instead of embracing a two-directional flow from the same tourist source (see Figure 4.3.1).

Figure 4.3.1: Conventional border tourism market
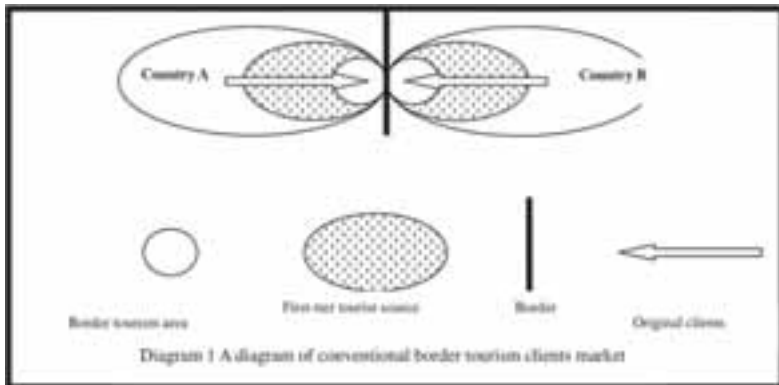
• *Inadequate cooperative development of border tourism resources and products*

The China-Nepal border is abundant in tourism resources, and there are abundant natural resources with very high exploitation and utilisation value along the route from Mount Everest Nature Reserve to the southern forests of the Tibet Autonomous Region. A strategic design based on mutual benefit and aimed at developing the border tourism resources of the two countries has not been formulated. Tourism enterprises and organisations in the two countries are yet to successfully develop and brand the Transnational Tourist Area of Mount Everest.

- *Underdeveloped tourism facilities along the China-Nepal border*

Infrastructure in border areas should meet the consumption demands of tourists, and all services needed for tourism activities should be available for travellers in border areas and on route, including transportation facilities and services, accommodation, and catering.

Most counties and towns along the China-Nepal border are lacking infrastructure, which is visible in the stagnant road transportation development at some places. Zhangmu is the only entry port connected by highway; other border counties are characterised by extremely underdeveloped road transportation infrastructure, mainly consisting of rugged dirt roads. Travellers even have to go on foot from places such as Purang to arrive in Nepal. Urban construction is also underdeveloped, and the inadequate urban infrastructure leads to much inconvenience for travellers. The establishment of frontier entry ports has much to do with the politics and economies of the two countries, and requires support from both sides in terms of security, funding, auxiliary facilities, and policy. Frontier entry ports are the major venue for border tourism, and their proper development can ensure that border tourism activities are carried out safely and smoothly. Hence, the construction of infrastructure in frontier entry ports deserves concerted efforts from both sides.

- *Considerable uncertainty in relation to China-Nepal border tourism*

Due to the uniqueness of Tibet's location and culture, as well as the political situation in Nepal, China-Nepal border tourism is extremely sensitive. Political unrest in Nepal in the recent past has resulted in immense losses to its economy. According to statistics from the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Kathmandu alone suffers a loss of at least 200 million Nepali rupees (about 22 million Yuan or approximately USD 3.3 million) each day of a curfew or strike. On top of that, tourism, Nepal's main industry was hit hard by political tension during the 10-year civil conflict and particularly during the popular uprising of 2006, and its border tourism slumped. Affected by the international financial crisis in 2008, as well as uncertainties in Lhasa, Zhangmu and Purang witnessed a sharp decrease in tourism revenue, down by about 80% from the year 2007. China-Nepal border tourism still faces many problems today, and tourism has rebounded only slowly.

Case study of Zhangmu Town

In line with the principle of sustainable tourism development advocated by the United Nations World Tourism Organization, tourism in Zhangmu has gradually developed from simple sightseeing, expeditions and holiday tourism, to tourism that is environmentally friendly and engages a sense of responsibility on

the part of tourism enterprises, tourism operators, and travellers alike. Being at the forefront of Tibet border tourism, Zhangmu Town not only serves as a gateway for outbound and inbound tourism in southwest China, it also represents the face of the Transnational Tourist Area of Mount Everest, which spans China and Nepal. Therefore, Zhangmu is a pertinent case study in the cooperative development of China-Nepal border tourism.

Competitive advantages of Zhangmu Town for tourism

Zhangmu Town has many attributes that give it advantages as a tourism destination, such as its unique natural landscape, its status as a trading hub for consumer goods from China, and its convenience as a transport route to Lhasa. These attributes are all supported by a conducive policy environment with the inclusion of Zhangmu Town in the General Plan for Developing Tourism in Tibet Autonomous Region (2005–2020) and the 11th Five-Year Plan for Developing Tourism in Tibet Autonomous Region.

Unique natural landscape
Zhangmu is located in southwestern China on the southern slope of the middle section of the Himalayas. It is connected to Nepal by mountains and rivers on the east, south, and west. With a total area of about 70 sq.km, the entry port is situated in Zhangmu Town, in Nyalam. Zhangmu enjoys a subtropical climate, with an average altitude of 2,300 m and a low altitude of 1,728 masl. Zhangmu belongs to the Mount Everest Nature Reserve and also contains the Xuebugang Central Reserve, which is 6,852 hectares. Zhangmu is home to a large variety of animals, including the lesser panda, leopard, macaque, Tibetan snowcock, otter, Himalayan tahr, and plants, including silver birch, *Quercus semecarpifolia*, Himalayan pine, birch, and holly. The advantageous natural resources and ecological environment of Zhangmu make it an attractive tourism destination.

Trading hub
It has been over 40 years since Zhangmu entry port was established in 1965. During this time, its permanent population has increased from about 500 to over 1,530, and its urban area has expanded year-by-year. The per capita income has increased from several Yuan to the present 7,099.94 Yuan (USD 1,065). The value of goods exchanged at the port initially totalled only 2,800 Yuan (USD 420) in 1965, but, in 2007, the import and export value rose to USD 28,190. This rapid economic development prepared the foundation for border tourism, especially frontier trading tourism. In 2008, the entry port registered 8,200 foreign visitors and 18,000 Chinese visitors; and there were 1,400,000 and 57,000 visits made by inhabitants living in Nepal and China border areas respectively (Anon 2009). Diversified economic and cultural benefits have been brought about through the exchange of cultures and trade as a result of the development of border tourism.

Convenient transport route

Zhangmu is a national, first-grade land trading port, and the largest in Tibet. Located 750 km from Lhasa, 570 km from Shigatse, and 4 hours from Kathmandu, Zhangmu is the best option when travelling overland to and from Nepal as National Highway 318 passes through it to meet the China-Nepal Friendship Bridge. It is also a very important channel for Tibetan economic and cultural exchange with foreign countries.

Policy environment

Since the opening of the Qinghai-Tibet Railway in 2006, Zhangmu Town has become the most convenient 'transfer station' for inbound and outbound tourists to and from China and Nepal. The route Lhasa-Zhangmu-Kathmandu has been listed in the General Plan for Developing Tourism in Tibet Autonomous Region (2005–2020) and the 11th Five-Year Plan for Developing Tourism in Tibet Autonomous Region, giving Zhangmu Town policy advantages and entry port advantages. This has create valuable opportunities and policy assurance for tourism along the China-Nepal border, facilitated by its well-established administrative organs of trade and investment promotion, foreign trade and foreign capital, targeted aid for Tibet, banks, industry and commerce, taxation and government. Meanwhile, in order to attract Chinese tourists, the Government of Nepal has waived the visa fee for Chinese citizens travelling to Nepal.

Prospects for cooperative development of border tourism at Zhangmu between China and Nepal

Some cooperative organisational systems and organisational institutions are important to guarantee regional economic cooperation between China and Nepal. Establishing a certain organisational system may lead to the more rational allocation of economic resources and factors of production in both countries and enable orderly cooperation. Internationally, the organisational system for regional cooperation can be either institutional or non-institutional. China-Nepal cooperation in border tourism is bilateral, involving two countries with different political and economic systems; so, an institutional organisational mode is preferred to regulate and coordinate economic exchange and cooperation between the two countries.

As illustrated in Figure 4.3.2, the cross-border tourism cooperation area refers to a cross-border special economic zone overcoming border barriers. The tourist market can be divided into three tiers; Zhangmu could attract a larger number of tourists from the three tiers if cross-border tourism is developed.

Figure 4.3.2: Cross-border tourist markets
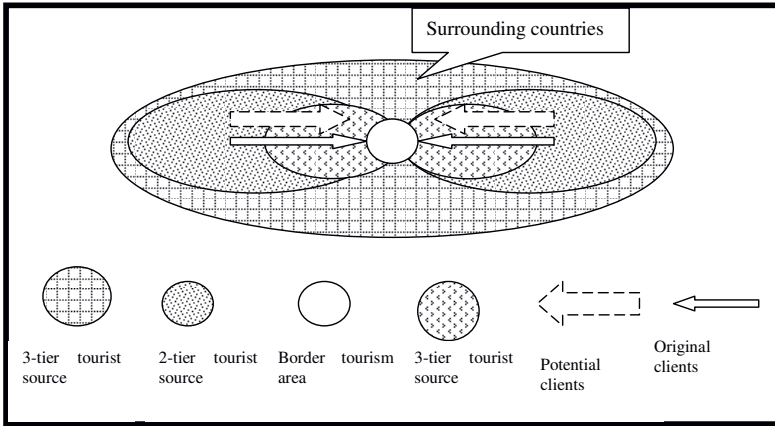
In addition, the two countries may work out various institutional and non-institutional arrangements in the cross-border region, implement special economic policies, and regulate the actions of the two countries so as to ensure the smooth progress of cooperative development. The following would facilitate the cooperative development of tourism in the border areas.

Establish related inter-government organisations
Border tourism is based on stable frontier policies, and to facilitate sensitive cooperation projects in the frontier area, related organisations should be established by the governments of the two countries, who should make concerted efforts, reach agreements, and make decisions consistent with the scope of their authority on issues related to the cooperative development of tourism resources. Meanwhile, the governments of both countries should formulate regional cooperative development policies responsibly, follow up and promote the implementation of various agreements and policies, and allocate the profits from the projects equitably and reasonably.

Establish special cooperation committees
Special committees should be set up to deal with resources trade, talent training, the environment, and transportation. These committees should assess the current cooperation situation and coordinate the decision-making of both governments. The committees should be authorised to make institutional arrangements in certain fields in the form of agreements on, for example, environmental protection in cooperation areas and planning for responsible tourism, requiring compliance and cooperation from both sides.

Joint development of responsible tourism products

The following are some of the joint responsible tourism products that could be cooperatively developed by Nepal and China.

1) Special and ecological responsible tourism products

In addition to its forest and biological tourism resources, Zhangmu is vertically distributed with several kinds of climatic landscapes, ranging from a highland climate to a tropical climate. Zhangmu Town should make full use of its advantages and launch sustainable tourism products, such as ecological research tourism, forest expeditions, eco-agro tourism, and green and cultural tourism.

2) Traditional Sherpa cultural heritage resources

The Sherpas in Zhangmu and Nepal share common ancestors, but are divided by a geographic boundary. It is said that the Sherpas are descendents of the people from West Xia Kingdom, who have the same religious beliefs and habits as the Tibetans, but who retain a special culture of their own. Therefore, tourism products for joint development may include traditional Sherpa villages, Sherpa festival tours, and Sherpa culture and arts tours, including songs and dances, opera, and handicrafts. Through cross-border tourism, tourists may visit and experience the changes in this ethnic group under different political and economic systems.

3) Responsible tourism and holiday travel products centred on recreation

Tourism products in Zhangmu current do not include holiday travel packages, but holiday travel related to responsible tourism definitely has potential. The border area of Zhangmu and Nepal boasts a pleasant climate, scenic environment, and a wide variety of food. The Nepal side of the border has hot springs and other heat tourism resources suitable for healing and holiday purposes. Therefore, responsible tourism recreation and vacation products should be jointly promoted by both sides to turn Zhangmu into a holiday destination for tourists from the surrounding areas.

4) Responsible tourism plans

So far, regional tourism plans have not been implemented in Zhangmu because of the growing demand for frontier trade. Except for the tourism plans and products included in the General Plan for Developing Tourism in Tibet Autonomous Region (2005–2020), General Plan for Developing Tourism in Shigatse, 11th Five-Year Plan for Developing Tourism in Tibet Autonomous Region, and Decisions on Developing Tourism in Tibet Autonomous Region, there have not been any tourism products with genuine local colour and regional features formulated by any local government in Tibet. Therefore, it is urgent to cultivate products in responsible tourism plans.

Conclusion

International cooperation in the development of border tourism takes full advantage of the geographical Five advantages of frontier areas and realises the overall potential of border tourism resources by maximising the benefits of tourism in border areas for social and economic development. The border shared by China and Nepal is long, and the two countries are engaged in in-depth bilateral cooperation to make the most of the opportunities in tourism development and tourism products in the border area (TTB 2008a). China and Nepal should strive to transform the border area into a model for sustainable tourism, characterised by a well-developed tourism industry, a prosperous economy, and social harmony.

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>>> Section 5. Interactions with Stakeholders and Presentation of Field Work Results

An interaction programme with local stakeholders from Mustang district was held in Jomsom on 17 June 2009. The meeting was chaired by Dr Pitamber Sharma and the chief guests were the Chief District Officer and the Local Development Officer of Mustang. The programme was organised by the Annapurna Conservation Area Project (ACAP) on behalf of ICIMOD. One of the objectives of the programme was to bring together tourism stakeholders from the Jomsom area to share ideas of sustainable pro-poor tourism. ACAP is renowned worldwide as a successful example of community-managed tourism. Participants from Nepal, Tibet, Xinjiang, Pakistan, and Tajikistan were introduced to the ACAP model of tourism management and the prospects and challenges of community-managed tourism in Jomsom, Kagbeni, and Marpha. The stakeholders present during the interaction represented various community organisations in the Jomsom area, such as the Conservation Area Management Subcommittee (CAMC), Tourism Management sub-Committee (TMsC), and the Jomsom Mothers' Group. During the interaction, presentations were made by representatives of the Mothers' Group and Women's Group, and by the Local Development Officer of Mustang.

5.1 Presentation on Sustainable Tourism Linking Conservation and Development, an Experience of the Annapurna Conservation Area

Anu Lama, Tourism Development Office, ACAP

Nepal has nine national parks, three wildlife reserves, one hunting reserve, seven buffer zone areas, and three conservation areas, one of which is the Annapurna Conservation Area (ACA). The ACA is the largest conservation area in Nepal. It is gifted with unique biodiversity and is home to ten different ethnic groups. Tourism development in the ACA is centred on the development of trekking trails, the most popular of which are the Annapurna circuit, Ghandruk/Annapurna Base Camp trek, Siklis trek, Lo Mantang trek, and Nar Phoo trek.

The chief issue in the ACA is the direct adverse impact of poverty and population growth on the biodiversity, culture, and landscape of the area. To address this, ACAP has spearheaded a pioneering new approach in sustainable tourism development that encompasses a pro-poor approach to counter the effects of poverty. This approach emphasises the following strategies: (i) participatory management, (ii) nature conservation, and (iii) benefit sharing from tourism revenue. Participatory management requires that local communities participate in and are empowered through tourism development. Likewise, nature conservation is an integral part of the ACAP sustainable tourism development model. The concept of benefit sharing means that tourism related benefits are ploughed back into local communities.

Institutionally, the ACA is comprised of various committees, including (i) conservation area management committees (CAMCs), (ii) Snow Leopard Conservation Subcommittee, (iii) tourism management sub-committees, (iv) Micro Hydro Management Subcommittee, (v) mothers' groups, (vi) savings and credit groups, (vii) Green Force Club, and (viii) Monastery Management Committee. Besides these institutional arrangements, the ACA's success can be credited to its tourism development model, which prioritises partnership formation between the local community, NGOs, the government, private sector, tourists, donors, and the education sector. Strong interlinkages between different stakeholders in the region are another main reason for the sustainable development of tourism in the ACA. In addition, the following are key elements of the sustainable development of tourism in the ACA: (i) dependence on the natural environment, (ii) ecological sustainability, (iii) nature conservation, (iv) educational awareness, (v) cultural sustainability, (vi) sustainability of local communities, and (vii) economically sustainable tourism.

Broadly speaking, ACAP'S programmes for implementing sustainable tourism development can be classified into four categories: (i) the enhancement of the tourist experience, (ii) local skill development and economic upliftment, (iii) maintenance and upgrading of the quality of the socio-cultural environment and natural environment, and (iv) empowerment and strengthening of local communities. The enhancement of the tourist experience programme involves the maintenance and development of tourism related infrastructure, ranging from trekking trails to shelters for porters. This programme also covers tourism product diversification, the development of safe drinking water stations, and the dissemination of tourism information. The second programme category, local skill development and economic upliftment, covers micro-enterprise development, hospitality management, and training. The other two programmes include, among other things, waste management practices and capacity building through training and workshops.

ACAP's waste management approach is based on the '4Rs': reduction of waste, recycling of waste, reuse of waste, and right disposal of waste. ACAP's efforts in advocating best practices in waste management have been successful in cultivating a culture of waste management in the Annapurna Conservation Area.

ACAP has developed a mechanism for benefit sharing from tourism that ploughs 85% of ACA's revenue back into local communities through the village development committees (VDC). Only 15% of revenue is retained by ACAP for administrative expenses. The revenue earned from the ACA is mostly used to cover programme expenses for natural resource conservation, community development, tourism management, development of alternative energy, health and sanitation, environment education, and gender empowerment.

Despite its success, ACAP also faces some major challenges in developing sustainable tourism, including: (i) the widening inequality between rich and poor, (ii) population growth resulting from in migration, (iii) a low level of public awareness and participation, (iv) dependency and lack of diversity, (v) newly constructed roads, (vi) the peace and security situation, and (vii) managing climate change and directing tourism towards sustainability.

One of the major challenges at present is to integrate the newly developed road networks with sustainable tourism development in the ACA. The incomplete development of roads causes pollution and has a negative effect on tourist arrivals.

The following are lessons learnt from the ACA in linking sustainable tourism with development and conservation: (i) the integrated approach to sustainable tourism development should be linked with livelihood activities, (ii) adaptive strategies should be developed to cope with change, (iii) funding sources should

be diversified, (iv) a mechanism for the equitable sharing of benefits from tourism should be developed, (vi) policies should be harmonised and linked with field practices and demand, and (vii) a multi-sectoral partnership approach should be adopted.

5.2 Brief Introduction to the Jomsom Mothers' Group

Mohan Gauchan, Chairperson, Jomsom Mothers' Group

The main objective of the Jomsom Mothers' Group is to eradicate undesirable social activities and behaviours. The group regulates gambling and alcoholism in the community. Each woman in the community automatically qualifies for membership of the Mothers' Group. The group has 11 to 15 elected members in the executive committee, and the membership fee is NPR 5 per month.

Besides regulating undesirable activities, the Mothers' Group is actively involved in waste management and the establishment of new dumping sites for waste disposal. It conducts activities to generate environmental awareness and is actively involved in conservation related activities such as tree plantation. The group is also responsible for the management and supervision of the safe drinking water stations established with the support of the Government of New Zealand.

In addition, the Mothers' Group is also involved in the preservation of local culture. It is responsible for the repair and maintenance of local cultural heritage sites such as monasteries and prayer wheels. The group has also constructed a mill for villagers to grind their flour. Fundraising activities are carried out door-to-door and through cultural activities organised for that purpose.

5.3 Remarks by Jomsom Women's Group

Rajani Sherchan, Secretary, Jomsom Women's Group

The Jomsom Women's Group, with support from ACAP, is involved in activities related to environmental protection. The group started the 'Keep the Kali Gandaki River Clean' campaign and is actively involved in the management of

the sewerage system in Jomsom. In addition, the Women's Group is also involved in culture preservation and organises religious discourses in the native language on a yearly basis.

The Women's Group has two kinds of members: general members and lifetime members. General members pay a monthly fee of NPR 10 per month, while lifetime members pay a once off fee of NPR 2,000. The Jomsom Women's Group working committee has 15 members with a mandate for 2 years.

Besides the above activities, the Women's Group is also involved in extending micro credit to economically deprived women members of the community. The micro credit programme involves a payback scheme under which borrowers are required to pay at least four instalments a year.

5.4 Remarks by Mustang District Development Committee

Man Kumar Gyawali, Local Development Officer, Mustang District Development Committee

The Mustang District Development Committee (DDC) carries out development activities as specified by the central government and is charged with the responsibility of discharging its duties under the Local Self Governance Act. The DDC develops yearly programmes and budgets for Mustang district.

Mustang's development currently prioritises four main sectors: agriculture, tourism, the environment, and physical infrastructure. Mustang is the second most sparsely populated district in Nepal with a population of 14,000 people and 3000 households. Mustang DDC earns about NPR 10 million annually in revenue from tourism activities. Hence, tourism is the major economic activity in Mustang. The DDC works in conjunction with the Government, NGOs, and the private sector for the development of tourism in the district. In the current fiscal year, the DDC is working with ACAP to develop alternative trekking routes from Myagdi district to Jomsom, Jomsom to Muktinath, and from Muktinath to Chhusang. The current tourism strategy focuses on tourism promotion, increasing the length of stay of people visiting Mustang, and increasing the per capita expenditure of tourists.

The DDC works as per the directives of the National Planning Commission for poverty alleviation in the region. The incidence of poverty is high in the district;

Mustang currently ranks 14th out of Nepal's 75 districts on the Human Development Index. Tourism has contributed to poverty alleviation through employment generation. The tourism sector has diversified economic activities and generated employment in hotels and teahouses, through porter services, and horse riding, among other things. Furthermore, tourism has created linkages with other economic activities and has boosted growth in the agriculture sector.

The objective of the ongoing road construction in Mustang district is to establish a north to south road between India and China. The road network has the potential to attract religious-based (pilgrimage) tourists.

5.5 Presentation of Findings and Recommendations from Field Trip to Marpha

Samtenla Sherpa, Rapporteur, ICIMOD

As part of the workshop, a group of participants went on a field trip to Marpha in the Annapurna Conservation Area to interact with local stakeholders. The objective of the field trip was to investigate tourism trends, look at the impacts of tourism on the village, identify issues and challenges, and make recommendations about strategies for tourism development.

Marpha has a population of around 1,200 people with approximately 250 households. It is a very well preserved village with a long cultural heritage. The people of Marpha predominantly practise Tibetan Buddhism. Marpha has old style houses with flat roofs. Firewood is stored on the rooftops, and the amount signifies the economic status of the household. Marpha has a well-planned infrastructure for agriculture and tourism. Agriculture/horticulture is the main economic activity in Marpha and contributes 50% of the income of the village. This sector is also the main source of employment in the village. Marpha is famous for apple growing and the production of apple juice, brandy, and cider. Approximately 40 of the families in Marpha are engaged in horticulture.

Marpha's success in tourism can be attributed to the strong entrepreneurial history of the Thakali people since the days of the salt trade. Entrepreneurship is embedded in the Thakali people who have a superior ability to seek out new opportunities. However, Marpha faces severe labour shortages resulting from the out-migration of youth and there is a large disparity between the actual and expected wages of the local population.

The advent of tourism in Marpha can be traced back to the opening of the first tourist lodge in 1984. Tourism is primarily a seasonal industry, operating for five to eight months a year. Only trekking tourists visit Marpha, and usually stay one night. Marpha is the next camp after Muktinath on the world famous Annapurna Circuit. Marpha is also en route to different climbing peaks, such as Mt Dhampus, Mt Dhaulagiri, and Mt Tukuche. The people involved in these expeditions also spend a night in Marpha. It is estimated that Marpha hosts around 6,000 to 8,000 tourists a year. Marpha currently has 16 hotels/lodges, as well as various restaurants and retails stores catering for tourists. Approximately 200 people are directly involved in tourism, generating around 50% of the total income of Marpha. Unlike most other tourism areas, Marpha does not produce local handicrafts, and agriculture is the only local linkage with tourism. Based on the above tourist arrivals, and assuming that each tourist spends an average of NPR 2,000 to NPR 3,000 per day, it can be estimated that Marpha makes roughly between NPR 12 million to 24 million per year from tourism.

The following are some of the positive impacts of tourism in Marpha: (i) 50% increase in living standard, (ii) tourism has provided an outlet for the entrepreneurship of the Thakali people, (iii) increased awareness about the environment and hygiene, (iv) increased value attached to education (exposure to western culture, interest in foreign languages), (v) strengthened religious and cultural values due to increased access to resources, (vi) increased consumption of local agriculture products (by 45%), (vi) increased resources from ACAP funding for village development and introduction of new technologies, and (vii) increased equality in access to services such as medical care and education. On the other hand, the negative impacts of tourism are: (i) increased vulnerability to external circumstances, (ii) increased inequality in income, (iii) potentially increased pollution and increased use of firewood, (iv) an increase in western consumerist aspirations and the degeneration of local cultural practices such as wearing of traditional dress and use of local language, and (v) wage inflation.

The newly constructed road is a big factor in the changing dynamics of Marpha's economy, and a discussion about Marpha's economy is not complete without discussing the road. The Marpha field group observed mixed feelings among stakeholders about the arrival of the road. An important point to note is that, unlike Jomsom, the road in Marpha bypasses the main village, so there is less noise and dust pollution. Positive aspects of the road are: (i) improved accessibility to general services, (ii) reduced transport costs (expenses have come down by 25%), (iii) improved marketing conditions for agricultural products such as apples, (iv) increased value of land, and (v) potential for alternative sources of income. On the other hand, the negative aspects of the road are: (i) the road is currently in bad condition, (ii) it is estimated that trekking tourists will decrease

by 25%, and (iii) loss of jobs in traditional transport services provided by mules and porters.

The main challenge for tourism in Marpha is to adjust from the pre-road adventure-based trekking tourism to the changed conditions post-road construction. Alternative strategies for tourism development in Marpha will need to be considered. These strategies will need to distinguish trekking based tourists from non-trekking based tourists. Strategies for the two different types of tourists will have to be developed accordingly. An alternative trekking trail would need to be explored to attract more tourists interested in trekking the Annapurna Circuit. Another strategy would be to open up additional trekking routes that pass through Marpha.

To increase the number of non-trekking based tourists, new tourism products must be developed such as tourism based on the unique culture and history of Marpha. Marpha can also be made into a base camp for day trips to surrounding villages in Mustang. Another strategy would be to strengthen the forward linkages of tourism with handicraft production and improved distilleries for apple brandy.

5.6 Presentation of Findings and Recommendations from Field Trip to Kagbeni

Gyaneshwor Mahato, Programme Director,
Trekking Agents Association of Nepal

As part of the workshop, a group of participants went on a field trip to Kagbeni in the Annapurna Conservation Area to interact with local stakeholders. The purpose of the interaction was to investigate the basic facts of tourism in Kagbeni including tourism trends in the area, the impacts of tourism on the village, issues and challenges, and future development strategies.

The primary occupation of the people of Kagbeni is agriculture. Tourism is a secondary occupation and is seasonal. Agricultural produce includes buckwheat, barley, potatoes, cauliflower, tomatoes, radish, cabbage, and apples. These products are sufficient for only six months of the year. The people of Kagbeni are unable to find a market for their agricultural produce because of market inaccessibility resulting from lack of transport.

Compared to agriculture, tourism is a very lucrative industry for the people of Kagbeni – hotel owners earn four to five times more than farmers. Out of a total of 65 households in the village, approximately 22 are involved in the hotel business. On average, hotels have 15 to 20 beds and charge NPR 240 to 450 per person per night. Likewise, the meal rate is around NPR 200 to 250 per person. Hence, the average income per tourist, per night is around NPR 600 to 700 per night. Tourists generally spend one night in Kagbeni. In 2008, a total of 23,000 tourists visited the lower Mustang area and a total of 2,100 tourists passed through Kagbeni on their way to Upper Mustang.

The history of tourism in Kagbeni dates back to 1974. Kagbeni is in Mustang district and government policy restricts the number of tourists travelling to Upper Mustang to 1,000 a year. Some of the basic features of Kagbeni are its unique Tibetan culture, landscape, and lifestyle. While the number of pilgrimage tourists is increasing, the number of trekking tourists is on the decline. Similarly, individual trekkers are increasing, while group trekkers are decreasing. Tourism in Kagbeni is rapidly changing and existing businesses are being adversely affected. Tourism businesses in Kagbeni need to reorient their strategy to cater to the needs of the changing tourist profile.

The following are some of the positive impacts of tourism on the culture of Kagbeni: (i) increased environmental awareness, (ii) increased efforts to revitalise traditional culture, (iii) the renovation and preservation of cultural heritage sites, and (iv) the revival of lost traditions like archery. Some of the negative impacts of tourism on Kagbeni culture are: (i) out migration and in migration, (ii) degradation of traditional culture, (iii) degenerate influences of modern and western culture, (iv) loss of authentic and traditional culture, and (v) replacement and loss of traditional art and architecture.

The following are some of the negative impacts of tourism on the environment in Kagbeni: (i) there has been an increase in garbage and sewerage waste, (ii) deforestation has accelerated due to an increase in the construction of hotels and use of fuelwood for energy, and (iii) there has been an increase in dust and air pollution as a result of road construction. On the other hand, the advent of tourism had increased the level of environmental awareness of the population resulting in: (i) the banning of logging and an increase in conservation activities, (ii) increased commitment by the local people to tree plantation resulting in an increase in greenery, (iii) increased use of alternative energy sources such as LP gas, kerosene, parabolic solar cookers, solar water heaters, and smoke water heaters, (iv) decreased use of local wood for cooking and heating, and (v) reduced use of plastic bottles due to the installation of water treatment plants for safe drinking water.

Another key aspect affecting tourism in Kagbeni is the newly constructed road. The road has both positive and negative impacts on tourism and on the overall livelihoods of the people in Kagbeni. Some of the positive aspects of the road are: (i) reduced commodity prices, (ii) improved living standards, (iii) an increase in the availability of alternative fuel energy, (iv) an increase in the number of pilgrimage and domestic tourists, (v) increased access to basic services such as health care services, (vi) increased access to markets for agriculture and other products, (vii) increased access to job opportunities, (viii) improved communication systems, and (ix) improved efficiency in garbage collection and recycling. Notwithstanding the positive impacts of the road, some of the negative impacts are: (i) a decline in the number of international trekking tourists, (ii) increased environmental pollution, (iii) an increase in road accidents and accident related casualties and deaths, and (iv) deterioration of the law and order situation.

ACAP has been active in Kagbeni since 1992, and the organisation's management approach is based upon an integration of conservation and development principles. Hence, ACAP's primary responsibility is balancing conservation and development needs. The following are some of ACAP's activities in Kagbeni: (i) capacity building of the local community through training in hotel management, trek guiding, cooking, and waste management, (ii) introduction of conservation related curriculum for classes 6, 7, and 8, (iii) provision of support to teachers as well as teaching materials, (iv) upgrading of infrastructure of local schools, (v) provision of support for clean water supply, irrigation, seeds for farming, improved health and sanitation, promotion of alternative energy, gender development, and income generation activities, (vi) exploration of alternative trekking trails, and (vii) coordination of policies and plans for local development with the central government, and (viii) construction of community toilets.

Besides ACAP, other local bodies such as the Conservation Area Management Committee (CAMC) and Tourism Management sub-Committee (TMsC) are also active in sustainable tourism development activities in Kagbeni. While the CAMC is responsible for conservation and the planning, implementation, and monitoring of activities, the TMsC is primarily responsible for the welfare of the tourism industry and entrepreneurs and supervises the overall quality of tourism services provided in the area. The CAMC is responsible for tree plantation, the repair and maintenance of local roads, infrastructure, and the community centre. Its other activities include controlling poaching and timber logging, the renovation of monasteries, waste management, and culture preservation.

Some of the tourism related challenges confronting the people of Kagbeni are: (i) the declining number of trekking tourists, (ii) the short length of tourist stay in Kagbeni (average of one day), (iii) cultural erosion, (iv) environment and waste management, (v) balance between tourism and development, (vi) increase in

accidents and crime, (vii) balance between livelihoods and the tourism carrying capacity of the village, (viii) the sharing of tourism benefits with the communities that live away from the trekking trails, (ix) inadequate tourism related training, (x) limited tourism activities (pilgrimages and trekking), (xi) the need for product diversification, (xii) weak linkages between agriculture and tourism, and (xiii) lack of alternative strategies after ACAP programmes are phased out.

The field group's recommendations regarding strategies for development in Kagbeni are: (i) explore an alternative route for trekking tourism, (ii) prioritise local agricultural products, (iii) diversify tourism products and develop handicraft products, (iv) undertake branding of cultural heritage sites, (v) promote local cultural events and increase awareness of indigenous culture, (vi) diversify tourism related activities and promote activities such as culture based tourism, pony treks, cultural shows, and museum visits, (vii) provide regular tourism training, (viii) provide exposure visits for women's groups outside the ACAP region, (ix) develop a sustainable tourism plan keeping in mind the newly constructed road, (x) the DDC should play an active role in facilitating the development of basic infrastructure, (xi) explore opportunities for alternative energy such as wind energy, and (xii) make micro credit and venture capital funds available for tourism entrepreneurs.

››› Section 6. Group Work and Findings
of Xinjiang Group and Tibet Autonomous Region Group

The Chinese delegation was split into two working groups, the TAR group and the Xinjiang group. The working groups were facilitated by Mr Frank Jie Ding and guidelines for the group discussion were given by Mr Geert Balzer. The guidelines set for the discussion were: (i) to identify challenges in the development of mountain tourism, and (ii) recommend strategic approaches to developing mountain tourism. The findings of the groups were presented by the groups' representatives.

6.1 Findings of the Xinjiang Group Discussion

Zhang Hai Ming, Vice Director, Tourism Bureau of Kashgar, Kashigar, Xinjiang

The Xinjiang group highlighted cross-border tourism[20] as an important aspect of improving regional tourism, because China and Nepal share the world famous Chomologma (Mt Everest). China also shares other high exotic mountain peaks with other neighbouring countries. The group focused its discussion on the problems of, and strategic approaches to, developing mountain tourism.

Crossing borders is an important issue to be resolved in terms of challenges for tourism development in Xinjiang, as most of the region contains mountains that span political borders. Problems with developing mountain tourism are directly

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20 In Section 6.1, the term 'cross-border tourism' is used in a narrower sense than 'transboundary tourism' to refer to tourism in a border area that involves resources on both sides of the border.

related to the lack of inter-governmental policy and support in the region, especially in terms of maintaining cross-border relations. The development of border ports is a step in the right direction towards maintaining cross-border relations. Therefore, the second challenge in mountain tourism development is the establishment of border ports between China, Nepal, Tajikistan, and Pakistan. Thirdly, infrastructure development is another major challenge as road conditions in mountain areas are poor, especially roads leading to tourism destinations. Fourthly, mountain tourism development is facing challenges concerning the development of tourism-based vertical and lateral relationships. While the development of vertical relationships requires the simultaneous development of restaurants, the hospitality industry, entertainment industry, and so forth, the development of lateral relationships necessitates the development of products such as fishing tourism, ethnic tourism, and folk tourism. Finally, one of the biggest challenges for mountain tourism development in Xinjiang is human resource development and training.

The Xinjiang group recognised mountain tourism as an important aspect of cross-border tourism. Consequently, the first strategic approach recommended was the promotion of regional cooperation to make cross-border relations harmonious – a necessary condition for the development of mountain tourism. However, the unavailability of competent human resources is a major challenge. Therefore, the second recommendation was the training of local human resources by international experts on tourism as a strategic approach for the development of mountain tourism. The third recommendation was the establishment of good relations with stakeholders, and the fourth, relevant government agencies should provide appropriate support to increase efficiency and reduce bottlenecks in service delivery. The fifth recommendation was that international organisations should be encouraged to support specific projects. Finally, support from different departments is required to get the Government on board for the strategic development of mountain tourism in Xinjiang.

6.2 Findings of the Tibet Autonomous Region Group Discussion

Zerenzhuoma, Project Assistant, Tibet Tourism Administration

The Tibet Autonomous Region (TAR) group unanimously agreed that tourism is set to become one of the main industries in TAR. However, tourism in TAR

faces many challenges and bottlenecks. A major challenge is the conservation of the fragile Tibetan ecosystem, which once damaged would be very hard to restore. The group recommended that local governments develop a much more coordinated and comprehensive plan for tourism in Tibet, which would help to avoid overlapping and the wasting of resources. Another major challenge concerns benefit sharing from tourism between the local province and the actors involved.

Notwithstanding these challenges, other challenges in developing tourism in TAR include (i) infrastructure bottlenecks (some of the main roads leading to tourism sites are incomplete or in poor condition), (ii) a lack adequate information on tourism in Tibet for tourism developers and investors to use, (iii) even though the Master Plan for TAR is good, tourism in Tibet needs a local plan to address specific tourism related needs, (iv) capacity building, especially human resources related capacity building, is not keeping pace with the rate of tourism development in Tibet (capacity building is required both at the private sector level, the community level, and the government level), (v) regulatory laws are insufficient for the growing level of private investment, (vi) there is a lack of coordination between different tourism departments resulting in the wasting of resources, (vii) natural resources need to be protected and developed, and (viii) community participation is insufficient to represent community interests in infrastructure development.

The TAR group's findings show that there is regional cooperation based on ecotourism between Tibet and Yunan province. However, tourism infrastructure development is constrained by lack of funding and skills. Funding for infrastructure development is being prioritised for ongoing projects – especially on the basis of their progress in development. Likewise, development in small towns and rural areas should be prioritised over development around big cities, where infrastructure is already available.

The following points were highlighted as recommendations for the strategic development of tourism in TAR: (i) formulate a comprehensive and interdepartmental tourism plan for the strategic development of tourism in TAR, (ii) the development model for Tibet should be home-grown and not just a copy of the development model of the mainland (the initial model should adopt a simplified development approach, which can be upgraded later to make it relevant to future needs), (iii) the Government's role in developing mountain tourism is central and good coordination between the Government, private sector, and local communities should be established, and (iv) the model for the Tibet project supported by InWEnt, which was very successful, should be replicated in other projects.

>>> Section 7. Presentation of Sustainable Mountain Tourism Strategy and Action Plans

7.1 Guiding Questions for Group Discussion on Sustainable Mountain Tourism Strategy

The group discussions on a sustainable mountain tourism strategy enabled participants to come up with recommendations and ideas with respect to sustainable mountain tourism. Participants were separated by country into a Nepal group and a China group. Both groups looked at the same guiding questions based on the presentations and interactions during the field work. The groups were asked to investigate the necessary elements of a sustainable mountain tourism strategy in their own country – a strategy that (i) benefits local mountain communities, (ii) contributes to poverty reduction in mountain areas, and (iii) minimises negative environmental and socio-cultural impacts. The groups discussed the roles of different actors, such as the government, private sector, and NGOs. The groups also brainstormed on the kinds of policies needed to support the strategies they recommended.

7.2 Presentation of Group Work on Sustainable Mountain Tourism Strategy for Nepal

Sunil Sharma, Manager, Nepal Tourism Board

A sustainable mountain tourism strategy for Nepal should (i) benefit local mountain communities, (ii) contribute to poverty reduction in mountain areas, and (iii) minimise negative environmental and socio-cultural impacts. The strategy must be formulated as part of a holistic strategy for livelihood options. Hence, with the exception of a few locations, tourism should be seen and planned as an 'add on' to other economic activities.

The sustainable mountain tourism strategy can be broken into four parts. The first part should consider the following elements: (i) tourism has to be linked to other economic activities such as organic agriculture or local handicraft production, and (ii) tourism products should be identified to target different market groups. The identification process should be a demand driven process so that the product appeals to the market that is being approached. Tourism products should be locally owned and managed and the product development process should consider 'hub' and 'ancillary' tourism areas to take into account the development of areas located near existing tourism areas.

The second part of the sustainable mountain tourism strategy should consider: (i) specific marketing approaches for the identified tourism product, (ii) a coherent tax policy and mechanisms to share benefits with the public from income generated by tourism, (iii) financing mechanisms for investment and the further development of local tourism enterprises, and (iv) the basic infrastructure required such as roads and communications.

The third part should include the following elements: (i) outline locally-based institutional mechanisms for the planning, development, and management of tourism products, (ii) build/strengthen institutions that are vital for mountain tourism including developing their governance, norms, and values, (iii) address the main bottlenecks and challenges to tourism in mountain communities.

The fourth part of the strategy should focus on: (i) building capacity to resolve conflict, and (ii) building enterprises. In this part, it is also important to raise awareness of environmental issues among local actors. In addition, knowledge and training related to local products, history, and culture should be considered.

The group identified the actors and discussed their role in successfully developing and implementing a sustainable mountain tourism strategy. The first actor identified was the central government and the following roles were recommended: (i)

create and ensure a conducive environment for tourism including peace and security, (ii) establish a legal framework to empower local government and communities to develop and manage area-specific tourist products, (iii) prioritise tourism development at the macro-level, (iv) promote public-private partnerships, (v) support and coordinate capacity building and enterprise development by providing subsidised financial access for tourism enterprises, and (vi) provide leadership in the development of lead destination marketing strategies to be executed by the private sector.

The next actor discussed was local government, which is a powerful body for executing the policies of the central government. The main roles of local government are to: (i) implement the local tourism strategy, (ii) make funding provisions for tourism development, (iii) promote the development and adjustment of tourism products, and (iv) provide and maintain basic services and infrastructure for tourism in cooperation with community based organisations (CBOs).

CBOs were highlighted as powerful organisations for delivering on development work. Lately, development agencies in Nepal have been emphasising the role of CBOs in local development. The group identified the role of CBOs as to: (i) manage tourism related local infrastructure, and (ii) drive and support the development of local tourism products.

The next actor discussed was NGOs, and their role is to: (i) raise awareness and build capacity in tourism related skills, and (ii) strengthen CBOs in terms of knowledge, resources, and training so that responsibilities can be transferred to these local bodies.

The private sector is responsible for investigating the profitability of specific tourism products and for introducing profitable products into the market. The role of the private sector is to: (i) operate and manage tourism businesses, (ii) invest in new tourism enterprises, and (iii) market individual tourism products.

Finally, institutional mechanisms have to be strengthened for the development of a sustainable mountain tourism model. This strengthening would vary according to the socioeconomic reality in the specific country/area. Nepal has been successful in formulating and implementing policies and legislation to empower local communities; the successful development of tourism in Nepal's rural areas can be attributed to this.

7.3 Guiding Questions for Group Discussion on Cross-Border[21] Tourism

Participants were divided into three groups to discuss cross-border tourism, focusing on three different aspects and exploring recommendations for improved cross-border cooperation. Mr Yong was designated the facilitator for Group A, Mr Balzer for Group B, and Mr Ding for Group C. Group A focused on ways of improving the exchange of information to foster cross-border tourism. Group B look into the cultural and natural strengths and similarities of cross-border regions for joint marketing. Group C discussed the development of pro-poor cross-border tourism products and recommended joint product development. Mr Balzer urged participants to think about the first steps to realise their recommendations and to identify the relevant actors that would take these steps. Participants also identified the institutional mechanisms needed to realise the recommendations.

7.4 Presentation of Group A on Recommendations for Exchange of Information to Foster Cross-Border Tourism

Shiva Jaishi, Officer, Nepal Academy of Tourism and Hotel Management

Group A identified the actors responsible for exchanging information in cross-border tourism. The first actor identified was the ministry of tourism in each country involved in the cross-border tourism. The primary responsibility of these ministries is to formulate policies and legislation that promotes cross-border tourism. Other actors identified were: (i) tour operators and entrepreneurs in both countries, (ii) members of local communities, (iii) civil society organisations including chambers of commerce and other relevant organisations, (iv) national parks and conservation officials, (v) tourism colleges and academicians, (vi) the media as a primary agent for the dissemination of tourism related infor-

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21 In Sections 7.3 to 7.6, the term 'cross-border tourism' and 'transboundary tourism' are used interchangeably in reference to tourism to more than one country in the HKH region, as well as to tourism in a border area that involves resources on both sides of the border.

mation, (vii) leaders of different social organisations, and (viii) and centres for disease control.

The actors were then divided into four levels according to their importance in the exchange of information: the government, private enterprises, civil society, and local community members.

The following ways to improve the exchange of information between countries involved in cross-border tourism were identified: (i) joint research and development between countries, (ii) capacity building through training and workshops on tourism, (iii) familiarisation visits for entrepreneurs from both countries, (iv) bilateral and multi-sectoral meetings for experience sharing, (v) curriculum development on cross-border knowledge, (vi) exchange of information on disease, and (vii) publication of joint promotional materials.

Institutional mechanisms and arrangements are also important in the development of cross-border tourism. The following institutional mechanisms and arrangements were stressed for the exchange of information: (i) bilateral or multilateral agreements for a cross-border tourism development framework, (ii) a government-led joint information centre, (iii) Internet-based exchange of information, (iv) a regional entrepreneurs association, (v) identification of partners for information sharing, (vi) a bilingual or multilingual website providing information on cross-border tourism, (vii) an alumni of tourists or exchange students that have visited cross-border areas, and (viii) participation in joint tourism promotion fairs.

While recommending options for the exchange of information, the key priority is to first identify the actors responsible for the exchange. Thereafter, platforms must be established for these actors to facilitate an efficient exchange of information. One such platform could be a committee formed for a fixed period of one or two years to facilitate meetings between cross-border actors.

7.5 Presentation of Group B on Recommendations for Joint Marketing or Branding of Cross-Border Tourism

Zerenzhuoma, Project Assistant, Tibet Tourism Administration

Group B discussed the joint marketing and branding of cross-border tourism. Some of the basic arrangements and steps to be considered include: (i) the establishment of a high-level apex body responsible for solving cross-border problems between Nepal and TAR, (ii) introduction of border passes for local residents in border areas, (iii) development of a joint website in English, Nepalese, and Tibetan hosted by the Nepal Tourism Board (NTB) and Tibet Tourism Bureau (TTB), and (iv) joint promotion by representatives of both countries at international tourism fairs.

Notwithstanding these institutional arrangements, the effective marketing of cross-border tourism should highlight the cultural, historical, and religious similarities of cross-border areas to exploit opportunities for joint promotion and to motivate tourists visiting one country to also visit the other. Landscape and biodiversity related themes can also be jointly promoted to enhance opportunities for cross-border tourism.

Branding is an important aspect of the promotion of cross-border tourism. Group B recommended the branding of cross-border themes based on spiritual landscapes and trails. Potential brand names such as 'Himalayan Treasures', 'Living Buddhism', 'In the Footsteps of Padmasambhava', 'Great Himalaya Trail', and 'Trekking in the Holy Mountains' were recommended.

The first steps to start joint marketing or branding of cross-border tourism are: (i) identify regions in cross-border countries that share culture, history, and traditions, (ii) collect cultural and historical stories common to Nepal and TAR, (iii) create cross-border cultural teams, (iv) conduct joint workshops for private tour operators in Nepal and TAR, (v) initiate university affiliations between Nepal and TAR, (vi) identify common trails that cut across country borders, and (vii) extend existing trails in cross-border areas. The actors identified for carrying out these steps from Nepal are the NTB, NGOs, and the private sector. The actors identified from TAR are the TTB, Bureau of Publicity, and travel agents.

7.6 Presentation of Group C on Recommendations for Development of Pro-Poor Cross-Border Tourism Products and Joint Product Development

Sudip Adhikari, Conservation Officer, National Trust for Nature Conservation

Group C highlighted the geo-topographic and cultural similarities between Tibet and Nepal, which are central to the promotion of cross-border tourism between the two countries. Five products for the promotion of cross-border tourism between TAR and Nepal were recommended. The group identified the first steps in introducing these products in the tourism market, the actors responsible for carrying out these steps, and the institutional arrangements necessary for the successfully launching of these products in the market.

The first product identified was the old salt trade route between Nepal and TAR. The first step required to revitalise the salt trade route is to develop the product and jointly promote it. The actors responsible for this process would be the Xinjiang Tourism Bureau, Tibet Tourism Administration, Nepal Tourism Board, and China Nepal Tourism Organisation. The institutional arrangement required to launch this product and make it into a successful tourism venture is negotiations and discussions between relevant government organisations of the two countries.

The second product identified was Tengboche monastery in Nepal's Everest region, which is frequently visited by Tibetan pilgrims. Another product identified was the Kailash Mansarover in TAR. The first step for the development of these products is the proper development of the route to Kailash Mansarover from western Nepal, because it is the shortest entry point to the Kailash region. The central governments of both countries have a crucial role to play in the development of proper trails and roads between Mt Kailash in TAR and western Nepal. The formation of joint working groups for the development of the region is also important.

Another product identified for cross-border tourism development between TAR and Nepal was a traditional food and herb festival. The first step to launch this product is to identify similar food and herb festivals in the region and to jointly organise such a festival. The actors responsible for carrying out this activity would be the Nepal Tourism Board, CBOs, government agencies of TAR and Nepal, and chambers of commerce in both countries. A regional organising com-

mittee representing both countries would have to be established to organise the festival.

The fourth product identified was the shared cultural heritage of ethnic minority groups. The first step necessary for the realisation of this product is to encourage exchange visits between local communities in border areas so that they can identify their shared cultural heritage. The actors responsible for carrying out this activity would be the central governments and national tourism organisations of China and Nepal. A joint working group would need to be established to facilitate the visits by local community members to their neighbouring regions.

The final product identified for the promotion of cross-border tourism was the construction of a 'Himalayan Railway' between China and Nepal. The importance of this railway is indisputable; once constructed it would greatly facilitate the travel of tourists between the two countries.

>>> Section 8. Report on Pakistan-China Regional Workshop on Integrated Tourism Concepts

in Gilgit, Pakistan and Kashgar, People's Republic of China

8.1 Presentation of Report on Integrated Tourism Concepts

Yasir Hussain, Deputy Director, Department of Tourism and Environment, Gilgit

InWEnt is implementing the first phase of a Mountain Programme (2004–2009) in the Karakoram-Himalayas and Pamir region, which includes western China (Xinjiang and Tibet), Nepal, Northern Areas of Pakistan, and the Gorno-Badakhshan region of Tajikistan. The objective is to promote integrated development in mountain regions following a regional approach by developing human capacity for change management in order to reduce poverty and protect the fragile mountain environment.

The Aga Khan Rural Support Programme is the local counterpart for InWEnt in the Northern Areas. The Mountain Programme has three focus areas: (i) International Leadership Training (ILT), (ii) regional exchanges and study tours for policy makers to the European Alps, and (iii) international and regional confer-

ences and workshops on sustainable mountain development themes. InWEnt, the Aga Khan Rural Support Programme, and Xinjiang Academy of Agricultural Sciences, with support from the provincial administrations and in collaboration with local tourism departments in the Northern Areas of Pakistan and Xinjiang China, organised a regional workshop on integrated tourism concepts to contribute to sustainable development in mountain regions between 8 and 14 October 2008 in Gilgit and Kashgar. The aim of the workshop was to: (i) contribute to a deeper understanding among participants of tourism strategies that are integrated into a pro-poor development approach, (ii) identify the stakeholders necessary for an integrated tourism approach and discuss their respective roles, and (iii) discuss options, strategies, and institutional implications for cross-border tourism, and formulate recommendations on how to facilitate cross-border tourism that benefits local communities.

Table 8.1.1: Major recommendations and action points

SN	Recommendations	Actor/action	Action taken
1	Establish (pilot) free economic zones to promote cross-border tourism between Kasghar and Gilgit/Skardu.	Government of China/Xinjiang Prefecture and Government of Pakistan/Northern Areas Administration	The recommendations have been forwarded to the Ministry of Foreign Affairs and Ministry of Commerce for necessary action.
2	Establish joint working groups to promote the smooth facilitation of tourists (ensure security and improved police cooperation), facilitate collaboration between tour operators/private sector, and enhance people-to-people contact and cultural exchange.	Governments; private sector; international organisations; cultural organisations	The Northern Areas Administration and Kashgar Prefecture Administration, Xinjiang have signed an annual protocol agreement to facilitate tourists and the exchange of cultural troupes. The Northern Areas Administration participated in the 5th Central Asian Commodity Fair with a delegation from the Northern Areas.

Ctd. Table 8.1.1: Major recommendations and action points

SN	Recommendations	Actor/action	Action taken
3	Promote academic and research collaboration between Xinjiang University Urumqi and the Karakoram International University Gilgit for tourism, environment, culture, and development related topics.	Xinjiang University; Karakoram University	The Karakoram International University is in the process of opening a Tourism and Hotel Management Department to start courses.
4	Strictly enforce/implement environmental laws and conduct environmental impact assessments (EIAs) and strategic environmental assessments (SEAs) for tourism and infrastructure related projects in fragile mountain ecosystems in border areas.	Road and highway authorities; nature reserves; national park authorities	A Northern Areas Environmental Protection Agency has been established in the Northern Areas and the Federal Government has delegated powers to the agency for the implementation of Pakistan's Environmental Protection Act 1997, which has been extended to cover the Northern Areas.
5	Undertake and promote personnel exchange and training and share best practices and learning across borders in relation to natural and cultural heritage.	Natural reserves; national park authorities; tourism industry; conservation agencies/projects; government departments; civil society	A joint steering committee has been notified by both regional governments to establish an international peace park combining the Taskurgan Natural Reserves and Kunjerab National Park. The committee is expected to meet in the first week of August 2009.

Ctd. Table 8.1.1: Major recommendations and action points

SN	Recommendations	Actor/action	Action taken
6	Develop unique products (branding ecology, unique mountain cultures, and the Old Silk Route) to promote both Xinjiang and Northern Areas of Pakistan (Hunza–Nagar, Gilgit, Baltistan).	Tourism departments; tour operators	Tour packages have been prepared by the Northern Areas Administration to promote the Old Silk Route and sent to Kashgar Tourism Department for marketing at the regional level to attract tourists from Xinjiang province.
7	Jointly organise campaigns, like 'month of wildlife/biodiversity protection' each year in May involving schools to create environmental awareness.	Parks and wildlife departments; international conservation agencies; education and tourism departments; local communities	The Government of Pakistan, Ministry of Environment has launched 2009 as the National Year of Environment in Pakistan to create awareness among the general public.

>>> Section 9. Final Statements by Delegation Representatives

9.1 Final Statements by Delegation Representatives

Delegation Representatives

The final statements were delivered by Mr Wang Bao Hai representing the Tibet Autonomous Region, Mr Li Yang representing the Xinjiang group, Ms Mana Dahal representing Nepal, Mr Kirgizbek Kanunov representing Tajikistan, and Dr Madhav Karki representing ICIMOD. The delegation representatives thanked ICIMOD and InWEnt for organising the workshop and remarked that the workshop was a unique opportunity for the participants to understand the different models of tourism practiced in each country. The themes and concepts that were raised were central to the development of transboundary tourism.

The workshop provided in depth knowledge on pro-poor sustainable mountain tourism development and produced tangible results, contributing to a broader understanding of tourism studies. The field trips were enormously beneficial to all participants. They not only provided an opportunity to observe and learn from tourism practices in the mountain areas of Nepal, but gave participants an opportunity to interact with stakeholders in the region. The interaction programmes allowed participants to understand firsthand the problems, challenges, and opportunities facing sustainable mountain tourism. The interaction programme also offered insights into coping strategies.

The delegation representatives lauded the high quality of the tourism products and services offered in Nepal and the politeness of the Nepalese people. The role of local bodies in tourism development in the mountain areas is especially com-

mendable in Nepal's context. They also praised the efforts of the resource persons for the workshop and the participants in helping to promote knowledge on transboundary sustainable tourism and remarked that successful transboundary tourism requires the political will of governments. One of the main lessons that came out of the workshop is that the changing times and environment requires the repositioning of tourism and sustained effort to build tourism enterprises.

>>> Section 10. From Ideas to Action

10.1 Reflections by Workshop Chair

Pitamber Sharma, Workshop Chair

It is interesting to note that the sustainable tourism concepts that were introduced and discussed in the early part of the workshop found resonance during the field visits and group work, and in the recommendations. The value of tourism – as a vehicle for community development, leading to the growth of infrastructure and services for tourists as well as locals – was well illustrated during the field visits. Also, the likely environmental and socio-cultural impacts of tourism, and institutional arrangements and support required for the mitigation and minimisation of the impacts were highlighted by the activities of ACAP and the local communities. The critical role of stakeholder participation in the planning and governance of community-oriented tourism was brought out during the interactions with local community representatives.

Although generalisations can be made with respect to the impacts (socioeconomic, cultural, and environmental) of tourism in mountain settings, the field visits and case studies indicated that impacts have extremely important local dimensions, dictated as much by geographical location as by the type of tourism and its linkages with local sectors such as agriculture/horticulture. The dilemma presented by infrastructural growth and its impacts vis-à-vis tourism is illustrated by the road connecting Mustang with the rest of Nepal. The decision to build the road was not imposed from outside, it was the result of the priorities of the local population who wanted to break the barrier of remoteness and isolation, realise the potential of their comparative natural resource advantages, and join the mainstream Nepali economy. However, in breaking the barrier through road connection, remoteness, isolation, cultural uniqueness – the very fabric that forms the very basis of trekking tourism – has been threatened. The choice between the road and trekking tourism is one which many mountain areas have

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faced and are facing. The cases of Jomsom, Marpha, and Kagbeni show how each locality is impacted in unique ways and how 'smart ideas' are needed to deal with the issues and must be woven into the unique context and opportunities afforded by the location's attributes and advantages.

The issues and concepts brought out in the thematic papers with respect to actors, institutions, and processes in the promotion of transboundary tourism were also well reflected in the deliberations of the working groups. A general consensus emerged that transboundary tourism requires tourism planning at the regional level where the product with transboundary significance is marketed jointly. This obviously requires long-term political commitment and trust, as well as institutional arrangements that bring the stakeholders on both sides together so that all formal and informal mechanisms are given full play in realising the advantages of tourism.

The recommendations made at the conclusion of the workshop should be seen as 'first-cut' concepts, on the basis of which ideas can be further refined and translated into actions. This can be undertaken by country groups and the participants from government agencies who took part in the workshop. It is only through such follow-up that a sense of ownership of the recommendations can emerge. ICIMOD, through its tourism programme, can continue to backstop and provide the needed conceptual and institutional support.

>>> Annex 1. Workshop Programme

Day 1	Sunday 14 June 2009 (Arrival)
	Arrival of International participants and check-in at Hotel Himalaya, Kathmandu
Day 2	Monday 15 June 2009 (Conference Hall, ICIMOD Headquarters)
8:30 am	Registration of Participants
9:00	**Opening Ceremony** Welcome Address by Madhav Karki (ICIMOD) Welcome Address by the Tibet Tourism Bureau, on behalf of Chinese Delegation
9:30	**Outline of Objectives and Workshop Programme** by Pitamber Sharma (Workshop Chair)
9:45	**Tea Break and Group Photo**
10:30	**Introduction to Conceptual Papers**
10:40	**Conceptual Paper I: Tourism Development and its Impacts: Perceptions of Host Communities** Dipendra Purush Dhakal (Tourism Expert)
11:00	**Conceptual Paper II: Strategic Approaches to Sustainable Tourism: Principles, Implementation Schemes and Cases** Johannes Heeb (CIPRA)
11:20	**Discussion of Conceptual Papers**
11:40	**Country Paper I: Mountain Tourism in Nepal** Sunil Sharma (Nepal Tourism Board)
12:00 pm	**Country Paper II: Tourism Development in Tibet Autonomous Region of China** Zerenzhuoma (Tibet Tourism Bureau)

12:20	Discussion of Country Papers
12:45	**Lunch Break** (ICIMOD canteen)
13:45	**Introduction to Case Studies**
13:50	**Case Study I: Tourism for Rural Poverty Alleviation** Rabi Jung Pandey (Nepalese Tourism Research and Service Centre)
14:05	**Case Study II: Community-Based Tourism in Ghalegaon, Lamjung** Chet Nath Kanel (National Development Centre)
14:20	**Case Study III: Cross-Border Tourism in Tibet/China** Tubden Kyedrub and Liu Yajing (Tibet University)
14:35	**Case Study IV: Tourism Aspects in Xinjiang** Paper Presenter from Xinjiang
14:50	**Tea Break**
15:10	**Working Groups: Best Practices in Tourism** Facilitated group work
18:00	Departure to Nepal Tourism Board (Bhrikuti Mandap)
18:30	Multimedia presentation and small market fair on tourism in Nepal Snacks provided
Day 3	**Tuesday 16 June 2009 (Conference Hall, ICIMOD Headquarter)**
9:00 am	**Introduction to Thematic Papers**
9:10	**Thematic Paper I: Role of Actors and Institutions in Cross-border** **Tourism Development** Nakul Chettri (ICIMOD)
9:30	**Thematic Paper II : Planning and Governance in** **Cross-Border Tourism Development** Lisa Choegyal (Tourism Resource Consultant)
9:50	Discussion of Thematic Papers
10:10	**Introduction to Field Trip and Formation of Groups**
10:30	**Tea Break**
10:45	**Working Groups: Preparation of Field Trip – Guidelines for Observation** **and Analysis** Facilitated group work
11:45	**Lunch Break** (ICIMOD canteen)

12:45 pm	**Departure for Airport and Flight to Pokhara**
Afternoon	**Sightseeing in Pokhara**
Day 4	**Wednesday 17 June 2009 (Mustang)**
Morning	Flight from Pokhara to Jomsom
Afternoon	Briefing on programme in Jomsom Interaction with key stakeholders of Annapurna Conservation Area
Day 5	**Thursday 18 June 2009 (Mustang)**
Morning	Travel Jomsom to Kagbeni (Group 2) Travel Jomsom to Marpha (Group 3)
	Field Visit in Jomsom (Group 1)/Kagbeni (Group 2)/Marpha (Group 3) • Presentation about ACAP by Ms Anu Lama • Visit to important cultural/religious landmarks • Usage of renewable energy (in lodges) • Handicraft production (by locals) • Waste management facilities & successful business ventures • Interaction with the local Tourism Management Committee (TMC), Conservation Area Management Committee (CAMC), mothers' groups, and other local leaders
Day 6	**Friday 19 June 2009 (Mustang)**
Morning	Continuation of Field Research in Jomsom/Kagbeni/Marpha
Afternoon	Return travel from Kagbeni/Marpha to Jomsom Group discussions and reflections
Day 7	**Saturday 20 June 2009 (Mustang/Kathmandu)**
Morning	Flight from Jomsom to Kathmandu via Pokhara
Afternoon	Free time
Day 8	**Sunday 21 June 2009 (Bhaktapur/Nepal Tourism Board)**
Morning	Field trip to Bhaktapur Interviews with Bhaktapur authorities on • Utilisation of funds/entrance fees • Benefits of tourism for social infrastructure and so forth • Strategies to market cultural assets and preserve heritage Transfer to Nepal Tourism Board, Bhrikuti Mandap, Kathmandu
14:00 pm	**Introduction to Group Assignments**

14:10	**Facilitated Group Work** Systematisation and analysis of observations during field trip Formulation of lessons learned
17:30	End of day
Day 9	**Monday 22 June 2009 (Nepal Tourism Board)**
9:00am	**Introduction to the Day**
9:10	**Presentation and Discussion of Group Work Results**
10:00	**Tea Break**
10:20	**Facilitated Group Work** Formulation of recommendations for action plan
12:30pm	**Lunch Break** (Nepal Tourism Board)
14:00	**Presentation and Discussion of Action Plan** **Summary by Conference Chair**
15:30	**Tea Break & Evaluation of Workshop**
16:00	**Closing Ceremony** Final statements by representatives of delegations, ICIMOD, and InWEnt
17:30	Cultural show and dinner
Day 10	**Tuesday 23 June 2009 (Departure)**

>>> Annex 2. List of Workshop Participants

	Name	Function	Address	Telephone/Email
People's Republic of China (Tibet Autonomous Region)				
1	Mr Gesang Nima	Assistant	Foreign Affairs Office of TAR, No. 11 LinKuo BaiLu, Lhasa, China	Tel: +86 139 08982476
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5	Mr Wang Bao Hai	Vice President	Tibet Academy of Agriculture and Animal husbandry Sciences (TAAAS) No. 130 JinZhu XiLu, Lhasa, China	wangbh@taaas.org
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11	Mr Li Yi	Secretary of Director	Husbandry Department, Xinjiang Uygur Autonomous Regions, Address: No. 408 South Xinhua Road, Urumqi, Xinjiang, China, 830001	xjliyi@gmail.com

	Name	Function	Address	Telephone/Email
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14	Mr Yue Pi Chang	Vice Director	Institute of Agricultural Economics & Information Xinjiang Academy of Agricultural Sciences, No.403 Nanchang Road, Urumqi, Xinjiang, China, 830091	yuepc@xaas.ac.cn
15	Mr Zhang Hai Ming	Vice Director	Tourism Bureau of Kashgar, Prefecture Government, No.46 Jiefangbeilu, Kashigar, Xinjiang, China	Tel: +86 998 2822636
16	Ms Zhao LiXin	Director of International Co-operation Division	Xinjiang Academy of Agricultural Sciences No.403 Nanchang Road, Urumqi, Xinjiang, China, 830091	zhaolx@xaas.ac.cn
Nepal				
17	Mr Ananda Raj Pokharel	Planning Officer	National Planning Commission Secretariat, Singha Durbar, Kathmandu, Nepal	apokharel@npcnepal.gov.np
18	Mr Basudev Lamichhane	Chief Executive Officer	Bhaktapur Tourism Development Committee, Taumada-11, Sakotha, Bhaktapur	basudev66@yahoo.com

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19	Mr Binod Basnet	Program Officer	National Trust for Nature Conservation, PO Box 3712, Jawalakhel, Lalitpur, Nepal	binod@ntnc.org.np
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22	Mr D.B Limbu	Secretary General	Nepal Association of Tour and Travel Agents, PO Box 362, Gairidhara, Naxal, Kathmandu	natta@mail.com.np
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24	Mr Durga Poudel	Conserva- tion Officer	Department of National Parks and Wildlife Conservation, GPO Box 860, Babarmahal, Kathmandu	c/o: sbajimaya@ dnpwc.gov.np
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32	Mr Udaya Bhattarai	Assistant Manager	Nepal Tourism Board, Tourist Service Centre, PO Box 11018, Bhrikutimandap, Kathmandu	ubhattarai@ntb.org.np
33	Ms Yankila Sherpa	Managing Director	Snow Leopard Trek Pvt Ltd, PO Box 1811, Kathmandu, Nepal	snowlprd@trek.wlink. com.np

Tajikistan

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Pakistan

35	Mr Yasir Hussain	Deputy Director	Department of Tourism and Environment, Northern Areas Tourism Secretriat, Jutial, Gilgit	yasir@visitnorthernar-eas.gov.pk

Organisers and Staff

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