

# DRAFT REPORT

## Promoting Community Managed Ecotourism in Chitwan Annapurna Landscape and Terai Arc Landscape



*This report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of Nepal Economic Forum and do not necessarily reflect the views of WWF, USAID or the United States Government.*

## List of Abbreviations

ACA	Annapurna Conservation Area
ACAP	Annapurna Conservation Area Program
AoA	Article of Association
BCF	Baghmara Community Forest
BCFUG	Baghmara Community Forest User Group
BDT	Bangladesh Taka
CAGR	Compounded Annual Growth Rate
CARE	Cooperative for Assistance and Relief Everywhere
CBET	Community Based Ecotourism
CBT	Community Based Tourism
CHAL	Chitwan Annapurna Landscape
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CNP	Chitwan National Park
DNPWC	Department of National Parks and Wildlife Conservation
FECOFUN	Federation of Community Forestry Users in Nepal
FIT	Free Independent Traveler
GDP	Gross Domestic Product
GEF	Global Environment Facility
GoN	Government of Nepal
GTDMC	Ghalegaon Tourism Development and Management Committee
KCAP	Kanchenjunga Conservation Area Project
KCF	Kumrose Community Forest
KMTNC	King Mahendra Trust for Natural Conservation
MCAP	Manaslu Conservation Area Program
MoCTCA	Ministry of Culture Tourism and Civil Aviation
NEF	Nepal Economic Forum
NTB	Nepal Tourism Board
NTNC	National Trust for Nature Conservation
NVR	Nepal Village Resort
OGT	Organized Group Trekkers
PATA	Pacific Asia Travel Association
SVTDMC	Sirubari Village Tourism Development and Management Committee
TAL	Terai Arc Landscape
TCU	Tiger Conservation Unit
TDMC	Tourism Development and Management Committee
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WWF	World Wildlife Fund

## Executive Summary

The tourism industry of Nepal is focused on two major motivations: namely the Himalayas and the rich cultural heritage of the Kathmandu Valley. Because of this narrow focus, tourism has been centered primarily in Kathmandu and the cities, such as Pokhara and Chitwan. Even though Nepal boasts unique biodiversity across the nation, it has not been able to package it in a way that derives benefits from tourism. One of the major reasons for this has been the low benefit margins compared to the high risk of developing such tourism packages. Even though the tourism industry is one of the major contributors to GDP, it has time and again been affected by the political turmoil of the country and a lack of commitment and support from the government. The tourism industry is viewed as a sector that has significant backward linkages and helps to improve the livelihood of the poor; however, this has not yet materialized significantly in the context of Nepal, as major tourism benefits are retained by tourism entrepreneurs at the center. One of the major reasons for this is the lack of capital, technical, and human resources within rural communities. Even though Nepal saw an annual flow of 7.5 million visitors during the last fiscal year (2011–2012), only 40 percent were directly engaged in tourism related activities.

Nepal has emerged as a destination for budget travelers, attracting tourists from neighboring India and China. With the rapid growth in the economy of these two countries, many people have more disposable income and are taking more holidays. Nepal is well placed to attract residents of second tier Indian and Chinese cities to develop its current tourism market. Similarly, Nepal's domestic tourism has been developing along with changes in the lifestyle of many Nepalis. A more cosmopolitan younger generation, coupled with a burgeoning middle class with disposable income and a growing number of nuclear families, has increased the demand for domestic tourism opportunities.

Since most of Nepal's tourist attractions are nature and culture based, it is well suited for ecotourism. Ecotourism is defined as "responsible travel to natural areas that conserves the environment and improves the well-being of local people."<sup>1</sup> It is based on the principles of uniting conservation, communities, and sustainable travel. Also, to ensure that the benefits of tourism reach the local community, Community Based Ecotourism (CBET) is a great model for country like Nepal. CBET is a complete tourism initiative driven by the community wherein the local community improves its capacity to use social capital through collective action and enhances its levels of participation in the development process.

In line with this concept of community based ecotourism is the Hariyo Ban (Green Forest) Program. It attempts to achieve its objectives of biodiversity conservation and climate change mitigation and adaptation through approaches that include agriculture, forestry and tourism. This five-year program currently being implemented in the Chitwan Annapurna Landscape (CHAL) and the Terai Arc Landscape (TAL), and funded by United States Agency for International Development (USAID), is the foundation of President Obama's Global Climate Change Initiative in Nepal.

The CHAL and TAL areas are rich in biodiversity and natural and cultural resources. Because of this they are ideal tourist destinations. However, these areas face climate change, rapid population growth, unsustainable land use, and rampant poverty, all of which have led to internal as well as external migration by locals seeking better sources of livelihood. The goal of this assignment under the Hariyo Ban Program is to learn lessons from successful community ecotourism pilots, identify two sites in CHAL and two sites in TAL with the potential to promote community based ecotourism, and to produce site-specific ecotourism plans based on economic feasibility, social acceptability, environmental

---

<sup>1</sup> The International Ecotourism Society, 1990.

<sup>2</sup> World Travel and Tourism Council, *Travel & Tourism Economic Impact 2012*, Nepal.

<sup>3</sup> Ministry of Culture, Tourism and Civil Aviation, "Nepal Tourism Statistics 2011, Annual Statistical Report."

sustainability, and the capability of the sites to provide alternative livelihood options to local communities.

The study has explored how we can increase the local community's involvement in the tourism activities under CBET through small interventions and partnerships. As the tourism sites in the TAL and CHAL landscapes are isolated from the main tourism market they will require external support in the initial years to be sustainable.

In order to gain insight from existing CBET activities in Nepal, a rapid assessment of two existing community based ecotourism destinations, namely the Baghmara Community Forest (BCF) in Chitwan (CHAL/TAL) and Ghalegaon village in Lamjung district (CHAL), has been made. In addition to investigating successful ecotourism activities, a third case study of the Sirubari village in Syangja district was also documented in the report.

Baghmara Community Forest was a dense forest famous as a hunting ground for tigers. However, it has faced deforestation over the past 20 years. To undo this damage, a reforestation project started in the 1980s. In 1995, the BCF was also opened for tourism to bring in an additional source of revenue to the user group members. The reforestation efforts have been fruitful and the forest has come back to its original dense form. Tourism figures have also increased over the years. The tourism initiative has definitely brought about positive changes to the community in terms of overarching infrastructure, improved sanitation, and trainings. However, it has not directly provided a means of livelihood to the community. This is because of an inefficient management committee stalled by politicization.

Ghalegaon in Lamjung is another form of CBET wherein members of the community conduct homestays in their village residences. Due to their dependence on subsistence agriculture, the locals relied heavily on remittances. In order to provide an alternate means of livelihood, they started providing homestay facilities. While the villagers conducting homestays have directly benefitted, the homestay program has failed to incorporate Dalits and marginalized groups. Nonetheless, Ghalegaon was more successful in providing a means of livelihood to the community than the Baghmara initiative.

While CBET activities have been successful overall, much can be learned from their mistakes. Indeed, it was imperative to document the problems that led to the downfall of the project. Sirubari was the first village to start homestays in 1997. In addition to having the first mover advantage, the initiative was successful because of its strong leadership, community participation, and proactive marketing at the national level. However, the Sirubari village locals were associated with the Gurkha Army and when they became eligible for resident status in the United Kingdom, most opted for it and migrated to the United Kingdom. This reduced the number of households running homestays. There was no new investment because only marginalized groups with no investment money were left behind. The quality of service started dropping and other similar products started coming up, giving rise to competition. This ultimately led to the failure of the first homestay model in Nepal.

From the three pilot site studies, we learned that the following criteria are necessary to ensure a successful CBET site:

- Competent management is needed to keep the community motivated.
- Committee representation of marginalized community groups must be ensured to provide inclusivity, and also governing agencies and active NGOs in that area should be represented to ensure a more transparent working system.
- Marketing activities need to be competitive, and ways to distinguish products must be explored.
- Trainings provided must be lucrative with market linkages for the products made after such trainings.

- Local produce such as snacks and drinks should be promoted, and the import of packaged items should be reduced to retain as much tourism income within the community as possible.
- A separate fund for the poor and marginalized groups should be created from which they can take loans at minimal interest to be able to engage in tourism activities.

Based on the findings of the pilot site study, a set of parameters was developed to gauge and compare all 19 districts in the CHAL region and 14 in the TAL that would form the basis of the preliminary site selection for field visits. The parameters were divided into four major components, namely the program's objective, primary facilitators, secondary facilitators, and people, as shown in the table below.

Objective	Primary facilitators	Secondary facilitators	People
		Facilitators	
Biodiversity	Geological attractiveness	Accessibility	Demographics
Livelihood	Flora and fauna	Infrastructural adequacy	Migration pressures
Gender and social inclusion	Cultural heritage		
	Existing tourism destinations		
	Scope for clustering		
4	3	2	1

All of the aforementioned parameters were rated on scale of 1 to 5. The four sets of parameters were weighted from 1 to 4, with 4 being the most important parameter and 1 the least important. Since the objective of this assignment was to conserve biodiversity, increase livelihood options, and promote gender and social inclusion, this parameter was given the highest weight. Factors that facilitate the development of a tourism destination, such as the geological attractiveness, flora and fauna, and cultural heritage were deemed primary facilitators. This set was assigned a weight of 3. The next set of parameters included accessibility to and within the district and infrastructural adequacy. Although important for the development of a tourism site, these are regarded as secondary facilitators, which is why these were assigned a weight of 2. The last parameter was the willingness and ability of the people to engage in tourism activities. Migratory pressure in the regions was also assessed under this parameter. This parameter was assigned a weight of 1. All of these parameters were assessed through desk review and interviews with related personnel as field visits to all places was not feasible.

Keeping in mind the scores from the aforementioned parameters, and the level of existing tourism activities, the following districts were identified as having the most potential for the Hariyo Ban ecotourism project.

CHAL Region		TAL Region	
Clusters	Individual districts	Clusters	Individual districts
- Syangja	- Gorkha	- Kailali	- Makwanpur
- Palpa		- Kanchanpur	

Once the 32 districts were narrowed down to 6, the next step was to identify potential sites within the districts and also any districts that were overlooked through the initial short listing. For this, key informant interviews, meetings, and discussions with relevant stakeholders were seen as vital part of the study as there was little or no publicly available information about community based tourism in the selected districts. An exhaustive list of 37 sites in the aforementioned and other districts was prepared after which this list was discussed with the Hariyo Ban team. The main objective of these discussions was to use the expertise of the team members to identify the sites with most potential and arrive at a number

that would meet the project's financial and time constraints. Thereafter, the following list was finalized to conduct field visits.

S.N.	Site	District	Region
1	Barpak	Gorkha	CHAL
2	Tanahusur, Dhor Phirdhi, Merlungkot	Tanahu	CHAL
3	Panchase Lekh	Kaski/Syangja/Parbat	CHAL
4	Syange, Nipragaon, Chapa Dada, Dod, Rhendu, Ghopte	Lamjung	CHAL
5	Jalbire	Chitwan	TAL
6	Amaltari, Baghkhori	Nawalparasi	TAL
7	Madi	Chitwan	TAL
8	Shukhlaphanta Wildlife Reserve	Kanchanpur	TAL
9	Ghoda Ghodi Lake	Kailali	TAL

All of these sites were again evaluated on the basis of the extensive parameters listed below.

Attraction inventory	Potentialities	Human capacity assessment	Infrastructural adequacy	Socioeconomic analysis
Geological attractions	Accessibility	Demographics	Electricity	Source of income
Biodiversity	Market demand	Activeness (groups and committees)	Sanitation	Standard of living
Cultural heritage	Competitiveness	Willingness	Schools	
Historical and religious relevance	Existing tourism	Capability	Medical facilities	
	Potential activities	Migratory pressure		
	5	4	3	2
				1

Based on the above parameters, the following table provides a list of the overall ranking of the sites in the TAL and CHAL region.

Rank	Sites in TAL	Scoring	Rank	Sites in CHAL	Scoring
1	Panchase	49.73	1	Madi	45.88
2	Syange	46.47	2	Amaltari	47.53
3	Tanahusur/Merlungkot	41.03	3	Shukhlaphanta/ Ghoda Ghodi Lake	45
4	Barpak	38.4	4	Jalbire	37.87

Compared to Tanahusur and Barpak, both Panchase and Syange have more potential in creating an ecotourism product with the use of existing attractions. Panchase provides a complete package of attractions ranging from its diversity, both in terms of flora and fauna, to its scenic mountain view. Its cultural and historical heritage is also strong because of the closely knit Gurung community residing there. Syange, meanwhile, was selected because it can be developed as an adventure sports destination with activities that have not been developed in other parts of the country. It can benefit from a first mover

advantage. And, as mentioned above, since Syange falls on the Annapurna circuit, trekkers can also serve as another market, thereby ensuring sustainability.

Madi in Chitwan and Amaltari in Nawalparasi were ranked the highest in the CHAL region. Both of these sites are located on the periphery of the Chitwan National Park and thus will develop similar kinds of tourism products and cater to the same clientele. Therefore, in order to ensure that the proposed sites are viable options, it was decided to select only one of the two and develop Shuklaphanta Wildlife Reserve and Ghoda Ghodi Lake as a cluster. Since the wildlife-human conflict in Madi was extremely high, it was decided to go ahead with Madi as it would help the community to see its biodiversity as an asset in attracting tourism rather than a liability. Therefore, it would promote conservation and the purpose of study.

Shuklaphanta Wildlife Reserve is as rich in biodiversity as other national parks in the country; however, it has not been able to attract tourists as it is located in the Far Western region. Meanwhile Ghoda Ghodi Lake is a destination in Kailali that will attract bird watchers as it has right topography for it. Combined, the two destinations provide a complete package from bird watching, animal sighting, homestays, and more.

So far, the report helped identify the four potential CBET sites, two each in the TAL and CHAL regions, through initial short listing and field visits. Section II outlines the Tourism Management and Development Plan (TMDP), which can be used as a guiding tool to commence CBET in the proposed sites.

## **Overview of Potential CBET Sites**

### *Shuklaphanta Wildlife Reserve, Kanchanpur – Ghoda Ghodi Lake, Kailali*

Tourism development in the Far Western region has not been significant mainly due to its distance from the capital; it is time consuming and costly to get there. The lack of tourism infrastructure such as hotels, restaurants, information centers, and transport facilities has further slowed its development as a tourist destination. There is also lack of marketing and promotional activities being conducted. Even though there is great potential for developing the Far- West as a tourist center, it has not been able to use its assets to its advantage. This project is intended to break this barrier and bring Shuklaphanta Wildlife Reserve in Kanchanpur, which is famous for swamp deer (locally known as *barhasingha*), and Ghoda Ghodi Lake in Kailali, which is a wetland spread over an area of 8.25 square kilometers, together and promote it as a tourism cluster and “the gem of the Far Western region.” In the beginning the tourism potential of the region lies in being able to tap tourists from the bordering Indian cities because of its proximity and affordability. With tourism gaining momentum, the tourism services will also improve after which it will stand as an attractive tourist destination for domestic and international tourists.

Shuklaphanta Wildlife Reserve and Ghoda Ghodi Lake face environmental and conservation threats due to the dependence of the community on fodder, fuel wood, grazing, and other such illegal activities that have hampered conservation activities. Also, there is human-wildlife conflict in the villages close to the reserve. Both areas are facing deforestation, forest degradation, and encroachment. Therefore, there is immense need to prevent further loss of forest and commence conservation activities. The community based ecotourism model is seen as a medium to enable conservation as well as a tool for improving the quality of life of the local people through tourism earnings. Therefore a tourism cluster approach is suggested with Shuklaphanta Wildlife Reserve as the primary destination and Ghoda Ghodi Lake as the secondary destination.

The activities provided at the two sites will include jungle safari in jeeps or on elephants and jungle camping inside the Shuklaphanta Wildlife Reserve, and homestays in the village close to the reserve. Bird

watching and boating in the Ghoda Ghodi Lake will provide a unique experience to visitors. Other activities include visiting monuments, heritage sites, border villages, temples, and other sites of historical importance. Short hikes to nearby areas and a local market for handicrafts and souvenirs can also be introduced in the village. In order to make it more saleable, a unique mix of biodiversity, culture, and adventure positioning will help provide a different set of products offering the branding theme “travel to the Far West” or “ecotourism the Nepali way.”

#### *Madi, Chitwan*

The next potential site chosen for the CBET project was the Simara Valley in Madi. The Simara village was chosen due to its proximity to Chitwan National Park and also because of the high human-wildlife conflict in the area. Consequently, communities in the area do not see wildlife as an asset, but as a threat to their current way of life. The community so far has been unable to benefit from tourism activities taking place in the district. Despite Chitwan being one of the famous tourist centers, this development has not spilled over to Madi, and it continues to remain untouched by development taking place through tourism. The entire valley has poor infrastructure with no electricity lines, health posts or communications lines, and most villages run mainly on solar energy. Developing Simara as a CBET destination will therefore help divert benefits from tourism to communities that will assist in changing the attitudes of local communities towards biodiversity and wildlife conservation and also help transfer the benefits of tourism to the lower strata of society to facilitate social inclusion.

Due to its proximity to Chitwan National Park, wildlife sighting is very high. Madi has numerous natural, historical, religious, and cultural attractions. It has diverse flora and fauna, beautiful waterfalls, picnic spots, views of the sunrise over the Sameshwar Hills, historical and religious sites such as the Sameshwar Kalika temple, and a vibrant Bote and Tharu culture.

The strategy that will be adopted in developing tourism in Madi is primarily to promote nature based tourism. However, to make it more saleable, a combination of nature based experiences alongside the cultural experience of homestays will be offered. For this strategy to take off, marketing activities need to be undertaken directly by tour operators in Kathmandu. Madi needs to supplement the current offerings of Sauraha and Chitwan, benefitting from the tourist inflow to the district.

#### *Mipra and Chappagaon, Syange*

Syange, and its adjoining areas located in Lamjung district (CHAL Landscape), was chosen as another site because of its potential as an ecotourism destination. Field visits to the villages of Mipra and Chappagaon located approximately three kilometers uphill from Syange identified them as an unparalleled and unique destination where “adventure meets culture” is the key tourism product. Here adventure sports in the form of water canyoning, coupled with culture, can be explored as a tourism product.

Along with its rich Gurung cultural heritage, the village offers several natural attractions and activities. About two kilometers uphill from Mipra is the Ghareli Tuppa from where one can view the Manaslu, Himchuli Himal, and other Himalayan mountain ranges. A 30-minute walk to Chhappadanda (a hill) offers one of the most spectacular views from the district. The Syange waterfalls and the Raindu waterfalls are other natural attractions.

Mipra and Chhappa fall outside the ACAP region and, apart from a limited budget from the Village Development Committee, do not get special funds for development. This has resulted in tourism being completely ignored at the village level. However, the villages are located very close to Syange, which is already an established night stopover among Annapurna Circuit trekkers, Manaslu Circuit trekkers, and extreme adventure seekers (canyoning and kayaking). The major setback for tourism development in this village is the lack of dining and lodging facilities, investment in tourist sites, and dissemination of



information. For tourism development, homestays pose the best choice for a viable product because they would represent the most authentic cultural experience and the benefits would be funneled directly to the rural population.

The villages are gifted with many natural attractions, and are therefore suitable for nature based tourism. Nature based tourism is aimed at complementing the existing activities (trekking, canyoning, kayaking) to include local community participation in the overall tourism development. The activities that will be offered at these villages will range from adventure activities such as canyoning (which involves abseiling, sliding, jumping, swimming, and climbing down waterfalls through steep canyon walls to deep pools) to homestays and cultural shows. Village walks with breathtaking views of the sunrise and sunset, camping in the village, and observing and participating in honey hunting will also be included.

Positioning Mipra and Chhappa as nature based tourism destinations would be casting them as regular ecotourist villages. Linking the villages' natural and cultural attractions with other activities (canyoning, trekking, kayaking) will create a unique destination that can be differentiated from similar destinations. A slogan such as "adventure meets culture" or "not just adventure" will be used to market the destination.

#### *Bhadaure Tamagi, Panchase Lekh*

Panchase Lekh lies in the mid-hill region of Nepal constituting the boundary of Gandaki and Dhaulagiri zones of the Western Development Region. Panchase which literally means *five seats* is the meeting place of five peaks. The Panchase region is rich in biodiversity, cultural and religious sites, and natural beauty. This region is an important mid-mountain ecological zone, less addressed in the country's protected area system, and is the only corridor linkage of Lowland (Chitwan–Nawalparasi) and the Annapurna Himalaya range. Bhadaure (Ward 1 and 2) is a small village in Tamagi VDC of Kaski District. The village is located 35 kilometers from Pokhara and lies on the fringes of the Panchase Protected Forest Area. It is a gateway to the Panchase Lekh and connected to Pokhara partly by metallic and partly by earthen motorable road. Apart from the cultural heritage, the village is blessed with many natural attractions. Its strategic location offers a 180° view of the Great Himalayan Range. The upper Panchase Lekh is covered by dense mixed forest.

The village offers a diverse range of activities and attractions that can be quickly expanded or developed. The activities offered have broader appeal to multiple target markets and therefore offer great potential for immediate expansion. The first attraction is homestays in Bhadaure, which could include cultural shows, village walks, views of the sunrise and sunset, and engagement in the daily chores of the community. Tourists can hike on stone paths all the way to Panchase Lekh. Hikers will be able view the Himalayan mountain ranges and can experience the diverse flora all the way to the Panchase forest. On reaching the top, hikers get a chance to visit temples, religious sites, and Panchase Lake. Bird watching is another potential activity in the Panchase region. The village has also designated certain areas within the village for camping, an activity that has the potential to be developed.

Due to the diverse range of attractions in Panchase and Bhadaure, there are two benefits for the tourism model. Firstly the number of activities are increased, which prolongs visitor stay, and secondly a wider market segment can be targeted. The village offers a diverse range of activities and attractions that can be quickly expanded or developed. The activities offered have broad appeal to multiple target markets and therefore offer great potential for immediate expansion.

Analyzing the activities offered in Panchase, the market will cater to mostly special interest groups. Special interest tours related to wildlife, biodiversity, bird watching, and more are gaining popularity in Nepal. Since Panchase region is host to several species of orchids and flowering plants, this niche segment is a potential target group if promoted effectively. Pilgrims are also a highly lucrative group as Panchase Lekh is home to sacred religious sites. Hikers and short trekkers who are interested in activities

that involve low physical exertion but a rewarding view and experience, are another target segment. Lastly, domestic travelers will also be targeted.

### **Infrastructure**

The current state of attractions at the four potential sites is rough and certain infrastructure developments need to be made in order to commence tourism activities. The most fundamental issue affecting tourism is the lack of accommodation in these villages. Therefore, homestays need to be developed along with toilet and shower facilities. Villagers are willing to invest in constructing rooms either within their own residences or separate units. Fixed routes and sites need to be developed in the forest areas where tourists will be taken. This needs to be done keeping in mind the safety and security of the visitors while posing a minimum threat to the area's biodiversity. Trails leading to the main attraction in these destinations need to be improved so that they are accessible. Campsites at the various destinations need to be upgraded so that they are safe and secure. A proper visitor information center needs to be established so that tourists can get information and guidelines on visiting the park areas. Cultural museums, souvenir shops, and handicraft stores will also be established. In addition to infrastructural development, trainings and orientation programs for the community on CBET and its components, capacity building programs, business skills, and conflict resolution will be provided.

### **Marketing and Promotion**

For an upcoming and previously untouched destination, it is essential to market and brand it in the right way from the start. Therefore, marketing activities will be mainly conducted through agents. However, these agents should be brought to the sites so that they are convinced of the salability of these tourism destinations. Working closely with the Nepal Tourism Board is also an important aspect of promotion. Conducting annual and one-off events could appeal to visitors. Promotional materials such as brochures and CDs will be developed and designed to promote the destination, its attractions, culture, and heritage. These can be widely used for trade fairs, sales missions, and seminars. A website will also be developed with destination and contact details. Nonetheless, with a modest investment and the right combination of marketing channels, a great deal of branding can be achieved.

### **Target Market**

Assessing the range of activities offered in these destinations, the market can be catered to special interest groups. Special interest tours of wildlife, biodiversity, and bird watching are gaining popularity in Nepal. Since these destinations are host to diverse species of flora and fauna, and provide adventure alongside a rich cultural experience, they provide a complete range of tourism products. The rise in domestic tourism will also contribute to the tourism efforts. These destinations will compete with other wildlife and nature based tourism sites and destinations with only homestays because they provide the dual experience of both in one place. Excursion groups can also be organized to educate students on the importance of wildlife and biodiversity conservation. As the community is directly involved in tourism efforts, the benefits also are directly experienced by the community, which may lead to development and contribute to conservation goals. This is the unique selling point that can set the region apart from other similar ecotourism destinations, making it a social cause venture.

### **Management**

The management of CBET in these destinations should be given to the local communities. A tourism management development committee (TMDC) needs to be established to handle tourism activities. This TMDC will be a key element in the tourism development of the village, and will consist of members of the local village group, the buffer zone user committee, and park and reserve officials. Women and marginalized groups must be represented in the TMDC. Its main roles and responsibilities will be to manage and establish rules for CBET. The TMDC will also be responsible for managing the community fund and the allocation of benefits across the community. The establishment of a TMDC will help

manage tourism, act as a contact point and coordinating center for the Hariyo Ban team, and will be the key interface between the village and stakeholders at the national level.

### Model

For effective tourism development, the CBET model in these destinations requires a public private community partnership (PPCP) that makes the tourism development inclusive and participatory for all stakeholders involved. The CBET model with a PPCP approach here is aimed at the inclusion and collaboration of the community with other stakeholders (government, donor, and private players), enabling joint ownership of the project by the community and other stakeholders. Partnership between the stakeholders ensures capacity building of the community and makes the project more inclusive and collaborative. The role of various players will be as follows:

Government needs to establish the necessary regulatory framework to support the establishment and promotion of CBET, provide financial assistance for infrastructure at the local level, record keeping, and market linkages.	Donor partners can initiate programs necessary to connect rural agriculture, forestry, wildlife conservation, and rural indigenous crafts to the formal sector activities of tourism. Sharing of costs and technical expertise will also help increase the efficiency of the project.
---	---

### Financing Arrangements

For the development of two pilot sites in CHAL and TAL a total budget of USD 0.26 million will be required. Approximately 74 percent of the budget is apportioned for the development of the tourism infrastructure. The summary of financial assessment is given in the table below:

S.N.	Details	Shuklaphanta-Ghoda Ghodi Cluster	Madi-Chitwan	Bhadaure Tamagi-Panchase	Mipra and Chappagaon - Syange
1	Total investment (in USD '000)	101	42	57	67
2	Percentage of total budget (%)	38	16	21	25
3	Investment in homestay (in USD '000)	19.09	11.30	35.00	36.00
4	NPV of investment in homestay (in USD '000)	31.12	28.68	80.44	78.61
5	Internal rate of return	23	30	30	29
6	Annual income of homestay operators (in USD)	1,950	1,800	1,906	1,870
7	Yearly fund for community development (in USD)	1,674	1,493	3,930	3,834
8	Yearly fund for conservation activity (in USD)	1,674	1,493	3,930	3,834
9	Revolving fund with the community (in USD '000)	19.09	11.30	35.00	36.00

From the table above it is evident that the investments made in community based ecotourism can help achieve the goals and objectives of the Hariyo Ban Program. Also, the internal rate of return for all the projects taken at very conservative figures stands above 20 percent, indicating high profitability. Projects like this can make interventions sustainable as the communities are enabled over a period of time. The households engaged directly in homestay activities can have an additional yearly income of USD 1,800–2,000. Also the distribution of revenue for community welfare makes it more equitable as households that are not directly engaged in homestay activities will be part of a larger development focused on the establishment of social goods like healthcare, sanitation, and education. Also, the availability of a revolving fund provides the often capital-starved community with relief. The fund can be used to encourage more households to engage in homestays or other ventures. Tourism has significant backward linkages and other diffused benefits. Business ventures and establishments will arise as a consequence of emerging demand for procurement and services by visitors. People can engage in vegetable farming, poultry farming, animal husbandry, and small cottage and handicraft industries. Communities will also be encouraged to showcase their traditional crafts and cultural activities, contributing to the growth of economic activities. These business ventures will generate a positive spillover effect on the local population and create employment. This will motivate people to adopt conservation practices as they see benefits arising from them. Also, through the project, members of the community are able to generate

their own conservation fund that can be used to commence their own programs focused on environmental and biodiversity conservation.

### **Impact**

The project aims to bring about tangible benefits through CBET to the community and the environment as a whole. Generation of employment and income opportunities will help foster entrepreneurship and increase household income. Employment will be direct as well as indirect. Direct employment through tourism will be in businesses that sell goods and services directly to tourists, such as tour operators and lodges. As a consequence, indirect employment is generated for local residents, whose new income enhances their purchasing power, which in turn stimulates the local economy. The purpose of developing CBET in these villages is to use the locally available resources and transfer benefits directly or indirectly to the community it operates in. The project will bring opportunities to develop and improve infrastructure and lead to the adoption of better sanitation practices. There is also a long term benefit from capacity-building activities through training programs. Tourism revenue will support conservation activities and promote use of locally produced goods and services. Greater awareness regarding conservation will reduce dependency on forest resources. The project will also help empower women, as community based tourism is centered on women's participation in effective management of homestay facilities.

### **Control Measures**

Increased tourism activities may lead to deforestation, general loss of biodiversity, increased poaching, soil erosion and landslides, solid waste problems, and surface water pollution. In order to mitigate the negative impacts of tourism, strict codes of conduct need to be implemented and monitored. Excessive use of trails should be restricted, biodiversity of the area should be protected, and a proper waste disposal system should be implemented. Remedial measures such as introducing alternative sources of energy, reforestation programs, and other such codes of conduct need to be developed. Climate change can lead to increased landslides, changes in water quality and availability, and loss of biodiversity. Many adaptation strategies can be found in the local community traditions and cultures, such as the use and design of water mills, but these need to be documented and adapted to suit today's needs. Therefore, awareness programs at the grassroots level must be enforced. The impacts of climate change should also be incorporated in the development plan in order to reap the maximum benefits of the CBET initiative.

## **Section I: Rapid Assessment and Site Selection**

### **1. Background**

Climate change is a major threat to nations globally, and Nepal is no exception. In addition, a growing population and increased tourism activities have led to greater dependency on the country's natural resources. Over the years, these resources are being depleted. With Nepal hosting some of the most spectacular natural areas and biodiversity in the world, these challenges threaten not only the country, but the planet. In order to mitigate these threats to biodiversity, the Hariyo Ban (Green Forest) Program has been launched to conserve the country's biodiversity and mitigate climate change through improved agriculture, forestry, and tourism. This five-year program, funded by the United States Agency for International Development (USAID), is also the foundation of President Obama's Global Climate Change Initiative in Nepal.

The program is closely aligned with the Government of Nepal's Three Year Plan, Nepal Biodiversity Strategy, and the National Adaptation Plan of Action. The World Wildlife Fund, the Cooperative for Assistance and Relief Everywhere (CARE), the National Trust for Nature Conservation, and the Federation of Community Forestry Users in Nepal are executing the Hariyo Ban Program, with the Government of Nepal as a key partner. Partnerships with other NGOs, academic institutions, and private sectors will also be undertaken through the duration of the project.

The overall goal of the Hariyo Ban Program is to reduce the adverse impacts of climate change and the threats to biodiversity in Nepal. Its three objectives are to:

1. Reduce threats to biodiversity in targeted landscapes;
2. Build the structures, capacity, and operations necessary for effective sustainable landscape management, with a focus on reducing emissions from deforestation and forest degradation (REDD+) readiness; and
3. Increase the ability of targeted human and ecological communities to adapt to the adverse impacts of climate change.

The program also has three important cross-cutting components: income generation, governance, and gender and social inclusion.

This program is being implemented within the Chitwan Annapurna Landscape (CHAL) and the Terai Arc Landscape (TAL). The CHAL and TAL areas are rich in biodiversity and natural and cultural resources due to which they are ideal tourist destinations. However, these areas are threatened by anthropogenic pressures such as rapid population growth, unsustainable land use, poverty, and the influence of Western cultures, which have led the local community to migrate to urban areas or other countries for better sources of livelihood. Despite the possibility of ecotourism providing a viable income alternative to rural communities, other than a few pilot ecotourism projects, local communities are yet to benefit from the tourism potential provided by these natural and cultural resources. Most of the tourism activities and tourism related business are run and operated by private entrepreneurs located in Kathmandu. The tourism products and packages are marketed and sold from the capital. Therefore, only a small part of the tourism revenue earned by private entrepreneurs actually percolates to the community level in the form of porter services, guide fees, food, and lodging. A large portion of tourism revenue is retained in Kathmandu. Furthermore, locals who manage to save a little money usually migrate to Kathmandu and invest their savings there.

The goal of this assignment was to learn lessons from successful community ecotourism pilots, to identify two sites in CHAL and two sites in TAL with the potential to promote community based ecotourism and to produce site-specific ecotourism plans. Exploration and identification of the four ecotourism pilot sites was based on their economic feasibility, social acceptability, environmental sustainability, and the capability of the sites to provide alternative livelihood options to local communities. Another important component of the project was to develop ways to contribute to the economic benefit of the local economy and to empower local communities to manage community based ecotourism.

## 2. Objectives

The objectives of the study were to:

- i. Promote improved land and sustainable resource management practices;
- ii. Contribute to the local economy by enabling communities to manage ecotourism;

- iii. Identify ways to increase community and climate resilience to climate and anthropogenic pressures;
- iv. Rapidly assess successful community managed ecotourism destinations in CHAL and TAL, and evaluate the environmental, economic sustainability, gender, social inclusion, benefit sharing, and governance issues;
- v. Explore and identify new high potential community based ecotourism sites along with products and attractions within these sites based on economic feasibility, social acceptability, and environmental sustainability in CHAL and TAL;
- vi. Prepare site specific ecotourism and management plans for newly identified sites; and
- vii. Strike a balance between natural resource conservation and diversification of livelihood options with specific consideration given to gender and social inclusion.

### 3. Scope of Work

The report is based on the following activities that were conducted in order to meet the objectives of the assignment.

- i. We conducted rapid assessments on successfully community managed ecotourism destinations in each landscape.
- ii. We explored and identified two high potential ecotourism sites each in CHAL and TAL, keeping in mind economic feasibility, social acceptability, and environmental sustainability.
- iii. We determined potential tourism products and attractions for the community based ecotourism destinations along with other livelihood options and community capabilities in managing ecotourism.
- iv. We identified current and potential climate and anthropogenic impacts on community based ecotourism and suggested ways to increase community and ecosystem reliance and adaptive capacity.
- v. We conducted community consultations to map out the willingness of communities to initiate community based ecotourism and to inform them of its consequences.
- vi. We prepared site-specific participatory community based ecotourism development and management plans for both sites.

### 4. Methodology

In order to complete the activities described above, the study adopted the following research methodology.

#### 4.1. Desk Review

Nepal Economic Forum (NEF) analyzed and reviewed relevant literature classified under the following broad categories to map out internationally acceptable, locally contextualized projects.

**Existing ecotourism projects in Nepal:** Sustainable ecotourism endeavors in Nepal were reviewed in order to understand the land and natural resource issues, and to gain firsthand knowledge on how to overcome them. Reviewing such projects helped establish a framework for the CHAL and TAL projects.

**International best practices:** Nepal Economic Forum analyzed relevant literature and information for community based tourism (CBT) projects in neighboring countries such as India and Bhutan and in

similar developing countries in Africa to benchmark and learn from international best practices. Each of the CBT examples provided key learning regarding the operations, management, and promotion of such ecotourism sites.

**Legal and institutional provisions:** In order to understand the legal structures within which the projects will be operating, NEF reviewed all acts and policies governing the tourism sector as well those ensuring environmental protection and biodiversity preservation.

## 4.2. Rapid Assessment

NEF conducted field visits to carry out rapid assessment of two existing community based ecotourism destinations, namely the Baghmara Community Forest in Chitwan (CHAL/TAL) and Ghalegaon Village in Lamjung District (CHAL). In addition to investigating successful ecotourism activities, a third case study of the Sirubari Village in Syangja District (CHAL) was also documented in the report. However, due to time constraints, the third case study was based only on a desk review. Sirubari Village was once a popular tourist destination attracting a significant number of tourists, but tourist arrival has significantly decreased. The rapid assessment of Sirubari was imperative in documenting the pitfalls that led to the downfall of the project.

Based on the information collected through the rapid assessment, key success factors and challenges were documented. Lessons learned from this assessment helped in the successful development of our project and in mitigating challenges faced.

## 4.3. District Profiling and Selection

In order to shortlist the districts where field visits would be conducted, the following three methodologies were adopted to get an all-round perspective of all stakeholders.

### *Assigning Parameters*

NEF evaluated the potential districts in the CHAL and TAL region against various parameters that facilitated identification of the districts for which field visits were conducted. All of the districts were first gauged against each other based on the four broad parameters which were as follows:

Objective	Primary facilitators	Secondary facilitators	People
Biodiversity	Geological attractiveness	Accessibility	Demography
Livelihood	Flora and fauna	Infrastructural adequacy	Migration pressures
Gender & social inclusion	Cultural heritage		
	Existing tourism destinations		
	Scope for clustering		
<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

It must be noted that these parameters were set keeping in mind that information would be gathered from a desk review and not field visits. As can be seen from the table, the four broad parameters were given a weight based on their importance to the study. Whether or not the potential sites met the objectives of the study was given the maximum weight of 4. Thereafter, the primary facilitators or attractions that would enable development of an ecotourism product were given a weight of 3. The secondary facilitators such as accessibility and infrastructural adequacy, which would aid in the development of the ecotourism product, were given a weight of 2. Lastly, the demographic profiles and migratory pressure in the district was



given a weight of 1. The last parameter was important in determining whether the district had adequate human resources to conduct the ecotourism product.

### *Interview with Key Stakeholders*

In order to identify specific sites in the potential districts identified through the aforementioned method, key stakeholders of the tourism industry were interviewed because there was an absence of documented data regarding the potential in these districts.

### *Discussions with the Hariyo Ban Team*

Key informant interviews coupled with the district ranking based on the aforementioned parameters provided us with an exhaustive list of 36 potential sites in 14 districts of CHAL and TAL where field visits could be made. However, in order to finalize and also narrow down the number of sites to a feasible figure, due to resource as well as time constraints, discussions with the Hariyo Ban team were conducted to get their input on the site selection. Once the districts were approved based on these discussions, field visits were conducted to these sites.

## **4.4. Destination Review**

The field visits were conducted to prepare a pre-feasibility assessment to help narrow the sites to four, two in TAL and two in CHAL, where ecotourism projects will be launched. In order to determine the feasibility (social, cultural, economic, and environmental) of the proposed **eight** sites, each was weighed against the other based on the following list of parameters.

<b>Attraction inventory</b>	<b>Potentialities</b>	<b>Human capacity assessment</b>	<b>Infrastructural adequacy</b>	<b>Socioeconomic analysis</b>
Geological attractions	Accessibility	Demographics	Electricity	Source of income
Biodiversity	Market demand	Activeness (groups and committees)	Sanitation	Standard of living
Cultural heritage	Competitiveness	Willingness	Schools	
Historical and religious relevance	Existing tourism	Capability	Medical facilities	
	Potential activities	Migratory pressure		
<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

As was done to shortlist the districts, the **eight** potential sites were also ranked on the basis of the aforementioned parameters. Out of the five broad parameters, the attraction inventory in the sites was given the maximum weight of 5, the reason being that it would form the core of a tourism product. Thereafter, the potentialities—that is the potential of the site to create activities and thus create demand for such products—were given a weightage of 4. The demographics of such sites and the ability and willingness to conduct tourism activities were given a weight of 3. Infrastructural adequacy regarding electricity, sanitation, education, and medical facilities was given a weight of 2 and the socioeconomic state of the community was given a weight of 1. On the basis of the overall ranking of all parameters, the four sites were selected to be developed as ecotourism destinations.



## 5. Tourism Industry of Nepal

### 5.1. Overview

The natural scenery, high mountains, and cultural heritage of Nepal have made it a well-known destination on the world tourism map with a distinct image of its own. Nepal is one of the richest countries in the world in terms of biodiversity. It has been a popular holiday destination for tourists from South Asia and the world ever since it opened its borders in the early 1950s. The tourism industry is growing rapidly and Nepal has tremendous potential for tourism development. Home to eight of the fourteen highest mountains in the world, Nepal is the ultimate destination for mountaineers, rock climbers, and people seeking outdoor adventure. The Hindu and Buddhist heritage of Nepal and its cold weather are also strong attractions.

The travel and tourism industry is one of the biggest foreign currency earners in Nepal. The industry made a direct contribution of NPR 53.5 billion, about 4 percent of the total gross domestic product (GDP), in 2011. The direct contribution is forecasted to rise by 4.7 percent during 2012.

The tourism industry generates massive employment opportunities for people and helps in the promotion and conservation of the environment as well as art and culture. The travel and tourism industry generated 412,500 jobs directly in 2011, or 3.3 percent of total employment. **This is forecasted to grow by 3.7 percent** in 2012 to 428,000 jobs, which would contribute 3.4 percent to total employment in Nepal. Investment in the travel and tourism sector in 2011 was NPR 12 billion, which is 4.9 percent of total budget investment. The figure is expected to rise by 5.4 percent in 2012.<sup>2</sup>

According to Nepal Rastra Bank, tourism income rose by 29.8 percent to NPR 7.28 billion in the first three months of the fiscal year 2011/2012. Tourism receipts amounted to NPR 5.61 billion during the same period last year. Appreciation of the US dollar against the Nepali rupee and increased hotel tariffs have been cited for the growth in foreign exchange earnings from the tourism sector.

The government has recognized the tourism industry as a priority sector and is keen on reviving the image of Nepal as a tourist destination. The Nepal Tourism Policy 2008 was formulated with the aim of increasing national productivity, income, and foreign currency earnings; creating employment opportunities; improving regional imbalances; and projecting the image of Nepal more assertively in the international arena through the development and diversification of the travel and tourism industries. The Ministry of Culture, Tourism and Civil Aviation (MoCTCA), in collaboration with concerned industry entrepreneurs and the Nepal Tourism Board (NTB), has issued the Nepal Tourism Vision 2020. Under this vision, targets, objectives, and strategies have been set to attract two million tourists in the year 2020.

The strategy of Vision 2020 is to improve the livelihoods of the rural population and spread the benefits of tourism by selecting one district in each ecological belt and development region as a tourism hub. In each of the tourism hubs potential tourist places will be identified and developed as tourist satellite sites and new tourism products will be promoted. The aim is to extend tourism activities in remote and rural areas by attracting investment from the private sector to create facilities while at the same time emphasizing human resource development. The districts that have been selected as hubs are shown below.

**Table 1: Districts with Tourism Hubs in Nepal**

S.N.	Development region	Mountain	Hills	Terai
------	--------------------	----------	-------	-------

<sup>2</sup> World Travel and Tourism Council, *Travel & Tourism Economic Impact 2012*, Nepal.

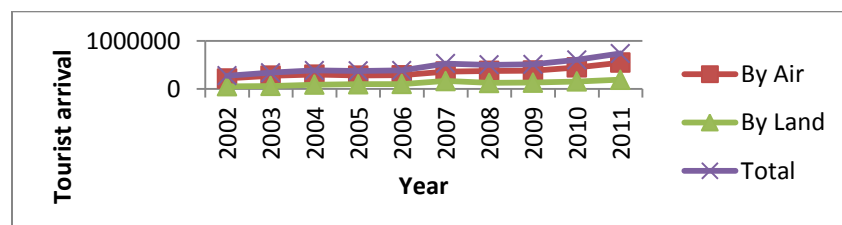
1	Eastern	Solukhumbu	Ilam	Sunsari
2	Central	Rasuwa	Kathmandu /Kavre/ Sindhupalchowk	Chitwan
3	Western	Manang	Kaski	Kapilvastu / Rupandehi
4	Mid-Western	Mugu	Pyuthan	Bardia
5	Far-Western	Bajhang	Doti	Kanchanpur

*Source: Ministry of Culture, Tourism and Civil Aviation, "Tourism Vision 2020"*

Vision 2020 aims to develop tourism as a broad based sector by using it as a means for socioeconomic development of Nepal. This will be done by organizing international tourism campaigns encouraging the coordination and involvement of government agencies, non-government agencies, and other stakeholders to engage local communities in tourism benefits. Further, Vision 2020 aims to expand and extend tourism products and services in new and potential areas of Nepal by enhancing community capacity to participate in tourism activities. Also special emphasis on sustainable tourism shall be made by minimizing environmental impacts and maximizing local ownership, employment opportunities, community initiatives, self-reliance, and economic benefits.

## 5.2. Tourist Arrivals

Despite past political turmoil and the end of a decade-long civil war, tourism development in Nepal has been positive in terms of total visitor arrival. In 2011, visitor arrivals increased by 22.1 percent to 736,215 from 2010, an increase of 133,348 tourists. In 2011 the highest numbers of tourist arrivals were recorded from India (20.3 percent), China (8.4 percent), Sri Lanka (8.4 percent), the United States (5.8 percent) and the United Kingdom (5.3 percent). However, the growth in the number of visitors from China, Sri Lanka, and India were highest. Arrivals from China grew by 33.5 percent, Sri Lanka by 31.5 percent, and India by 23.7 percent.



**Source:**

**Figure 1: Total Number of Tourist Arrivals (2002–2011)**

### 5.2.1. Seasonality

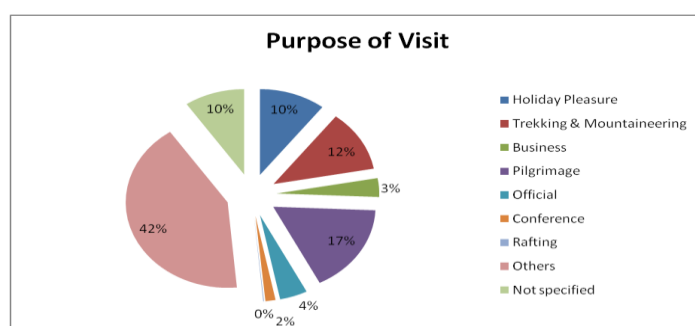
September to November is considered the most favorable season for travelling to Nepal. During these months the weather is pleasant, visibility is high, and the countryside is lush and green following the monsoon season. From February until April, the tail end of the dry season, is the second most favorable period for travelling. December and January are not recommended because these are the winter months and many tourist destinations are covered with snow and temperatures are below zero. Late May and early June are generally too hot and dusty for comfort, and the monsoon from mid-June to September obscures the mountains in clouds and turns trails and roads to soggy mud paths laden with landslides. During the monsoon season, flying is often the only way to reach mountainous destinations, and weather

conditions frequently disrupt flights.



Figure 2: Tourist Seasonality

### 5.2.2. Purpose of Visit



Source:

Figure 3: Tourist Classification Based on Purpose of Visit

In comparison to 2010, visitors arriving for trekking and mountaineering increased by 23.1 percent and 19 percent respectively in 2011. Similarly there was a sharp rise in rafting related visits from last year which stood at 19.8 percent. However in 2011, visitors for holiday/pleasure and pilgrimage declined by 52.1 percent and 37.1 percent respectively. The decline can be attributed to a large number of visitors not specifying the actual purpose of their visit at entry points. Overall, the length of stay increased from 12.67 days in 2010 to 13.12 days in 2011.<sup>3</sup>

### 5.3. Positive Growth Factors

The successful completion of Nepal Tourism Year 2011 saw 735,932 visitors, which is a significant increase of 22.1 percent. The NTY 2011 sent a positive message that Nepal has become peaceful and stable after a long political conflict and that tourism is an economic vehicle for transformation and development of the nation. The Government of Nepal inaugurated Visit Lumbini Year 2012 with the aim of targeting 500,000 tourists to Lumbini. Furthermore, the government declared 2012 as the Nepal Investment Year, which sent a positive message to the global community. The following points summarize the factors that have been influential in increasing tourism in the country.

<sup>3</sup> Ministry of Culture, Tourism and Civil Aviation, "Nepal Tourism Statistics 2011, Annual Statistical Report."

### *Global Identity:*

Growing awareness about Nepal among the global audience and emerging markets as a place for attractive natural charm and rural experiences is the key driver to Nepal's tourist attraction. In recent years Nepal has been able to carve out its place as a budget tourist destination to the global community. Famous for mountaineering, trekking, and its pilgrimage sites, Nepal is coming up as a leisure destination supported by its rich cultural heritage and diversity. With the rise in migration, the total number of flights operating in the country has increased, thereby presenting Nepal as a budget tourist destination to new markets.

### *Government Initiatives:*

Until a few decades ago, the Nepalese government was uninterested in promoting tourism. In fact the industry did not find a place in the government's fund allocation. However, things have changed. The government seems to have realized the importance of tourism and is willing to spend on the development of the industry. The Government of Nepal has made the tourism industry a priority sector and has widely acknowledged that tourism is growing as an inevitable component of Nepal's economic future and its effects percolate through different dimensions of society. The government has introduced a tourism policy, long-term/mid-term/short-term plans, and Vision 2020 with the objective of easing the rules and regulations for the smooth flow of tourism activities in the country. There is a rising focus on infrastructure, particularly modernization of airports and development of new tourist destinations. The Ministry of Culture, Tourism and Civil Aviation and the Nepal Tourism Board are working closely with stakeholders in promoting the 1,700-kilometer Great Himalayan Trail, which begins near Kanchenjunga and ends in Humla on the Tibetan border.

With the conclusion of the Nepal Tourism Year 2011, the government launched Visit Lumbini Year 2012 and Nepal Investment Year 2012. A high level committee has been formed to oversee promotion and development of Lumbini in the International tourism market. The government has targeted 500,000 tourists to visit Lumbini during the Visit Lumbini Year 2012. **To make Nepal Investment Year 2012 a success, the government is getting the required laws in place.** It has already started amending a dozen industrial laws including the Foreign Investment and Technology Transfer Act, Industrial Enterprises Act, Company Act and Labor Act to ensure a hassle-free process for prospective investors.

### *Growing Domestic Tourism:*

In the past few years Nepal has seen a huge growth in domestic tourism. There has been a tremendous change in people's lifestyles. A more cosmopolitan, savvy young generation, a burgeoning middle class with disposable income, and a growing number of nuclear families have been the factors in this change. Travelling, eating out, and weekend vacationing have gained popularity. The domestic tourism segment is also now looked upon seriously by hoteliers, as evidenced by the large number of packages that are designed for domestic travelers.

## **5.4. Negative Factors**

Though Nepal is bestowed with abundant geological natural beauty and diverse biodiversity, the country has not been able to use these resources to its advantage. Key factors hindering the growth of tourism include:

### *Infrastructural Hindrances:*

The poor tourism infrastructure of Nepal is the main hindrance to further growth of the tourism sector. Nepal is a landlocked country and major accessibility is by air. There are very few direct flights to Nepal and most travelers from Europe and strategic destinations have to switch flights to reach Nepal, which is a hassle. To add to this, the country has only one international airport in Kathmandu operating less than 24 hours daily with inadequate infrastructure to handle more than one flight at a time.

Other infrastructural deficiencies include the inadequacy of rooms, limited modes of transport, poor road conditions, inaccessibility to drinking water, poor sanitation, and the unavailability of hygienic food in tourist destinations, all of which pose problems to the image of local tourism. Furthermore, key infrastructure such as dams and roads have been constructed without proper planning and without taking into consideration how the development of such infrastructure negatively affects the tourism industry. For example, the Annapurna trekking route has virtually been destroyed by the construction of a road connecting Lamjung to Manang.

#### *Tourism Education:*

In Nepal, training in tourism has not developed at the same pace as the tourism sector itself. This could have a negative effect on the sustainability of the tourism industry. The sector's biggest problem is the lack of people trained in human resources. Since the majority of the tourism industry is based in rural settings, people involved and employed in the industry have not received any formal training in the etiquette of tourism, leading to poor service quality. The gap is particularly evident in the rural areas where conservation of cultural heritage and local development activities are practiced. Besides having a lack of tourism etiquette, the community and other stakeholders of the tourism industry have not been focused on how to develop, manage, and promote tourism sites. This has led to the deterioration of many pristine sites. Often destinations are promoted and marketed as astounding, building certain expectations among tourists. But in reality the marketing and promotion may be very misleading, causing unfortunate dissatisfaction. One such example is the Tikapur Botanical Garden. Such dissatisfaction may erode the image of Nepal as a tourist destination.

#### *Investments:*

Political instability and delay in drafting the new constitution has created poor market confidence among domestic and foreign investor groups in the tourism sector. Investment in tourism is low, yet it is crucial for the improvement of necessary infrastructure. Also, even though the government has shown interest in the tourism sector, it is at a nascent stage of investment. The state budget of the country has grown, however the budget allocated for tourism is relatively low in comparison to competitive countries in the region. For example in 2011, the total investment of Bangladesh in travel and tourism amounted to USD 4.3 billion, compared to a figure of USD 136 million in Nepal.<sup>4</sup> Another reason for low investment in the tourism sector is the lack of tax benefits and incentives offered by the government to entrepreneurs.

Taking note of the opportunities in and challenges to the tourism industry, it is clear that although there are hindrances to growth, ample opportunities are available despite the prevailing circumstances.

## **6. Ecotourism in Nepal**

### **6.1. Overview**

Ecotourism is defined as "responsible travel to natural areas that conserves the environment and improves the well-being of local people," (TIES, 1990). According to the World Wildlife Fund, ecotourism represents a small segment of nature-tourism, which is understood as travel to relatively undisturbed or uncontaminated natural areas. The central idea of ecotourism is based on combining environmental protection with the need to sustain the livelihoods of local communities, therefore tackling both social and environmental issues.

---

<sup>4</sup>

It is based on the principle of uniting conservation, communities, and sustainable travel. This means that individuals involved in ecotourism activities should follow the following principles<sup>5</sup>:

- Minimize negative impacts to nature and culture
- Build environmental and cultural awareness and respect
- Provide positive experiences for both visitors and hosts
- Provide direct financial benefits for conservation
- Provide financial benefits and empowerment for local people
- Raise sensitivity to host countries' political, environmental, and social climate

Ecotourism has become increasingly popular over the last decade, both with conservation and development organizations looking for a means of generating an income from protected areas, and with tourists from the richer countries looking for new experiences. Most significantly, ecotourism is seen as an opportunity for local people living in tourism destinations to gain positive benefits from tourism development and the conservation of forests and protected areas.

Therefore, in addition to evaluating environmental and cultural factors, an integral part of ecotourism is the promotion of recycling, energy efficiency, conservation of flora and fauna, and the creation of economic opportunities for local communities. For these reasons, ecotourism often appeals to advocates of environmental and social responsibility.

## 6.2. Nepali Context

Tourists are drawn to Nepal's natural beauty, terrain, rich wildlife, and unique cultural heritage. Tourism activities are packaged showcasing these attractions, ranging from visits to model tourist villages, homestays, and explorations of flora and fauna to trekking, hiking, mountaineering, and religious and cultural visits. These many resources make Nepal a well-suited destination for tourism development.

With the rapid increase of tourism in Nepal, and without its proper management, environmental degradation has become a huge threat as it could destroy the fragile ecosystem of the country and the very resource that supports it. Increased dependency on firewood, the main fuel for cooking and heating in the Himalayan region, has led to deforestation, which has in turn led to additional environmental problems such as erosion and landslides from tourism trails and roads. In addition, garbage left behind by trekkers has had an adverse impact on the region. All this is due to low levels of awareness about proper tourism management in rural Nepal. These are pertinent issues that need to be kept under control to minimize the detrimental impacts of tourism activities. When talking about saturation of a particular destination, one can go about it in two different ways. The first is the aesthetic capacity, which takes into account the number of tourists a particular destination can cater to. The second is ecological capacity, or the capacity of a destination within which there is no adverse impact on the biodiversity and environment. Saturation in terms of ecological capacity might take place before aesthetic capacity, and when this occurs, the region is adversely impacted. This is where ecotourism comes into play as it addresses the issues with regard to climate and biodiversity protection.

Keeping in mind the damages to the environment mentioned above, tourism stakeholders and conservationists are showing increasing concerns about the conservation of their ecosystem. Since tourism has always been looked at as one of the drivers of the economy in Nepal due to its contribution to the country in terms of GDP and employment generation, the need to engage in sustainable tourism practices has been viewed as a crucial issue. As a result the government has identified the need for

---

<sup>5</sup> Randall, A. 1987. *Resource Economics*. Second Edition. New York: John Wiley and Sons.



developing ecotourism in Nepal. Ecotourism in Nepal therefore needs to move towards being an integrated program that benefits many people with a reduced negative impact on local resources. The development of ecotourism therefore becomes even more important for a country like Nepal.

Promotion of ecotourism through the development of model tourist villages, development of new trekking areas, maintenance of environmental quality conducive to tourism, and conservation is an integral part of the country's Ninth Plan, Policy and Implementation Strategies. According to this Ninth Plan, tourism was to be developed as a mechanism to enhance employment, improve standards of living, alleviate poverty and develop the economy. The Tenth Plan on the other hand is focused on the review of tourism policies, the net contribution to the economy from tourism, and institutional performance.

Based on past experiences, ecotourism development in Nepal can be viewed from two perspectives. The first one pertains to projects conceived and developed as ecotourism projects, such as the Ghalegaon - Sikles Ecotourism Project, and initiatives that consist of strong ecotourism components, such as those in most protected areas. Then there are initiatives that do not mention explicitly an association with ecotourism but since they embrace the principles of ecotourism they too are considered as a contribution to the development of ecotourism. Therefore, the discussion on ecotourism in Nepal that follows is viewed from these two perspectives.

A plethora of definitions of ecotourism have been worked out by practitioners and academics. However, what invariably remains as the essence of each definition is that ecotourism is “travel to natural areas with the motive of education leading to environmental conservation and local economic benefits.” By this definition, except for tourism in urban areas such as the Kathmandu and Pokhara valleys, tourism in Nepal mostly involves traveling to natural and less developed areas for adventure and to experience varying sociocultural and environmental settings. Therefore, the type of tourism that is being practiced in Nepal makes it nature tourism but not exactly ecotourism since it does not always involve conservation, community development, and raising awareness about sustainable tourism.

With its natural landscapes and cultural heritage, Nepal has a comparative advantage in terms of ecotourism development. Trekkers in Nepal are inevitably attracted to the landscape and biodiversity, and nature tourists to wandering through the mountains. All major trekking circuits provide trekkers with a large range of altitudes along the way, which provide cultural diversity in ethnic, tribal, and social groups, as well as varied biodiversity. Nepal boasts astounding fauna with large mammals particularly in the Terai region. The altitudinal variation also results in a great diversity of birds. Other specialist attractions such as butterflies and orchids are yet to be explored. Nepal presents an excellent example of a destination where ecotourism overlaps with adventure and nature tourism, so that these are often indistinguishable.

Besides the major trekking routes in the Annapurna, Khumbu, and Langtang areas, protected areas have a major role in ecotourism. With more than 18 percent of the country's land being covered by protected areas, and more than 50 percent of tourists to Nepal visiting at least one of these areas, the protected area networks play an important role in ecotourism development. Ecotourism development is visualized as a development tool—not just in promoting tourism growth but also in reducing poverty particularly in the rural areas. In Nepal, though poverty is widespread and pervasive, it is even more acute in the mountain areas. Economic pursuits in those areas are limited to agriculture, livestock, and trans-boundary trade. All these activities suffer from low productivity and are subsistence oriented. Ecotourism is expected to engage them in the higher productivity areas by linking to the commercial process and marketing chain beyond borders.

### **6.3. Government Interventions**

With the setting up of the National Planning Commission in March 1957, the first tourism development plan of 1956 to 1961 was also drafted. One of the goals of this plan was the development of a “travel profession” (denoting tourism) to utilize the great natural wealth that the country is blessed with. The government soon realized that ecotourism could easily put Nepal on the map and could be instrumental in providing a source of revenue to the country. With this in mind, the Tourist Development Board, the Department of Tourism, and the Hotel and Tourism Training Center were established.

The government’s initiatives did prove to be successful in increasing tourism in Nepal. Initially tourism activities were concentrated only within the Kathmandu Valley, but they eventually spread toward the popular trekking destinations of Annapurna, Everest, and Langtang. These destinations were popular among organized group trekkers (OGTs) as well as free and independent travelers (FITs); however, it was essentially the influx of FITs that led to the development of teahouses and lodges in these popular trekking routes. With this the impact of tourism on the country changed as it saw a seven-fold increase in tourists from 6,000 in 1962 to over 460,000 in 1998 and subsequently to 730,000 in 2011.<sup>6</sup> Sustainable ecotourism started gaining ground only after the establishment of the King Mahendra Trust for Nature Conservation (KMTNC)<sup>7</sup> in 1982, a non-profit making, non-governmental institution with a mission of promoting, managing, and conserving nature in all its diversity in Nepal. The KMTNC therefore started working toward ensuring a balance between human needs and environmental conservation to guarantee long-term sustainability, while also seeking maximum community engagement. Conservation activities were also regulated with the enactment of the National Parks and Wildlife Conservation Act in 1973.

The KMTNC adopted the protected area management policy in 1986, wherein local people are made responsible for conservation instead of relocating them for the sake of biodiversity. The increasing influx of tourists and the increased dependency on tourism as a source of income and employment intensified the pressures on the country’s rich biodiversity. Dependency on firewood in the villages and the pressure of increasing population leading to encroachment on forest areas was intensifying the level of deforestation in major tourist destinations. The Annapurna Conservation Area Project (ACAP) was therefore started in 1986 by KMTNC to address this issue. The ACAP also adopted the protected area management policy, which has proved that conservation and development can be mutually beneficial in terms of meeting both environmental objectives and the local needs of the population. The ultimate goal of KMTNC was for ACAP to be managed by local people with minimal intervention from the government and other institutions.

As Nepal's tourism depends on the natural environment, the tourism industry stakeholders are conscious about the conservation of ecosystems. The country's Ninth Plan, Policy and Implementation Strategies include promotion of ecotourism. Nepal's Ninth Plan has the following points for environmental protection:

- Local government bodies and private entrepreneurs will be mobilized to maintain environmental quality conducive to tourism. They will coordinate with concerned government agency to monitor tourism activities.
- A multiple co-ordination mechanism involving the central government, local governments, social organizations and the private sector will be developed for the conservation of environment in sensitive areas.
- Tourism will be developed as one of the key sectors enhancing employment and as a key sector for economic development. The expansion of tourism to villages will contribute more to the economic development.” (Ninth Plan of His Majesty’s Government, 64.)

---

<sup>6</sup> <http://www.eturbonews.com/27171/nepal-tourism-misses-1-million-arrivals-target>.

<sup>7</sup> The KMTNC is now known as the National Trust for Nature Conservation (NTNC).



## 6.4. Ecotourism Initiatives in Nepal

As stated previously, Nepal has engaged in ecotourism initiatives in the past. Some of the significant initiatives are listed below.

**Table 2: Ecotourism Initiatives in Nepal**

Project Name	Fact Sheet	Details
Chitwan National Park	Area: 932 sq. km. District: Chitwan Mammals: 43 species Birds: 543 species Fish and crocodiles: 113 species	<ul style="list-style-type: none"> <li>- The dramatic decline of the rhino population and the extent of poaching prompted the government to institute the <i>Gaida Gasti</i>, a rhino reconnaissance patrol of 130 armed men and a network of guard posts all over Chitwan. To prevent the extinction of rhinos, the Chitwan National Park was gazetted in December 1970.</li> <li>- Translocation of one-horned rhinoceros due to their increase in numbers and creation of a viable wild population, and preservation of the Royal Bengal tiger.</li> <li>- Because of the occurrence of many endangered plant species such as the tree fern, screw pine, and several rare orchids and endangered mammals such as the tiger, rhino, wild elephant, gaur, striped hyena, sloth bear, and Gangetic dolphin, it was declared a World Heritage Site in 1983.</li> </ul>
Sagarmatha National Park	Area: 1,148 sq. km. District: Solukhumbu Birds: 118 species Mammals and flora: few rare species found	<ul style="list-style-type: none"> <li>- This park was gazetted in 1976 and declared as World Heritage Site in 1979.</li> <li>- It is one of the rarest cases in the world, as the park lies above 3,000 meters. Three percent of the land is covered in forest, 69 percent is barren and 28 percent is forest.</li> <li>- This park can be divided into four climate zones because of the rising altitude, including a forested lower zone; a zone of alpine scrub; the upper alpine zone, which includes the upper limit of vegetation growth; and the Arctic zone where no plants can grow.</li> <li>- Besides Mt. Everest, there are other attractions like its unique flora and fauna, museums, and some of the world's famous trekking routes.</li> </ul>
Langtang National Park	Area: 1,710 sq. km. District: Mammals: 32 species Birds: 246 species Endemic Plant Species: 15	<ul style="list-style-type: none"> <li>- Represents the central Himalayan ecosystem.</li> <li>- Due to its wide altitudinal variation, the park hosts diverse flora and fauna from upper tropical forests to alpine shrubs and perennial snow.</li> <li>- Langtang, Helambu, and Gosainkunda Lake form the major trekking routes.</li> <li>- Tourist arrival in the park hasn't been able to reach its peak as the destination has not been marketed properly.</li> </ul>
Annapurna Conservation Area	Area: 7,629 sq. km. 1,226 species of	<ul style="list-style-type: none"> <li>- It is the first and largest conservation area in Nepal, established in 1986 by the KMTNC.</li> <li>- The main goal of the project is to transform traditional subsistence activities into a system of sound</li> </ul>

Program (ACAP)	flowering plants Mammals: 102 species Birds: 474 species Reptiles: 39 species Amphibians: 22 species	resource management, thereby lifting the standard of living of the local people. - It draws more than 60 percent of the country's total trekkers. - The ACA is divided into seven unit conservation offices that focus on various aspects depending on the area, such as tourism management, agriculture development, or heritage tourism. - It is involved in multifarious areas of activities such as development of local institutions, tree plantation, heritage conservation, forest conservation, community development, literacy enhancement, etc.
Ghalegaon-Sikles Ecotourism Project	District: Kaski	- The KMTNC/ACAP established this project in 1992 as a model trekking route between Ghalegaon and Sikles in Western Nepal. - The project involved foot trail construction, forest zoning, and establishing proper camping facilities for trekkers. - The project includes plantations, establishment of micro-hydro projects, river flood prevention, and sustainable harvest of forest products from defined zones for the local communities. - The community development component includes tour guide training, hotel management training, vegetable production training, leadership training, and exposure tours. The project is also involved in trail development and maintenance, bridge construction and repairs, school education support, creation of community toilets, and drinking water schemes. - This area attracts fewer trekkers than other Annapurna regions and therefore there is less pressure on the natural and social environment.
Upper Mustang Biodiversity Conservation Project	Area: 2567 sq. km. District: Mustang	- The project was a community based conservation project implemented by NTNC and ended in 2006. - The main threats to Upper Mustang were excessive livestock rearing, increased demand for firewood due to increased tourism, over-exploitation of native medicinal plants, weakening of organizations and the authority of local institutions, and inadequately planned commercial activities. - The objectives of the project included institutional capacity building, developing a biodiversity database for community based planning, a management and monitoring system, demonstration of replicable income generating activities based on nature and heritage based tourism, and pasture and livestock management. - The major funding source for this project was through the Global Environment Facility (GEF) and UNDP.
Manaslu Conservation Area Project	Area: 1,663 sq. km. District: Lamjung Plants: 2,000 species Mammals: 33 species Birds: 110 species Reptiles: 3 species	- The MCA was declared in 1998, whereby the management was handed over to NTNC by the Government of Nepal. The management mandate for NTNC expires in 2018. - The area was neglected in terms of infrastructure development and basic services such as access to water, electricity, health services, and education. Threats to biodiversity also existed because locals were dependent on natural resources. - The objective was to improve the capacity of the local communities to benefit from tourism in an

	Butterflies: 11 species 11 types of forest	environmentally benign manner. All the aforementioned neglected areas are overseen by MCAP. - Like in the ACAP, the main backbone of the project is conservation education. Extensive programs are held to ensure the active participation and support of the local communities.
Kanchenjunga Conservation Area Project	Area: 2,035 sq. km. District: Taplejung	- KCAP was initiated in 1998 by Department of National Parks and Wildlife Conservation (DNPWC) with technical and financial support from WWF Nepal. - The project has been implementing its programs in partnership with community-based organizations, namely Kanchenjunga Conservation Area Management Council and other user committees which it helped establish. The KCAP was handed over for community management in 2006. - The KCAP also applies the integrated conservation and development project, emphasizing strengthening the capacity of local communities to improve their livelihood while maintaining the biological diversity of the area. - The major impact of tourism in the KCAP area is solid waste left behind, with cleaning efforts starting only in 1998 when 3,000 kg. of rubbish were collected and disposed of. Currently local mothers' groups and village residents run regular clean-up campaigns.
Makalu Barun National Park	Area: 1,500 sq. km. District: Solukhumbu, Sankhuwasabha Mammals: 88 species Birds: 421 species Fish: 78 species Reptiles: 43 species Amphibians: 16 species Butterflies: 315 species	- It was established in 1992 as an eastern extension of Sagarmatha National Park. - The physical setting is unique: within 40 km. the altitude varies from 400 m. to almost 8,500 m. at the confluence of the Arun River with Manaslu. - The park had not been able to attract as many tourists due to prolonged rainy seasons and difficult terrain. However in 1999, with the declaration of the buffer zone, the management approach has been adopted to promote ecotourism through renovation of the cultural heritage and conservation of forests and natural reserves. - The park is home to the last remaining pristine forests and alpine meadows, therefore it has been designated as a Strict Nature Reserve, the first in Nepal.
Bardia National Park	Area: 968 sq. km. District: Bardia Mammals: 53 species Reptiles: 25 species Birds: 400 species Fish: 121 species	- Originally a hunting reserve, Bardia became a conservation area in 1976 and then attained National Park status in 1988. - About 70 percent of the park is covered with forest, with the balance a mixture of grassland, savannah, and riverine forest. - Species conservation has been satisfactory and a number of mammals such as tigers, elephants, deer, etc. have increased. Reintroduction of endangered rhinos has been conducted since 1986, which has dramatically increased the number of rhinos in the park. - The diverse flora and fauna and the rich cultural heritage of the indigenous culture of the buffer zone communities has led to the number of tourist arrivals increasing in the park.
Rara National Park	Area: 106 sq. km. District: Mugu and Karnali Mammal: 51 species	- The park was gazetted in 1976 and is the smallest park in Nepal. - It was established to protect Rara Lake, which is an important area for staging migratory birds. - The flora and fauna of the region is endemic to the Humla-Jumla region, which is also fully protected. - The park can be reached after either a 2.5-day trek from Jumla or a 10-day trek from Surkhet. The park

	Birds: 212 species Flora: 1074 species	area hosts only a small number of visitors each year because of its remoteness.
Shey Phoksundo National Park	Area: 3,555 sq. km. District: Dolpa, Mugu Birds: 200 species Reptiles: 6 species Butterflies: 29 species	<ul style="list-style-type: none"> <li>- It is the largest and only trans- Himalayan national park in Nepal.</li> <li>- This area was set aside to protect one of the last wild habitats of endangered species such as the snow leopard, wild yak, Tibetan antelope, and wild ass.</li> <li>- Despite the natural attractions, flora and fauna, and interesting culture, tourism has not developed in this area.</li> </ul>
Khaptad National Park	Area: 225 sq. km. District: Doti, Bajhang, Bajura, and Accham Birds: 217 species Mammals: 18 species Flowering plants: 567 Butterflies: 5 species	<ul style="list-style-type: none"> <li>- The area was gazetted in 1984; the area of the buffer zone is 216 km.</li> <li>- The park has cultural importance due to the presence of a Shiva shrine at higher triveni, the ashram of Khaptad Swami and a temple of Khaptad Mai.</li> <li>- Khaptad is of importance to conservation of nature due to its wide variety and high quality of forests which comprise of subtropical, lower and upper temperate, and subalpine types.</li> <li>- Conservation challenges are related to illegal grass cutting, over grazing, logging and other destruction.</li> </ul>
Koshi Tappu Wildlife Reserve	Area: 175 sq. km. District: Sunsari, Saptari, Udayapur Plants: 514 species Mammals: 31 species Birds: 485 species	<ul style="list-style-type: none"> <li>- The park was gazetted in 1976 and was established mainly to preserve the habitat for the last population of wild water buffalo in Nepal.</li> <li>- The reserve was been recognized as a wetland site in 1987 and is famous for bird watching.</li> <li>- The Koshi Tappu Wildlife Camp is located inside the reserve solely to cater to bird watchers.</li> <li>- Elephant safaris, jungle walks, bird watching, and boating are some of the tourism products offered to visitors.</li> </ul>
Shivapuri National Park	Area: 144 sq. km. District: Kathmandu, Nuwakot, Sindhupalchowk Mammals: 19 species Birds: 9 species Butterflies: 150 species	<ul style="list-style-type: none"> <li>- Earlier established as a watershed and wildlife reserve, the park was established in 1976.</li> <li>- It has a high diversity of forest types (sal, Terai hardwood, mixed hardwood, chir pine and oak), which occupy 39 percent of the land.</li> <li>- It is a popular park due to its close proximity to Kathmandu and also due to the 13 trekking routes inside the park itself.</li> <li>- It is one of the more popular national parks in terms of tourist influx.</li> </ul>
Parsa Wildlife Reserve	Area: 499 sq. km. District: Parsa, Makwanpur, Bara Flora: 919 species Birds: 300 species	<ul style="list-style-type: none"> <li>- The reserve was gazetted in 1987. It is adjacent to the Chitwan National Park.</li> <li>- The reserve is dominated by the Churia hills, where sal and chir pine are abundant, and the <i>bhavar</i> region with its sal forest.</li> <li>- The area also suffers from a scarcity of water, resulting in poor habitat conditions for wildlife.</li> <li>- Together with the Indian Tiger Reserve Valmiki National Park, the coherent protected area of 2,075</li> </ul>

	approx.	sq. km. represents the Tiger Conservation Unit (TCU) Chitwan-Parsa-Valmiki, which covers 3,549 sq. km.
Dhorpatan Hunting Reserve	Area: 1,325 sq. km. District: Myagdi, Baglung, Rukum	<ul style="list-style-type: none"> <li>- It is the only hunting reserve in Nepal, gazetted in 1987, and is open to both Nepali and foreign nationals.</li> <li>- Main animals to hunt in this area include blue sheep and other game animals such as the leopard, ghoral, serow, Himalayan thar, Himalayan black bear, barking deer, wild boar, rhesus macaque, langur, and mouse hare.</li> <li>- The hunting license is issued by the department of National Parks and Wildlife Conservation.</li> <li>- There are some endangered animals in the reserve, include musk deer, wolf, red panda, cheer pheasant, and danphe.</li> </ul>
Shuklaphanta Wildlife Reserve	Area: 305 sq. km. District: Mammals: 46 Birds: 423 species Fish: 27 species	<ul style="list-style-type: none"> <li>- The reserve was initially managed as a hunting reserve and was later turned into a wildlife reserve in 1976 to protect swamp deer.</li> <li>- Of the 46 species of mammals found, 18 are protected under the CITES, such as the Bengal tiger, Indian leopard, sloth bear, swamp deer, Asian elephant, and hispid hare.</li> <li>- One-horned rhinoceros were translocated from Chitwan National Park to establish a third viable population in the country.</li> </ul>

### 1.1. Efforts Made by Various Institutions

While taking stock of the ecotourism initiatives in Nepal, it must be noted that various institutions have also been established in order to promote conservation activities in Nepal. The following organizations are examples of such initiatives.

The **Nepal River Conservation Trust** has been campaigning for river conservation in Nepal. NRCT in association with the Nepal Tourism Board has been organizing Bagmati and Bhotekoshi river festivals annually to create awareness among the general public of the state of the rivers and the efforts required for keeping them clean.

The **Kathmandu Environmental and Education Project** organizes different courses for trekking, rafting, and tourism professionals; provides information to mountaineers and trekkers; and organizes clean-up campaigns.

The **Sagarmatha Pollution Control Committee** has been effective in addressing the problems of waste disposal. Under the new garbage management system, expedition teams have to deposit from USD 2,000 to 5,000 (depending on the height of the peaks) as a garbage deposit and the amount is refunded to the team only when it presents a certificate from the Committee (Dahal, 2003).

The work of various NGOs and private sector organizations like Aqua Birds Unlimited Camp and the Center for Community Development and Research are also praiseworthy.

## 2. Community Based Ecotourism

Providing a more micro perspective on one of the prevalent forms of tourism activities, the following section explains community based ecotourism. In response to the increasing criticism of “ecotourism” and the negative impacts of mass tourism, the community based ecotourism (CBET) approach was developed. This approach is different from other types of tourism as it focuses on the community and its sustainable development through conserving natural habitats and indigenous and cultural systems, transferring all the benefits to the local economy. According to the WWF definition, CBET is “a form of tourism in which a significant number of local people has substantial control over, and has involvement in the community’s tourism development and management. The major proportion of the benefits remains within the local economy” (WWF International, 2001).

CBET can be thought of as a complete initiative driven by the community, wherein the local community improves its capacity to use social capital through collective action and enhances its levels of participation in the development process. This form of tourism is largely based on the issues, problems, and needs of the local community. As such, CBET has been critical in initiating and engaging the participation of marginalized sectors for local development. The uniqueness of it lies in the collective efforts of group decision making, partnering with stakeholders, and solution designing driven by community involvement. This process empowers and increases the self-reliance of the local communities as CBET provides alternatives for income generation by showcasing indigenous culture and hospitality.

CBET is:

- ***A tool for conservation:*** It helps minimize negative impacts on the natural and sociocultural environment. It should also support the protection of natural areas by generating economic benefits for the community, be organized for small groups, and involve not only nature but also indigenous cultures. Community-based ecotourism also promotes local species conservation.
- ***An alternative source of livelihood:*** It serves not only as a tool for conservation but also as a tool for improving the quality of life by providing alternative income and employment for local communities.
- ***A method for participatory development:*** This is the main thrust of CBET. It creates a process whereby locals are encouraged to act as informed participants of the development process. It brings the community together to discuss and work together in solving community problems. This serves as the ultimate goal of the community development approach and its participatory vision of empowering the local people—particularly the poor, vulnerable, and marginalized—and expanding their opportunities.
- ***An exchange of information and culture:*** CBET provides the opportunity for the exchange of knowledge and culture between tourists and the community and helps to provide supplementary income for individual members of the community. It also helps in increasing local and visitor awareness of conservation by containing education and interpretation as part of the tourist offer.

“Community based tourism occurs when decisions about tourism activity and development are driven by the host community. It usually involves some form of cultural exchange where tourists meet with local communities and witness aspects of their lifestyle. Many such remote ethnic communities may be vulnerable to outside influences and decisions about the way tourists are hosted must be owned by the community for successful and sustainable tourism” (SNV, 2003).

Community-based tourism initiatives aim to increase local people’s involvement in tourism. They are mainly small scale (campsites, guesthouses, craft markets, local excursions), but can include partnerships with the private sector. Many suffer from being too isolated from the tourism market and are unsustainable without external support.

## **2.1. The Success of CBET**

Due to the rationale behind linking conservation with livelihoods where economic alternatives are few, such as in remote areas, CBET is an attractive option globally. The success of this form of ecotourism is built on the notion that the benefits will result in conservation of biodiversity while also leading to increased benefits for local communities, as it is largely based on their needs and problems. Therefore, each community is allowed to develop a management strategy that meets its own particular needs and conditions, enabling more flexibility.

CBET is also founded on the idea that this approach enhances recognition of and respect for cultural differences on the local and regional levels and among nations. It strives to make maximum use of indigenous knowledge and experiences in developing management strategies.

The success of community development through CBET has been widely researched. Research has shown that if rural communities are given access to resources, they are more likely to engage in direct actions to protect or improve the environment than other groups. Environmental conservation among rural communities is however impossible if the virtue of job creation or benefits to them is not considered. The benefits could be in the form of improved incomes, improved facilities (communal or personal), better nutrition, and better living standards.

Further research has also shown that communities that get most of their resources from the environment near them tend to be more responsive to the source of the resource. Because of this, CBET is going a long way in species conservation and economic empowerment around the world. These need to be embraced in Nepal to check the high rate of environmental degradation and promote sustainable development.

For CBET to be successful it must take into consideration the promotion of sustainable development by establishing a durable productive base that allows local inhabitants to enjoy in cash or kind and the social dimensions of environmental conservation and development.

## **2.2. Benefits of CBET**

Conceptually, the potential gains of such an approach are significant with the ultimate goal being to benefit and empower the local communities. It is argued that even those community members who are not directly involved in tourism enterprises should see some form of benefit as well. Therefore, communities are now engaging in proactive approaches to community development to improve their standard of living and the process of community development through CBET. It has the potential to enhance political, sociocultural, socioeconomic, and environmental benefits for rural communities.

- Politically, it encourages autonomy, sovereignty, decision-making, local participation, and community control over the initiation and direction of development projects.
- In economic terms, community development cultivates sustainable and rewarding employment that is made available to all members of a community. Economic benefits are distributed widely and equitably, while remaining in the hands of locals rather than those of outside individuals or corporations. At the community level, public and social infrastructures have been built, whereas at the household level they have gained direct income from guide activities and homestays. This additional source of income has enabled households to improve their livelihoods and also invest in education. Those households not directly involved in CBET also see trickle-down benefits and access to community funds. CBET has ultimately resulted in enhanced conservation outcomes for protected areas.
- The cultural value of community development stems from the emphasis placed on local traditions and values. Therefore, in sociocultural terms, CBET has increased households' awareness of the value of their traditional culture. Moreover, social cohesion, harmony, and cooperation promoted by CBET enhance self-reliance, pride, and hope for the future.
- Lastly, community development encourages conservation, environmental education, and the sustainable use of natural resources. It provides an opportunity for community members with different circumstances to participate in the project due to the nature and range of ecotourism activities, such as guiding, hosting tourists (homestays), and producing handicrafts. Usually these projects offer women an opportunity to be actively involved and gain direct benefits without leaving their household responsibilities.

In short, CBET strives to merge the sustainability and conservation essential to ecotourism with the benefits, control, involvement, and welfare that underpin community development.



### 3. Literature Review

The Nepal Economic Forum analyzed and reviewed relevant literature under the following heads.

#### 3.1. International Best Practices

In order to document key learning from the best practices of community based ecotourism initiatives internationally, relevant literature was reviewed. The following table provides a snapshot of ecotourism destinations. In order to ensure relevance, we researched developing countries with similar attractions to Nepal.

**Table 3: International Best Practices of Community Based Ecotourism Initiatives**

S.N.	Name	Details	Community Benefits	Learning
1	<b>Parambikulam Tiger Reserve</b>  <b>District</b> Tamil Nadu  <b>Country</b> India	<p>Protected Areas with peninsular flora and fauna. Rich habitat and abundant wildlife</p> <p>Minimum habitat interferences due to total protection, with indigenous and tribal people living here as an integral part of the prevailing ecosystem</p> <p>Follows the system of joint forest and participatory management</p> <p>The tribal population is therefore a part of the Social Tiger Protection Force and works toward combating forest and wildlife offenses. Tribal populations have switched from cultivating crops that cause conflict with animals, such as bananas, to coffee, ginger, and pepper.</p> <p>Tribal people are employed through the reserve's economic development committees, which have initiated many ecotourism packages to provide work to local communities. All the ecotourism packages are running through the different eco development committees under the umbrella organization called the Forest Development Agency, Parambikulam. The packages include trekking, overnight and day packages, nature education, and jungle camps.</p>	<p>Employment for over 234 tribal people, benefitting 260 families through the ecotourism packages. People work as guides and employees in the shops.</p> <p>Revenues have increased from INR 1.25 crores in 2009–10 to 1.86 crores in 2010–11 and 2.45 crores in 2011–12. Of the revenue generated in 2010–11, 85 lakhs was disbursed as salary to the employed tribal population, while 90 lakhs was used for maintenance and upkeep of the sanctuary.</p>	<p>The key learning from this example comes from its effective management and leadership. Sanjayan Kumar, an officer at the Indian Forest Office, took over the management as warden in 2006. When he took over, tourism was unregulated: tourists drove in their vehicles whenever they wanted. They discarded waste, especially plastic bottles, along the trails. Around 500 cattle grazed around the sanctuary. Unemployment was rife and as a result locals resorted to illegal activities such as poaching, stealing from kills, timber smuggling, etc.</p> <p>When he took over, Mr. Kumar opened lodging facilities in the center of the sanctuary where visitors could stay or look at wildlife. Adventure trails were opened for trekking. He restricted the number of vehicles entering the sanctuary to 30 a day.</p>

2	<p>Himalayan Cultural Trekking Circuit</p> <p><b>District</b> Himachal Pradesh</p> <p><b>Country</b> India</p>	<p>The valley lies in the heart of the Himalayas and offers the rich traditions of Trans-Himalayan Buddhist communities. It starts from Manali, across the Rohtang and Kuzum passes, and goes along the Chandra, Spiti, and Pin rivers, with majestic views throughout the way.</p> <p>The villages here are the highest villages in the world, and the trek allows tourists to experience Spitian culture through ancient monasteries over 1,000 years old and homestays along the way.</p> <p>A conservation fund in collaboration with the villagers is maintained and used for various conservation based initiatives in the region, with all further revenues being invested back in this fund. The aim is to achieve economic development through conservation and sustainability.</p> <p>All beneficiaries, employees, and service providers are from the local community.</p> <p>This is a carbon neutral trek. Use of solar in housing, cooking, and heating, as well as greenhouses. Garbage generated during the trek is brought back and disposed of properly.</p> <p>The villages have UV-filtered water refilling systems to reduce waste generated from plastic mineral water bottles.</p>	<p>There are 80 passive solar houses and 50 green houses in Spiti and Lahaul. Each passive solar house reduces 3.5 tons of CO2 per household and 60 percent of fuel wood consumption.</p> <p>Greenhouses have helped the community to grow their own fresh vegetables instead of having to import them, which is expensive.</p>	<p>Labeling the trek as carbon neutral is a good marketing strategy because it arouses curiosity among tourists. They wonder how this carbon neutral footprint is maintained. This makes it an attractive destination for eco tourists, and also serves the dual purpose of conserving the environment and managing waste.</p>
3	<p>Community based village homestays in Naromoru</p> <p><b>Country</b> Kenya</p>	<p>Cooperates with communities to improve their economy and protect their local environment</p> <p>Allows tourists to absorb the local village culture through shared meals, discussions, language exchange, and sightseeing, giving tourists a unique Kenyan experience</p> <p>Allows tourists to be involved in the day-to-day life of the community by allowing them to harvest grass for livestock, collect firewood, till land, sow, fetch water, milk cows, or learn a specific element of the community's culture</p> <p>Is a community focused sustainability project and is based on the needs of the community, ranging from small construction projects to environmental clean-ups, handicrafts, and weaving</p> <p>Encourages villagers to support responsible ecotourism as a viable alternative to unsustainable practices and commercial farming</p> <p>Community is remunerated for their work: they receive trainings in areas related to socially and ecologically responsible tourism</p>	<p>Provides important economic benefits to the community through hosting, translation, and transportation services for visitors</p> <p>Promotes long term conservation of cultural identity</p> <p>Creates understanding and goodwill towards other conservation measures such as protected areas, indigenous forests, and natural habitats</p> <p>Helps to empower women and women's groups, who are the main participants in this project</p>	<p>Analyzing all the various forms of ecotourism activities, it was seen that homestay facilities run in villages are the best means of enabling women's inclusion and empowerment. Since the women at the houses engaging in homestays are the ones running them, they are directly engaged in tourism activities. Also, women are able to spend what they earn at their discretion, so they have a sense of empowerment as well.</p>

4	<p>Nabji Korphu Community Tourism Project</p> <p><b>Country</b> Bhutan</p>	<p>Contributed USD 149,240 in royalties to the government. The royalties exceeded the cost of the project (USD 114,975) and validated its commercial viability.</p> <p>The community benefits from providing porter services, local guides, charging campsite fees, running errands, performing cultural programs, and selling vegetables and handicrafts.</p> <p>Sightseeing activities include visiting small Bhutanese mountain villages and the Monpa ethnic group, and searching for endangered and vulnerable species like the golden langur and rufous-necked hornbill.</p> <p>The Nabji-Korphu pilot project is winter-based. It has a low altitude trekking route with six resident communities.</p>	<p>By 2009, three years after its start, the project generated a total income of BTN 961,060 for the community.</p> <p>Increased income per household to USD 101, when 23 percent were earning nothing and 50 percent were earning less than BTN 3,000</p> <p>Has revived long-forgotten practices of the community</p>	<p>Even if the tourism initiatives are privately owned, they have still benefitted the area through the creation of employment opportunities and linkages with the community. A clear increase in income levels illustrates this. The project also helps sustain the cultural aspect of the village through cultural programs.</p> <p>This project is a stark contrast to Baghmara where an increasing number of hotels in the area do not focus on providing employment to locals, but employ people from outside the community.</p>
5	<p>Trekking and Tukul Lodge in Ethiopia</p> <p><b>District</b> Lalibella</p> <p><b>Country</b> Ethiopia</p>	<p>The trek is set in the dramatic and stunning rural landscape of northern Ethiopia at an altitude of 2,800 meters with basalt cliffs and sightings of Gelada baboons and birds of prey soaring on the thermals. Staggering views from the south to the west. The trek runs through four community sites.</p> <p>The community tourism sites are owned and run by the community with support from the local development organization. Tourism has helped in the generation of additional income for community members, with the profits going into a fund for the whole community.</p> <p>Ecotourism is a fundamental part of the project. The site has eco-toilets, solar heaters, indigenous tree planning, protected cliff faces, and limits on the number of tourists per site (6–8). In addition, local communities are encouraged to see flora and fauna as a resource and something that should be protected.</p> <p>The community receives training on management and how to run a business. This has given members confidence to work together for their joint benefit.</p>	<p>Sixty percent of the payment goes directly to the community. This is used to pay for wages, food, material costs, and taxes. A percentage of the remaining profit will be kept for reinvestment and depreciation, with the rest going into a fund. This fund will be held by the community to be used as they choose. One community is saving up for a grinding mill (they currently hand grind corn or have to travel a long distance to a mill).</p> <p>The entire community acts as a grain merchant while selling the agricultural produce, which is another source of income.</p> <p>Every drink you have puts more money into the local communities, and as much of the produce as possible is sourced from the communities and their neighbors.</p>	<p>If ecotourism is to be taken seriously then economic benefits need to be weighed against environmental degradation, and a choice needs to be made between mass tourism and eco-friendly, limited, and well-preserved tourism. In this example, the preservation of the biodiversity is as important as generating revenue from tourism. Therefore, in order to generate revenue but also keep tourist numbers low, a high value-low volume model can be used. However, potential ecotourism destinations must have significant attractions to command a high value.</p>

6	<p>Rwanda Cultural and Ecotourism Project in Iby'Iwacu Village</p> <p><b>District</b> Nyabigoma, Kinigi and Musanze</p> <p><b>Country</b> Rwanda</p>	<p>This project was initiated by Edwin Sabuhoro through huge investments from his company Rwanda Eco-Tours. He initially offered and divided USD 2,000 to seven groups of poachers ( 40 families each) around the park, and in nine months five groups were no longer poaching. They had harvested food, gathered seeds to plant for the next season, and shared with him 200 kilograms of potatoes. This proved to him that the village had the potential to work, curb poverty in the community, and produce food. All it needed was a little help to begin and then some guidance and monitoring.</p> <p>Given the booming interest in mountain gorilla tourism, and the willingness of these tourists to visit villages to experience traditional lifestyles, the Iby'Iwacu Village was created as an ecotourism destination. Before the project, the costs to communities around National Volcano Park were higher than the benefits, so they resorted to poaching wildlife to compensate for their losses. The purpose of the project was to provide an alternative means of livelihood to community members so that poaching activities would decrease and the standard of living would increase.</p> <p>The tourist attractions are as follows:</p> <ul style="list-style-type: none"> <li>- Accommodation in local grass-thatched mud houses made with ancient architecture from the king's style</li> <li>- Community walk, guided by a community member</li> <li>- Visit to the king's house guided by a local historical and cultural guide</li> <li>- Eight types of traditional dances conducted with traditional musical instruments and performed by all community groups—men, women, youths, and children</li> <li>- Visit to traditional healers to learn about the different trees, shrubs, and grass and their traditional medicinal uses</li> <li>- Visit to local schools. Travelling teachers could attend lessons to see how children are taught in schools</li> <li>- Prepare and eat a local dinner with villagers</li> <li>- Visit to a local banana brewery processing plant and have a taste of banana beer</li> <li>- Exposition of hunting techniques, methods, and stories from ex-poachers</li> <li>- Lessons in Batwa pottery-making</li> <li>- Participation in local football matches, and many more activities</li> </ul>	<p>On average, day trips would cost USD 35 and one overnight trip including all meals would cost USD 75. Of the profits, 40 percent will be put back into community development projects (research and conservation education, cultural and ecotourism development and community enterprise development) and 60 percent will go directly to local people in the villages.</p> <p>Community Enterprise Development Center: The center works to train institutions in artifacts to develop local skills. It works with other stakeholders to find markets in which to sell souvenirs and other products.</p> <p>Poaching activities have reduced significantly, in the presence of an alternative source of livelihood, thus preserving the biodiversity of the area.</p>	<p>Since the model ensures that a portion of the profits goes directly to community members, and since they have the discretion to spend it as they choose, villagers see a clear monetary benefit. This and the fact that profits are being used for social infrastructure means that benefits are seen at both a macro and micro level. Only because the benefits are evident, does the tourism initiative of stopping poaching activities come to effect.</p> <p>Therefore, is clear that benefits must be sufficiently useful and motivating to convince villagers not to harm the environment.</p>
---	--	--	---	---

7	<p>Bulungula Lodge in Nqileni Village</p> <p><b>District</b> Eastern Cape</p> <p><b>Country</b> South Africa</p>	<p>Bulungula lodge is situated in one of the most remote beaches in South Africa. It has 10 huts and lux safari tents accommodating approximately 30 beds. The lodge is co-owned by private players and members of the community in a 60:40 ratio.</p> <p>Breakfast and dinner are provided but guests have to make their own arrangements for lunch. Other activities include horse riding, canoeing, fishing, woman power tour, visits to an herbalist, and massages.</p> <p>Bulungula's long list of green credentials includes its use of solar power only and waterless compost toilets. All gray water is re-used. Waste, such as tin and milk cartons, is used for school arts and crafts material, and <i>papsak</i> wine inneres are used to make hotbox cookers. Only returnable glass bottles are used, and paper and cardboard waste is burned. The small amount of remaining waste, mostly plastic, is taken to the Mthatha dump site.</p> <p>The Bulungula Incubator is a non-profit organization that aims to incubate brilliant rural development projects. Projects fall within four key portfolios identified through consultation with community members on priority development issues. The four portfolios are education, health and nutrition, basic services, and sustainable livelihoods.</p>	<p>The community people get 40 percent of the profits made by Bulungula Lodge.</p> <p>The lodge provides employment to 25 members of the community. Also, 30 members run their own activities such as horse riding and canoeing.</p> <p>The incubator project has led to the development of schools, health centers, and other social infrastructure. It includes after-school programs, scholarships, and a number of micro-enterprise development projects. One of them involves 20 farmers growing lemongrass to sell as a natural flavoring to the rooibos tea industry.</p> <p>The best part of this type of tourism in Africa is the fact that visitors can do a lot more than just sightsee; they can actually help a community in need. Visitors can spend their time making bricks, stamping corn, brewing beer, or catching crayfish. They may also share their knowledge in their area of expertise with the community. In this manner, tourists can learn from and teach the community.</p>	<p>Despite most destinations in Nepal claiming to be ecotourism destinations, they do not follow a proper waste management system or use renewable sources of energy. This example provides crucial learning on how waste can be properly managed.</p> <p>Although the lodge is co-owned by the community and private players, other activities, which are made available to tourists, are set up by the private players but fully owned and run by people in the community. This fosters entrepreneurship within the community.</p>
8	<p>Ngwesi Lodge and Conservation Area</p> <p><b>District</b> Laikipia</p> <p><b>Country</b> Kenya</p>	<p>The 8,700-hectare Ngwesi group ranch combines livestock rearing with wildlife based ecotourism. The Ngwesi Lodge was built in 1995 with financial and technical help from the Kenya Wildlife Conservancy and a Kenyan NGO. The lodge has six thatched-roof cottages with open air showers, a solar power system for heating water, and electricity generated by a nearby spring. It is the first community owned and managed lodge in Kenya.</p> <p>Visitor activities include walks, game drives, tours of a rhino sanctuary, and a cultural show.</p> <p>In 1996, the Ngwesi Conservation Area was established as a wildlife sanctuary to conserve biodiversity on 20 percent of the total ranch area. A community owned trust is responsible for wildlife management.</p> <p>Tourists can donate funds to a cause or project they would like to support within the conservation area. This includes providing salaries to conservation scouts, building water troughs, funding teachers' salaries, building a primary school, or investing in other social</p>	<p>Provides employment to 50 people at the lodge and 31 in the cultural show. Eight game scouts are employed in the conservation area.</p> <p>Tourism profits have supported 499 households, the establishment of primary and nursery schools, water supplies, health schemes, cattle dips, and ranch operations.</p> <p>Through the conservation area, wildlife species have been introduced, including giraffes, water bucks, and black and white rhinos. The number of elephants has increased threefold.</p>	<p>The donation model of including tourists or other interested parties can be replicated in ecotourism destinations in Nepal to provide a continuous source of funding once the project comes to a halt.</p> <p>The tourists who donate could also be provided with regular updates on the progress of the project.</p>

		infrastructure.		
9	<p>Amani Nature Reserve</p> <p><b>District</b> East Usambara Mountains</p> <p><b>Country</b> Tanzania</p>	<p>Falls in one of the 25 global diversity hotspots and has over 2000 plant species. It was developed as a stopover for tourists visiting Zanzibar and the safari circuit in northern Tanzania, which are famous tourist spots in Africa.</p> <p>Financed by the Amani Nature Reserve Conservation Fund, with the Government of Finland providing assistance from 1991–2002.</p> <p>Facilities include a walking trail and hiking and driving routes with trail leaflets and signs, maps, and guidebooks. Nine trails extend from this reserve to local villages. There are two visitor guesthouses.</p> <p>A WWF project supports community based forest management in the East Usambara Mountains for 10 village reserves, 15 government reserves, and 28 villages with 135,000 people. It promotes the sustainable use of forest resources and ecotourism activities to benefit local people.</p> <p>The community is allowed to collect only dead wood from the reserve. Hunting is forbidden.</p>	<p>Twenty percent of tourism revenue is directed to community development projects.</p> <p>Eighteen individuals from local villages have been trained as tour guides and retain 60 percent of guiding fees.</p> <p>A shop at the reserve sells local handicrafts.</p> <p>Cultural tourism is also promoted in the villages.</p>	<p>The Amani Nature Reserve is a good example of how clusters can be developed near destinations that are already involved in tourism. We tend to ignore entire districts where few famous tourist spots exist, but places close tourist spots can be combined with the existing spots to form clusters—provided that they are rich in biodiversity and that ecotourism activities can raise the standard of living in the community. In this way, the established destinations will draw tourists to these lesser-known options.</p>

10	<p>Mwaluganje Elephant Sanctuary</p> <p><b>District</b> Kwale</p> <p><b>Country</b> Kenya</p>	<p>Started in 1995, the sanctuary was set up with help from KWS, Eden Wildlife Trust, and environmental NGOs. It has 150 elephants as well as impalas, bushbucks, sables, warthogs, leopards, birds, and butterflies.</p> <p>Prompted by elephant raids on crops and property damage, over 200 families ceded their farmlands to establish the 36–square kilometer sanctuary. These families are now shareholders of the sanctuary and receive dividends. Each acre of land is taken as one share.</p> <p>A community conservation association was formed to manage the sanctuary. With USAID funding, a manager and staff members were trained to run the sanctuary. The sanctuary was community owned but run by KWS.</p> <p>A private investor has built a lodge in the sanctuary for which he pays monthly rent. Another project makes stationery products and has hired two staff members.</p>	<p>The sanctuary gives employment to 17 staff and provides dividends to over 200 families. The lodge provides income in the form of rent.</p> <p>The project has improved social infrastructure, made classrooms, paid tuition fees, and improved roads and water supply.</p> <p>With support from USAID, community members were educated on how to care for bees and harvest honey, which is refined at a honey refinery (also donated by USAID). The honey is repackaged and sold at a profit.</p>	<p>This example adapted the most efficient model in which a private player manages the operations but the community members are the owners. This way the sanctuary can benefit from an efficient management system. Providing dividends on the basis of land ceded gives people a sense of ownership of the sanctuary and ensures that the benefits are enjoyed by the community.</p> <p>The importance of market linkages is also apparent in this example. The three equally important components include providing adequate training to build the required skills, providing machinery and other materials to carry out the task, and creating the necessary market to sell the product. The example of bee keeping illustrates this.</p>
----	---	---	--	--

## 3.2. Legal and Institutional Provisions

In order to understand the legal structures within which the projects will be operating, the report reviewed all acts and policies governing the tourism sector as well those ensuring environmental protection and biodiversity preservation. The following table lists the acts and policies reviewed.

**Table 4: Tourism, Environmental Protection, and Biodiversity Related Acts in Nepal**

<b>Tourism Related Acts</b>	<b>Environmental Protection and Biodiversity Preservation</b>
Nepal Tourism Policy, 2065	National Parks and Wildlife Conservation Act 1973
Tourism Act, 2035	Buffer Zone Management Regulation 1996 (2052 BS) and Buffer Zone Management Directive 1999 (2056 BS)
Nepal Tourism Board Act, 2053	Conservation Area Management Regulations 1996 (2053 BS) and Conservation Area Government Management Regulations 2000 (2057 BS)
Nepal Tourism Board Rules, 2053	Forest Act 1993
Tourism Vision 2020	Environment Protection Act 1996 and Environment Protection Regulation
	Local Self Governance Act 1999 (2055 BS) and Local Self Governance Regulation 1999 (2056 BS)

### 3.2.1. Tourism Related Acts

The following section provides a brief overview of the acts governing the tourism sector and analyzes their limitations or shortcomings.

#### *Nepal Tourism Policy, 2065 BS*

The Nepal Tourism Policy was formulated in 2065 BS, and aims to provide the benefits of tourism activities to local communities through emphasis on rural tourism, community based tourism, and homestays. The policy

- aims to achieve its objectives through identification of tourist spots, development of infrastructure, and enhancement of tourist services;
- is closely integrated with the poverty alleviation policy and economic and social development, as it aims to increase employment levels;
- lays significant focus on the public-private-people partnership approach in order to achieve targeted growth in the tourism sector; and
- led to the formation of the Tourism Coordination Committee and the Crisis Management Committee.

#### *Nepal Tourism Vision 2020*

Marking the conclusion of the Nepal Tourism Year 2011, the Tourism Vision 2020 was launched with the following goals to be set by the year 2020:

- Increase the annual international arrivals to 2 million
- Expand economic opportunities and increase jobs in tourism sector to 1 million

The objectives of Vision 2020 are to:



- Improve the livelihoods of the people and enhance inclusiveness of women and other deprived communities
- Bring tourism into the mainstream sectors in Nepal's socioeconomic development
- Find new potential areas for tourism and enhance the capacity of the community to engage in tourism activities
- Promote the image of Nepal in the international market
- Improve aviation safety, extend air connectivity, and improve airports
- Attract investment in the tourism sector

#### *Nepal Tourism Board Act and Rules*

The Nepal Tourism Board is an autonomous body that aims to promote Nepal as a quality tourist destination in the international arena. The Nepal Tourism Board Act and Rules govern the body. Whereas the Act lists the macro issues regarding formation, objectives, powers and duties of the NTB, the Rules list the micro issues regarding the function of the chief executive officer, the service fees to be charged by the board, and other administrative issues. The broad objectives of the board are to:

- Introduce Nepal as a fascinating tourist destination
- Develop, expand, and promote the tourism business, assuring the protection of the country's natural and cultural heritage
- Increase employment opportunities through the expansion of tourism activities
- Assist in establishing institutions necessary for tourism development.

Analyzing the policies governing the tourism sector, the underlying objectives are to:

- Develop tourism infrastructure
- Increase tourism activities
- Create employment in the rural areas and
- Share the benefits of tourism at the grassroots level

These acts and policies more or less cover the same objectives and goals with regard to the tourism sector, which has led to a duplication of responsibilities. However, all the policies primarily focus on the development of tourism circles in the central Chitwan-Annapurna region, neglecting the Far Western and Eastern regions.

#### *Tourism Act*

While Vision 2020 and the Tourism Policy cover areas regarding tourism development and infrastructure building, the Tourism Act sets out rules and regulations for the operation of any tourism enterprise. The Act covers:

- Trekking and travel agencies
- Tourist-standard hotels, lodges, restaurants, resorts, and bars
- Mountaineering and expeditions
- Tour guides
- Other tourism enterprises

As is the case in other sectors, limitations of the act have been observed. Although the act specifically states the provisions for establishing and running a business, due to the lack of a mechanism for inspection, these provisions are not implemented and there is no penalty if they are not followed. Therefore, a stricter inspection team must be formed in order to better regulate the tourism industry.

### 3.2.2. Environment Protection and Biodiversity Preservation Acts

In order to provide a complete analysis of the legal framework within which the ecotourism projects will operate, acts related to environmental protection and biodiversity preservation were also reviewed. The summaries of these acts are provided below.

#### *National Parks and Wildlife Conservation Act 1973 (4<sup>th</sup> Amendment, 1993)*

- Allows the Government of Nepal to establish protected areas such as national parks, wildlife reserves, hunting reserves, conservation areas, and buffer zones in any part of the country through a gazette notification for conservation of flora and fauna
- Allows for establishment of hotels and lodges, rafting camping sites, and other such businesses
- Has provision for licensed hunting in protected areas
- Entails community involvement in conservation and allows the protected areas to spend 30 to 50 percent of the revenue they generate for community development in coordination with the local government

#### *Buffer Zone Management Rules and Directives*

The management rules outline the framework within which the buffer zones will be established and managed.

- It grants the protected area manager the ability to establish the network of buffer zone user groups, buffer zone user committees, and the buffer zone management committee as the apex body.
- It also mandates the preparation of a five-year management plan that includes activities for tourism development, soil and environmental conservation, and preservation of cultural and historical heritage.
- The regulations regarding use of the fund are fairly restrictive. The various heads must be allocated the following percentage of the funds:
  - o Conservation program: 30 percent
  - o Community development program: 30 percent
  - o Income generation and skill development program: 20 percent
  - o Conservation education program: 10 percent
  - o Administration: 10 percent

Research conducted by the quarterly publication *Ecology and Society* evaluating forest management in Nepal showed that buffer zone users have to deal with strict controls on the harvest and export of forest products. According to the publication, users do not have the power to modify these terms. Downward accountability is limited, and communities do not have a high degree of effective control over forest-management policies. Thus local communities currently function under a situation of constraint, where they have been delegated responsibilities but lack property rights and decision making power. This has significant and potentially negative implications for the future of the program. Despite this, it was seen that buffer zone forests earn a significant amount through entry fees compared to community forests.

#### *Conservation Area Management Regulations 2000*

- The Conservation Area Management Regulations 2000 governs the systems and processes for the establishment of conservation areas.
- It can designate the management of conservation areas to either government or non-government agencies.
- As per the regulations, each Village Development Committee must form a conservation area management committee to conduct community development related construction, protect the natural environment, and implement the management plan.

- The management committee also needs to prepare a management plan to implement ecotourism development and conservation of natural and cultural heritage.

#### *Forest Act 1993*

- As per the Forest Act, the government can demarcate any part of the national forest that has environmental, scientific, or cultural significance as a protected forest.
- The Act has categorized the number of non-timber forest products. It has set a ban on the collection of *panchaunle* and *kutki* and also banned the export of eight non-timber forest products.
- The Government of Nepal is given power to conduct the following activities. This Act allows power to the government and concerned authorities for the following activities which provide a strong base for ecotourism and all forms of tourism in Nepal:
  - o Conservation of forest and forest resources
  - o Conservation of wetlands
  - o Conservation of national forests
  - o Handing over forest as community forest
  - o Conservation and sustainable use of non-timber forest products
  - o Declaration and conservation of special areas as protected forest

The act provides limited capacity to modify some rules, limiting the power of the user groups. Recent amendments have attempted to place further restrictions on the harvest and sale of forest products and distribution of the resulting income, and have met with stiff resistance from the Federation of Community Forest Users in Nepal.

#### *Environment Protection Act 1996, and Regulation 1997*

The Environment Protection Act and Regulation is complimented by various other acts discussed above. The implementing agency is the Ministry of Population and Environment. The Act outlines procedures for environmental assessment of developmental projects. The two basic tools used for the assessment are the initial environmental examination and environmental impact assessment.

The implementation strategy of the act is however focused on penalties and punishments. The act does not introduce economic instruments and market mechanisms for compliance with environmental measures or link them with incentives.

#### *Community Forest Guidelines*

The guidelines for the formation of a community forest are spelled out in the Forest Act, 1993, and the Forest Rules, 1995. The Master Plan for the Forestry Sector, 1988, states that decentralization of forests will be brought about by the community forest and it will have priority among other forest management strategies. As per the Forest Rules, 1995, a national forest shall be determined a community forest by the district forest officer, taking into account the distance between the forest and a village and also the wishes and management capacity of the local users.

- Hence, for a community group to formally become a forest user group requires it to be registered at the District Forest Office.
- They are an autonomous body guided mainly by two documents. The Constitution<sup>8</sup> and the Operational Plan<sup>9</sup> prepared and approved by the User Group Assembly.<sup>10</sup>

<sup>8</sup> The Constitution defines the social arrangement, responsibilities, and rights of the group.

<sup>9</sup> The operational plan is a legal document prepared by user groups for the management of a particular forest area under their jurisdiction and approved by the district forest office. The plan guides the management of a particular community forest normally for five to ten years. To incorporate provisions of managing additional products or expanding the area, the Operational Plan needs to be revised and approved.

- The active role of the Community Forest User Groups has reduced the role of the government forestry officials to mere extension service providers and advisors.
- The forest user groups distribute the costs and benefits of management among themselves. They are entitled to sell or distribute forest products by independently fixing their prices according to an operational plan (1993).

Community forests have been set up to meet the basic needs of the local community with the prime objectives of:

- Increasing biodiversity
- Restoring degraded forest land
- Increasing supply of forest products
- Empowering women, the poor, and marginalized groups
- Promoting income generation and community development activities
- Improving livelihoods

#### *Local Self Governance Act 1999 and Regulation 1999*

The main objective of the act and regulation is to decentralize power from the central authority to the district level authorities.

- It gives power and responsibilities to the Village Development Committee (VDC), municipality, and District Development Committee (DDC), and empowers them to plan and implement the periodic and annual plans.
- The Act authorizes the DDCs to formulate district level policies on tourism, tourism related development, and climate change concerns.
- The Act has also made a provision for the DDC to conduct an impact assessment of a project paying attention to its social, economic, service and facility, and environmental impact.

The act however has a few limitations with regards to ambiguity. The roles and responsibilities of the DDC, municipality, and VDC are not clearly articulated, which can lead to overlapping roles of the government agencies. Most of the contradictions are seen in resource management and physical construction. Due to these ambiguities in the roles, implementation of programs at the local level is difficult.

## **4. Rapid Assessment of Existing Ecotourism Destinations**

The previous section introduced the overall status of tourism, including community based ecotourism in Nepal, and key opportunities and challenges faced by the tourism industry. It also highlighted the existing ecotourism initiatives in Nepal, international best practices, and the overarching laws governing the tourism sector as well as those ensuring climate and biodiversity. The next section provides the findings and analysis of the rapid assessment that was conducted of the two existing ecotourism destinations in the TAL and CHAL landscapes.

### *Objective*

Before conducting field visits to the shortlisted districts where potential community based ecotourism sites will be evaluated, it was necessary to visit existing pilot sites where community based ecotourism initiatives have already been tried and tested. For the purpose of our study, the two sites chosen were the

---

<sup>10</sup> The user group assembly is the supreme body and community forest user committee is the executive body of community user groups.

Baghmara Community Forest in Chitwan (CHAL/TAL) and Ghalegaon Village in Lamjung district (CHAL). The reason for choosing these sites was that they cover the two most common forms of ecotourism initiatives: conserving natural resources by establishing a protected area (here a community forest), and providing community managed homestays. These two ecotourism sites are also in line with the Hariyo Ban Program's objectives of eliminating threats to biodiversity, providing alternate means of livelihood, and ensuring social and gender inclusion.

Broadly speaking, the purpose of conducting field visits to the aforementioned sites is to prepare a case study that clearly states the key learning in terms of management, community involvement, and particularly determine the benefits and impact on the communities, especially at the household level. This data will provide information that will be very useful in developing and determining the success of future projects.

Therefore, the aim of the field visit was to identify the following:

- Factors influencing household participation in order to ensure that the benefits trickle down to all households
- Effectiveness of the management committee in transferring the benefits of the project to the communities
- Factors influencing household participation in biodiversity conservation
- Positive and negative impacts on the biodiversity of the areas
- Impacts on the local communities with regard to sociocultural and socioeconomic advantages and disadvantages
- Factors that encouraged the community to participate in the tourism activity
- Economic benefit to the participants and the community
- Ways in which engagement in tourism activity empowered women and marginalized groups

Once these objectives are identified, they will provide a framework of dos and don'ts to consider while exploring the development of the potential ecotourism sites.

Also, in order to document the lessons learned from a once popular tourist destination, a third case study of Sirubari Village in Syangja has been presented. In its initial years, Sirubari Village was successful in attracting many tourists. However, in recent years tourist arrival has significantly decreased. This case study is equally important in order to identify the issues that led to the downfall of a popular community managed village destination. The following three sections outline the observation, findings, and analysis of the three case studies.

## 4.1. Baghmara Community Forest

### 4.1.1. Fact Sheet

Study area	Baghmara Community Forest, 215 hectares
Location	27°30'0"N 84°20'0"E Altitude: 100 meters Bachhauli VDC, Sauraha District
Area and terrain:	<b>Area:</b> 215 hectares <b>Terrain:</b> Forest coverage area: 163 hectares; grazing land and plantations: 52 hectares; wetlands and a few rivers and sandbanks
Number of wards:	4
Accessibility:	<b>Road transport:</b> Connected via Prithvi Highway, 185 kilometers from Kathmandu, 86 kilometers from Pokhara <b>Air connectivity:</b> Bharatpur Airport 15 kilometers west of Sauraha with regular daily services from Pokhara and Kathmandu
Attractiveness:	<b>Flora and fauna:</b> Number of Species: Mammals: 21 Birds: 196 Flowers: 40 Trees: 81 Medicinal Plants: 158  <b>Cultural:</b> Tharu Cultural Show  <b>Activities/facilities:</b> Elephant ride through forest Elephant breeding center Elephant bath Jungle walk Boat ride Canoeing Wildlife display museum and information center
Households:	1,056
Ethnicity:	Tharu, 58 percent; Brahmin, 19 percent; Mongolian, 17 percent; other, 5 percent
Means of livelihood:	Agriculture, livestock rearing, tourism, and labor
Village committee:	Baghmara Community Forest User Group Committee

### 4.1.2. Initiation of the Project

The Baghmara community forest, located in the Bachhauli Village Development Committee on the northeast boundary of Chitwan National Park, is surrounded by the Rapti River in the south, the Budi Rapti and Khagedi Rivers in the northwest. And settlements in the east. The Baghmara forest was once a

dense forest and a famous hunting ground for tigers, after which the area was named (*bagh* meaning *tiger* and *mara* meaning *kill*). Over the last 20 years, due to lack of attention from government authorities and increasing needs of the local people, the forest had been completely decimated and overgrazed. Realizing the need to repair this damage, a reforestation project was launched in 1989.

In the first year of implementation, Nepal Conservation Research and Training Center faced problems from encroachers who made several attempts to seize land. But most people opposed the encroachment, recognizing the potential benefits of conservation. The Department of National Parks and Wildlife Conservation helped the project by providing technical assistance and materials for plantation.

In 1989, an area of 32 hectares was covered with fast growing indigenous tree species such as *sissoo* (*Dalbergia sissoo*), *khayar* (*Acacia catechu*) and other fodder species in the ratio of 70 percent, 20 percent, and 10 percent respectively. A total of 81,000 saplings were planted, which had a survival rate of over 85 percent. In the second year, an additional 20 hectares was covered with 56,000 saplings in the same proportion. Through assistance from the Biodiversity Conservation Network, the King Mahendra Trust for Nature Conservation, and the World Wildlife Fund-US, the project was officially launched in 1994 to enable communities to be involved in the protection of endangered species within the park. The plantation area of 52 hectares was officially handed over in 1995.

The restoration of the forest made it possible for the animals from the national parks to move in, and over a period of time many wild animals and birds became visible. This opened the area to new avenues and tourism officially began in October 1995. Tourism activities such as elephant rides, jungle walks, and canoe trips were initiated. In December 1995, a *machaan* with two double-bed rooms was established in the forest area. Slowly tourism started picking up in Baghmara, and it became instrumental in providing a source of income to the communities and in conserving the biodiversity of the area.

#### 4.1.3. Village Economy

The Baghmara Community Forest User Group (BCFUG) is situated in 4 wards in the Bachhauli VDC. Most of the households are dependent on agriculture and livestock farming, while a few are employed within the Community Forest as guards and mahuts for elephants.

The number of households associated with the BCFUG in 1996 stood at 584; this number saw a gradual increase over the years reaching 907 in 2003 and finally 1,056 in 2012. The increase in the number of households is due to more households registering with the CFUG and also to family separation and inward migration from the hills.

While wards 1, 2, and 4 constituted households with more or less the same level of income, ward number 3 constituted the poorest community. The Mushar community lives in a building donated by a foreign agency, with only the minimum necessities to keep them going. While other wards have agriculture and livestock farming to rely on, the Mushars own no such land or animals. The only source of income is wage labor. Even after the establishment of the Baghmara Community Forest, the Mushars have not been able to secure a steady source of income to improve their living standards. For instance, the BCFUG Committee had established a fishery for the Mushars to provide a stable source of income. The revenue from the sale of fish was to be shared among the CFUG and the Mushars in a ratio of 60:40. However, in discussions with the Mushars, it was stated that the fishery was set up without their being consulted. Since the fishery is located within the community forest, access at night is restricted to protect against theft. Ultimately, this meant that maintaining a fishery did not prove to be fruitful. The fishery currently has no fish.

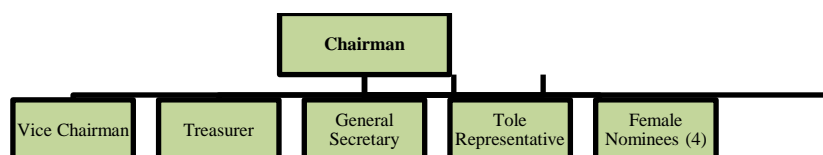


#### 4.1.4. Operating Module

##### *Governance*

The operations of the Baghmara Community Forest were earlier looked after by an executive committee composed of four executive positions: chairman, vice chairman, treasurer, and general secretary.

**Figure 4: Diagrammatic Representation of the BCF Committee**



The committee consists of 13 members, out of which each of the nine toles has a representative. The remaining four seats are reserved for one woman representative from each of the four wards. However, due to politicization and the various vested interests of the committee members, the executive committee has been dissolved for four years now. Currently a multi-party committee headed by four representatives for four political parties looks into the operations. Each of the four representatives rotates as head of the meetings, which has led to a lack of continuity in operations.

The committee needs to conduct a general assembly for BCFUG in the presence of a representative from the Chitwan National Reserve office, stating the previous year's income and expense breakdown. The committee must also prepare a progress statement that it must read in the general assembly. The requirement is that the general assembly be held at least once a year; however, the committee can hold more if needed.

As per the Article of Association, the committee must maintain a savings account with the income from the sale of forest products, penalty fees, other fees, and any other source of income, such as prizes. For the organization of an annual program and based on the suggestions provided by the BCFUG, the committee must expend the money from this account.

Committee elections will take place only if the committee is not established by a general consensus among the user group. It is required that an audit of the financial statements of the previous fiscal year be completed by July 15 of the same year.

At the time of our visit, it was observed that none of the aforementioned criteria were being fulfilled by the committee. The general assembly has not been held for the past four years, nor has the audit been conducted. However, after constant pushing and warnings from Chitwan National Park (CNP), an audit of the past four years was taking place during our visit.

The Article of Association also specifies that while preparing the budget, contributions toward educational programs on conservation, deforestation, road and building construction, geological conservation, and women's empowerment and inclusion must be made. The Article of Association specifies undertaking the following activities in order to promote ecotourism:

- Proper waste management will be conducted in the picnic spot, and a toilet and facilities for water will be made. A flower garden will surround the picnic spot.
- A discussion hall with capacity for 50 people will be constructed and furnished with a television, deck, and benches.
- A documentary of the Baghmara Community Forest will be made available in both English and Nepali.



- Trails will be maintained properly for bird watching.
- The route of boat rides will be increased to go further into the jungle.
- A study will also be conducted on the impact of tourism on animals and places they live.

However due to weak management, implementation has been poor.

The BCF is guarded by 9 security guards and staffed by 26 people.

### Membership Criteria

In order to become a member of the community forest user group, the following rates have been devised for the following categories. All these rates are a one-time fee for acquiring membership.

- On the basis of land
  - 3 *kattha* or less: NPR 300
  - 4 to 10 *kattha*: NPR 1,500
  - More than 10 *kattha*: NPR 3,005
- On the basis of business
  - Hotel entrepreneurs: NPR 300
  - Agro-based entrepreneurs: NPR 200
  - Others: NPR 100

### Source of Income

The main source of income for the Baghmara CFUG is from tourist arrivals. Other sources of income include membership fees and sales of forest produce. However, these contributions do not make significant contributions to the total income generation of the CFUG.

**Table 5: Income Stream from Activities Offered by CF**

Activity	Fees charged			(Amount in NPR)
	Nepali	SAARC	Foreigners	Capacity
Registration of elephants (one-time fee)	15,000 per elephant	N/A	N/A	47
Elephant fee per trip	450 per elephant	N/A	N/A	47
Boat ride per trip	210 per person	210 per person	210 per person	20
Machaan stay	500	500	500	3 double-bed rooms
Jungle walk	20	50	100	
Briefing	500	500	1000	
Sale of logs	80 per quintal	N/A	N/A	

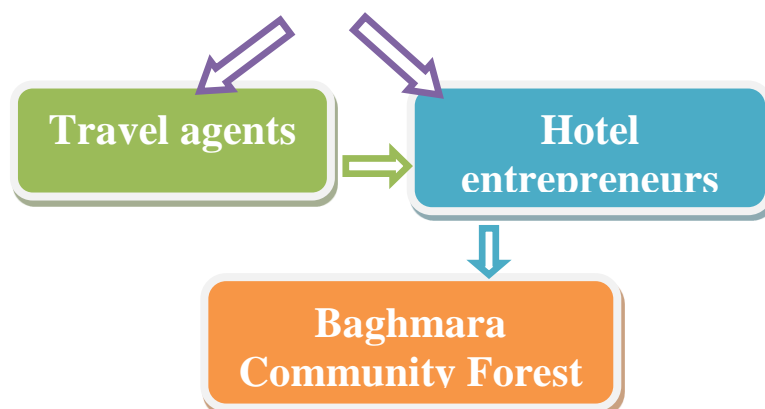
Source: Baghmara Community Forest Income Statement for FY 2009/10

### Marketing and Promotion

Other than brochures published on the Baghmara Community Forest, no advertising or promotion techniques are used to create a brand for it. All tourists are brought in via hotel entrepreneurs. The following diagram depicts the route taken by tourists to come to BCF.

**Figure 5: Route Taken by Tourists to Baghmara**





Baghmara Community Forest is able to attract tourists because it is close to Chitwan National Park. While interviewing hotel entrepreneurs about their guests, this became evident. How the Baghmara Community Forest has been able to take advantage of its proximity is explained below.

The main objective for tourists arriving in Sauraha is to experience the wildlife. While jeep safaris and walks into the forests are popular tourist attractions, elephant rides are regarded as the one attraction that one must try when in Sauraha. This is what BCF capitalizes on.

For a certain period in the past, private elephants were allowed to enter Chitwan National Park, but the fees charged were comparatively higher than what was charged by BCF, and this discouraged the private players because it reduced their profits. However, now private elephants are not allowed to enter the park area to prevent the formation of trails that can harm the growth of shrubs and grass. The CNP owns only a few elephants and cannot meet the demand for elephant rides by tourists. Nonetheless, elephant rides from the park can be arranged only once a permit is obtained from the CDO office, which is a cumbersome process. Therefore, private entrepreneurs have stepped in to take tourists to the BCF for elephant rides.

As stated earlier, the major income stream for the Baghmara CF is from elephant rides. However, it must be noted that tourists intend to visit the CNP and not BCF. It is out of compulsion that hotel entrepreneurs take them to BCF. Most tourists are unaware of this “scam.” On some occasions tourists do put forth objections; however, this has not yet led to serious consequences. If these objections do lead to a restriction on using the name of Chitwan National Park to lure tourists to Baghmara Community Forest, it will be a blow to BCF’s revenues since it has no real marketing. However, since BCF on its own boasts wildlife and biodiversity attractions (with its main attraction being the rhino), and since BCF is a community owned and managed forest that directly benefits locals, it could have enough selling points to advertise itself as a stand-alone destination.

#### 4.1.5. Financial Snapshot

With the initiation of the community based ecotourism project in Baghmara, a steady revenue stream was established. According to the current management and retired chairman of the committee, during its initial years, the BCF raised NPR 60,000 to 80,000 per year from elephant rides and the sale of wood, grass, and other such activities. These numbers have been increasing at a steady pace. In 1999, the income had reached approximately NPR 2 lakhs, jumping to almost NPR 30 lakhs in 2001. By the end 2009, the revenues had soared to NPR 77 lakhs. The following table provides a breakdown of the income and expenses for the two financial years 2008/09 and 2009/10.

**Table 6: Income and Expenditure of BCF (2008/09 and 2009/10)**

<i>(Amount in NPR)</i>					
Income	FY 2008–	FY 2009–10	Expense	FY 2008–	FY 2009–10

	<b>09</b>				<b>09</b>	
Elephant entry fee	3,146,776	4,281,936		Conservation expenses	352,595	3,263,691
Boat management income	2,766,100	3,312,300		User group conservation program	463,013	298,222
Conservation fee	170,860	205,379		Logwood distribution	225,765	276,494
Nepali entry fee	628,900	860,960		Institutional donation	1,302,625	677,675
SAARC walk fee	400	50		Alternative source of energy program	92,000	179,500
Foreign walk fee	27,000	18,100		Flood prevention program	311,560	2,046,020
Machaan income	250,600	242,900		Community development program	2,512,319	345,890
Elephant registration fee	46,100	30,200		Income-generating expenses	590,253	1,168,197
Nursery sapling sale	5,090	-		Promotional expenses	38,375	130,730
Turmeric sale	12,005	-		Administrative expenses	773,135	990,461
Wood sale	220,588	213,525				
Fish sale	8,250	-				
Membership fee	10,000	-				
Picnic spot income	42,435	-				
Sightseeing photography income	5,251	5,100				
Penalty fee	600	950				
Recommendation	1,010	200				
Interest	395,075	447,748				
Employee selection	1,400	-				
Ticket management	33,600	36,600				
Wooden tools sale	-	240				
Scrap material sale	-	20,000				
Boat sale	-	63,000				
Other income	-	80				
Total income	<b>7,772,040</b>	<b>9,739,268</b>		<b>Total expenses</b>	<b>6,661,640</b>	<b>9,376,880</b>

Source: Baghmara Community Forest Income Statement for FY 2009/10

As can be seen from the table, a significant amount is spent on conservation activities and community development programs—20 percent and 26 percent respectively. It can also be seen that most of the expenses are for overall infrastructural and socioeconomic development rather than pro-poor expenses, such as providing food, shelter, and education. The revenue streams are being used for the betterment of the society; however, they are not effective in lifting the financial status and standard of living of the poor as no separate fund is created to carry out pro-poor activities.

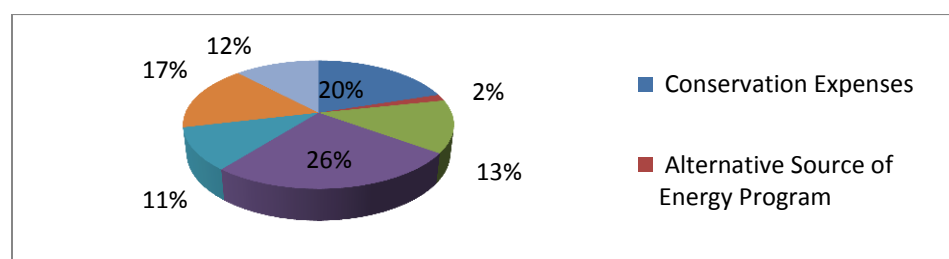


Figure 6: Distribution of BCF Income

*Source: Baghmara Community Forest Income Statement for FY 2009/10*

#### **4.1.6. Key Learning**

The following section covers the key learning of the case study and provides an analytical perspective on the current scenario in BCF. Additionally, the benefits of establishing the Baghmara Community Forest will be weighed against any shortcomings to provide a holistic analysis.

#### ***Factors Influencing Community Participation***

After conducting several interviews with the various stakeholders of the BCFUG, it was learned that three points play a key role in community participation. These points are explained below.

##### ***Village Committee***

Since the committee that has been set up represents the local community, community members rely on it to voice their opinions. The committee needs to be active in advocating for the community in terms of participation and involvement wherever possible. For instance, the hotel and resort industry is booming in Sauraha; however, there have been no links made with it to take advantage of the community engagement in agriculture. Such links will only help boost involvement and increase the standard of living of the community.

##### ***Willingness of Community***

The key to determining the success of an ecotourism project is not only the active role of the committee but also the willingness of members of the community. Their willingness is determined by the benefits each household receives and the success of biodiversity conservation. While interviewing the households in the four wards, it was seen that the locals were keen on preserving the forest and being part of the conservation process. Yet it was also seen that the community was not willing to invest in tourism activities. This could be because the community does not believe in the profitability of tourism activities. In such a situation, the ability of the management to involve the community is drawn into question.

##### ***Capability of the Community***

The capability of the households involved must also be taken into consideration because the composition of the household is essential in determining whether it will be capable of conducting tourism activities. As Nepal is a country dependent on migration, much of the population is absent. Even when Nepalis have not gone abroad, many have migrated internally. Therefore, many villages are dominated by an elderly population. This demographic composition affects the number of people fit to conduct ecotourism activities, and in turn will have an impact on the effectiveness of ecotourism projects. Also, in order to set up a mechanism to enable hotel entrepreneurs to buy agricultural produce from the community, households must be able to generate more what they need for personal consumption to be able to sell the surplus to hoteliers.

These three points are crucial in determining whether the benefits of an ecotourism initiative will reach the households. They must be ensured before initiation a project in order to guarantee effectiveness.

#### ***Impact on Biodiversity***

As was seen during our field visits, the impact of reforestation is clearly visible through density of the community forest. As stated earlier, 52 hectares were used for plantations and 163 hectares for natural regeneration. Since fast growing trees were used, the impacts were seen more quickly. Once the forest was revived, it had positive impacts on the flora and fauna of the area. Rhinos started entering and settling in the forest. Currently there are 10 to 12 rhinos permanently residing in the forest. During migration seasons, a large inflow of birds has been observed over the years. The number of species seen speaks to the benefits of conservation in the region.

While the number of animals has increased, their habitat in the park has been decreasing due to ecological succession and erosion. The succession of the short grasslands to tall grass, shrubs, and riverine tree

species has caused a decrease in short grass, resulting in decreased fodder supply. Subsequently, animals leaving the park have ventured into farmland in search of food.

At present, BCFUG is receiving an increasing number of tourists, which could have a negative impact on the forest's biodiversity. Normally an elephant is allowed to enter the park twice a day. However, during the peak season elephants enter the forest more than four times in a day. This will ultimately lead to increased erosion and trampling of plant saplings, affecting the regeneration of flora. Lack of proper control and commercialization will negatively impact the biodiversity and risk the conservation efforts that have been practiced for more than a decade.

### *Impact on the Community*

#### *Benefits from the Community Forest*

The distribution of the benefits received from the Baghmara CFUG is done mostly in kind rather than via monetary distribution. The following list describes the benefits offered.

- The community forest committee has promoted biogas as an alternative to the dependency on the forest for firewood. The committee provides assistance of NPR 7,000 for setting up of a biogas plant. The committee has also made special arrangements with Ekikrit Urja (Himalayan), a biogas company, to set up biogas plants in the village. Approximately, 400 households in the community have installed the plants.<sup>11</sup>
- The committee maintains a revolving fund of NPR 300,000 to provide loans to the community. The loans are provided for the purchase of livestock, irrigation, sewing machines, and bicycles. The interest rates for a period of one year, two years, and three years are 6 percent, 8 percent, and 9 percent respectively.
- Earlier the committee provided NPR 1,000 to assist households in establishing toilets. However this initiative was not as fruitful as hoped and it moved instead to providing the materials for making toilets, including six rings, *dhakkan*, and a slab.
- The committee makes recommendations for healthcare and electricity to the local district authorities whenever required.
- The committee provides free trainings for men and women in bee keeping, sewing, cycle repair, and maintenance.
- For the Mushars, the poorest community in the village, the committee set up a fishery in the community forest and provided training so that they could be provided with a source of income.
- Out of the total earnings, 30 to 50 percent is used for conservation purposes, which includes construction of roads, dams, and other infrastructure.
- Community controlled grazing is allowed, whereby user group members are allowed to cut grass during an allotted time. Free grazing is not allowed.
- The committee provides each household with firewood limited to three quintals for six months. For households with biogas plants, firewood is limited to two quintals.
- The committee makes a contribution to schools and the maintenance of river basins.
- During river flooding, the national park provides NPR 35,000 as compensation.
- In case of wild animal attacks, the community provides compensation of NPR 5,000 while Chitwan National Park provides NPR 25,000 and the VDC provides NPR 225.
- Depending on the income status of the community members, children's school fees are also provided by the members.

---

<sup>11</sup> Since the feasibility of biogas plants depends on households owning livestock and free land, this limits the number of households that can install biogas plants successfully.

#### *Adequacy of Benefits Provided*

When conducting interviews with the local community, the effectiveness of these benefits was questioned. While the general consensus was that after the establishment of the BCFUG there have been improvements in conservation, road construction, and overall assistance, the community questioned the adequacy of the benefits in lifting their standard of living. As mentioned earlier, while talking to the Mushar community it was learned that the fishery was created without their input. Because the fishery is located within the community forest, access at night is restricted to guard against theft. Therefore maintaining a fishery was not profitable for the Mushars.

Furthermore, all housing and electricity assistance is provided by foreign agencies, not the committee. Currently the electricity meter is broken and the community has done nothing to restore electricity. When asked about the training programs provided by the committee, respondents said that such programs were actually provided by foreign agencies. They are not aware of who is paying for their children's education.

With regard to trainings provided by the committee to other communities, respondents felt that the trainings were very basic and did not teach them adequate skills. For example, if a training was provided in tailoring, it did not teach one how to actually become a tailor. Also, in the absence of a ready market, there was no motivation to continue training programs.

Although the committee provides some assistance to set up biogas plants and toilets, and provides firewood and grazing facilities, it is not adequate. For example, the firewood limit of three quintals is barely enough for a month. In the market the price of wood is too high for the community to afford, so they are left with the only option of stealing from the forest. If the limit were raised, the committee would get additional income and stealing would be reduced.

Compounding these limits in assistance, school tuition fees had also not been paid for children in the community.

In addition to these issues affecting benefits to the community, there were other broader issues with regard to the operating module of the community forest. They are discussed below.

#### *Lack of Equitable Distribution of Benefits*

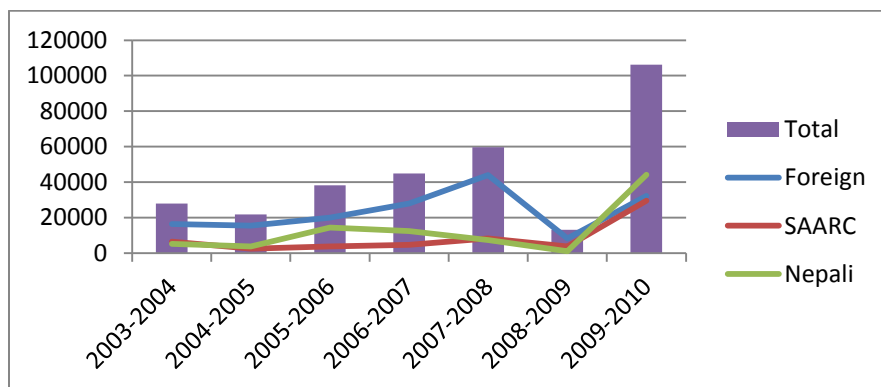
The setting of the Baghmara Community Forest has provided overarching benefits to the community in terms of infrastructural services, loan provisions, electricity, and sanitation facilities. With increased tourist arrivals, revenues will be positively impacted. However, the question that arises is that of the equitable distribution of benefits. It has been observed that only a few Tharu communities reap most of the benefits. It was seen that the Mushars have not benefitted from the CFUG. As explained above, their standard of living has not improved. Any contribution toward the betterment of their status is done by foreign agencies. Non-Tharu households are not affected by whether the infrastructural facilities in the area are improved or whether tourist arrivals have gone up. They care about basic benefits such as a regular stream of income or education for their children. When asked in an interview whether the BCF had made any arrangements for his children's studies, one member of the community said that he had never heard of such a thing, even in other households. Ultimately, we observed a lack of pro-poor activities taken up by the committee. As mentioned earlier, there is no separate fund created to provide education and other benefits to the poorest households. Therefore, if the poorest are not receiving benefits from the project, its purpose of ensuring that all communities are equally benefitted is defeated.

#### **4.1.7. Issues Raised**

##### *Tourist Growth and its Impact*

Analyzing past data, a steady rise in tourist arrivals was observed. The following graph depicts tourist arrival over the past eight years. It shows the breakdown of foreign, SAARC, and Nepali tourists.





**Source:**

**Figure 7: Tourist Arrivals in BCF (2003–2010)**

As the graph shows, foreign tourists constitute the largest percentage of tourist arrivals at an average of 59 percent, followed by SAARC country tourists, and lastly Nepali tourists. In the year 2009, due to political instability, tourist inflow was badly hit. Tourist arrivals picked up again the next year. Foreign tourist arrivals are higher for the following reasons:

- As has been stated, BCF benefits from the advertising and marketing activities of Chitwan National Park. Among the nine national parks and reserves in Nepal, CNP is the most popular among tourists because it is heavily marketed by tour and travel operators. BCF benefits from the high number of visitors to the area.
- One of the major attractions in Nepal is the diverse wildlife. CNP is particularly popular because of its flora and fauna. The main attraction in CNP and BCF are the one horned rhinos found there, followed closely by tigers, deer, and a variety of birds during the migration season.
- Sauraha provides a cheaper alternative to other wildlife-rich countries.

As for Nepali tourists, Sauraha provides a reasonable getaway. Lately though Baghmara is fast becoming a popular destination. The graph depicts that lately the inflow of Nepali tourists has increased dramatically. The booming of the tourism industry can be seen in the number of hotels operating around the BCF. While the establishment of more hotels should have created employment opportunities for the local communities, this has not been the case. Most of the hotel entrepreneurs are not locals and do not hire local staff. They claim that the locals are difficult to manage because they create unnecessary nuisances. Also, Tharu dances are performed at the hotels, and though they provide a salary to those participating, the hotels make a handsome profit by charging more for these cultural shows. No such dances have been organized in the village so that the local communities may benefit as well.

#### *Lack of Marketing Activities*

Naturally Baghmara's revenue is directly correlated to its number of tourist arrivals. However, the BCF committee has not thought about the way forward once it reaches saturation. BCF has already increased the number of trips per elephant per day that it allows into the park to meet demand during peak seasons. While this increase in trips increases the aesthetic capacity of the park, it does so at the cost of its ecological capacity. More trips mean that there is more damage being done to the natural biodiversity of that area. As for hotel entrepreneurs, other options are readily available. Located very close to BCF is the Kumrose Community Forest, which provides hoteliers with an easy alternative to take tourists for elephant rides and other tourist attractions. Hotel entrepreneurs have already started taking tourists to Kumrose during peak seasons when entry into Baghmara might be difficult. In the absence of any marketing scheme to promote BCF, and by relying solely on the surplus of Chitwan National Park, there is the very real chance of losing tourists to other options nearby. If the BCF was branded as a destination in itself it would not have to rely on hotel entrepreneurs to bring in tourists.

### *Women's Participation*

Though training programs for women in tailoring, sewing, weaving, fishery management, etc. were provided, they were not effective. The trainings were not comprehensive enough to provide the required skills. Also, after completing their trainings, women did not have adequate finances to buy machines. Furthermore, the lack of a market in which to sell their products left many women without the motivation to take part in trainings. Even during interviews the women seemed to have very little knowledge of the existence and working of BCF. We concluded that it is not that efforts have not been taken to ensure a gender balance, but that these efforts have not been enough to be fruitful.

### *Poor Management*

According to our analysis, one of the ways BCF can improve its overall operations is by strengthening its management system. As has already been stated, politicization led to the dissolution of the executive committee four years ago. Therefore, in the absence of a permanent management committee to govern the operations of the user group, there has been no efficient governance. The concept of a community forest is beneficial to all the members only if strong management is developed to ensure the proper distribution of forest resources. The development works undertaken by the community are haphazard. Proper planning, including specialized tourism planning, has to be in place.

For the past four years, the finances have not been audited, nor has a general assembly been held to disseminate information regarding the operations of the BCF. As a result, the community user group does not know the position of the fund, leading to a lack of transparency. As per talks with the current management personnel, the forest's revenues have been increasing every year. Yet in interviews with community members, they claimed that the benefits they received had not been rising in proportion with the increased revenues. After being warned by the National Reserve to conduct an audit, the process has been initiated.

Very recently, the office premises were locked by members of the community demanding some sort of accountability in the working of the BCF User Group. This led to lost working days in which hotel entrepreneurs readily had other options to take tourists: nearby Kumrose Forest, Narayani Community Forest, and Chitrasen Community Forest. Such an unstable working environment can discourage hotel entrepreneurs from working with the BCF.

All of these problems have arisen because there is not strong management. Since continuity in operations was broken with the dissolution of the executive committee, there has been no one to hold accountable and that is where the effectiveness of the project started diminishing.

### *Lack of Entrepreneurship*

Analyzing the present situation, it was seen that although there were opportunities that existed for the community to engage in entrepreneurial activities, none of them were doing so. None of the community members were enthusiastic about getting involved in boosting tourism in BCF. For instance, the communities have not made an effort to link up with hotel entrepreneurs to sell agricultural produce or to organize cultural shows in their villages. The benefit of increased tourism was being transferred not to the communities but to only a few entrepreneurs doing business in Baghmara.

In summation, it can be stated that the benefits to the community and the biodiversity of the area cannot be overlooked. Comparing the situation before the establishment of the community forest to the current state, we can see that there have been vast improvements. What we learned from this study is that in order to ensure the effectiveness of an ecotourism project such as this, competent management with good leadership and entrepreneurial skills, effective marketing, and community willingness are key to ensuring the equitable distribution of benefits.



## 4.2. Ghalegaon

### 4.2.1. Fact Sheet

Study area:	Ghalegaon
Location:	28°27'N 84°30'E Altitude: 2,100 meters Uttar Kanya VDC, Lamjung District
Number of wards:	3
Accessibility:	<b>Road transport:</b> 205 kilometers northwest of Kathmandu, 125 kilometers northeast of Pokhara <b>Trekking trails:</b> <ul style="list-style-type: none"><li>• Besisahar-Baglungpani-Ghalegaon</li><li>• Khudi-Lamchaur-Ghalegaon</li><li>• Khudi-Roplephant-Vanche-Ghalegaon</li></ul>
Attractiveness:	<b>Geological:</b> <ul style="list-style-type: none"><li>• Dhaulagiri (8,167 m.), Machhapuchhare (6,993 m.), Manaslu (8,163 m.), Annapurna I (8,091 m.), Annapurna II (7,937 m.), Annapurna IV (7,525 m.), Lamjung Himal (6,983 m.), Buddha Himal (6,974 m.), Himalchuli (6,747 m.)</li><li>• Sunrise and sunset view points</li><li>• Tea gardens</li></ul> <b>Cultural:</b> <ul style="list-style-type: none"><li>• Gurung community homestays to experience local lifestyle</li><li>• Architecture</li><li>• Cultural shows, including Sorathi dance, Krishna Charitra dance, Ghantu dance</li></ul> <b>Activities:</b> <ul style="list-style-type: none"><li>• Cultural studies</li><li>• Honey hunter tours (seasonal)</li><li>• Hikes to Bhujung, Ghan Pokhari, Pasgaon, Khudi, Taghring, Simpani</li><li>• Tourist farming activities (seasonal)</li><li>• Sheep farming</li></ul>
Households:	118
Ethnicity:	Ghale Gurung and Dalit communities (Damai, Kami, Sarki)
Means of livelihood:	Agriculture, livestock rearing, foreign employment, tourism, and handicraft production
Major festivals:	Ghalegaon Carnival (Mahatsov)
Village committees:	Ghalegaon Tourism Management Committee Youth Club and Cultural Committee Mother Group Father Group
Tourism infrastructure:	<b>Homestay:</b> <ul style="list-style-type: none"><li>• Registered: 32 households</li><li>• Operational: 25 households, providing homestay facilities with bathrooms</li></ul>

#### 4.2.2. Background

Locally known as Koiule Nasa, Ghalegaon lies off the main trekking route of the Annapurna conservation area. It has spectacular views of the Manaslu range in the east, Lamjung Himal and Annapurna II in the north, and Machhapuchhare in the west. For decades the locals of Ghalegaon relied upon subsistence agriculture, which never provided enough for a decent livelihood. Many people began to search for jobs abroad. Initially the trend was to join the Indian Army as it provided a steady income, a name in society, and a secure future. However, with the Indian government restricting the number of army recruitments from Nepal each year, people started migrating to the Gulf and South Asian countries for employment. Villagers relied excessively on pensions and remittances to supplement their livelihood and the village economy as a whole. This encouraged ever more migration among the working class of Ghalegaon.

Few alternative means of livelihood, coupled with subsistence agriculture and high immigration, prompted Mr. Prem Ghale to explore tourism opportunities within Ghalegaon. The successful Sirubari Homestay Based Rural Tourism program was chosen as the role model for tourism in Ghalegaon. Decision makers and elders of the village were identified and an educational tour was organized to Sirubari to understand the workings of the rural tourism model. Further interviews and group discussions were held with Tony Park, the pioneer of homestay based rural tourism in Sirubari. Further understanding of tourism was enhanced by looking at other tourism areas such as Ghandruk, Sikles, Chhomrong, and Dhamphus. From the very beginning Mr. Prem Ghale created strong linkages with government and semi-government institutions, such as the Ministry of Tourism and Civil Aviation and the Tourism Board, which helped to promote Ghalegaon as a model village for homestays.

Unlike in Sirubari, rural tourism development was not easy to achieve because Ghalegaon lacked the basic infrastructure such as road connectivity, water, and sanitation demanded by the tourism industry. But with strong unity, local participation (cost to benefit sharing in all stages of development), and a feeling of ownership, the homestay based rural tourism flourished in Ghalegaon. The homestay program was officially launched in May 2000 during the Ghalegaon Carnival held each year.

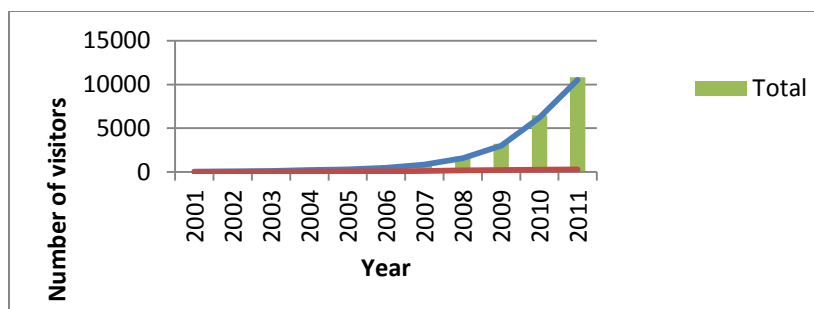
#### 4.2.3. The Product

The rural village tourism model of Ghalegaon is a replica of the Sirubari model. Guests are welcomed to the village with *panche-baja* (flower garlands) and a light snack. Thereafter guests are escorted in groups of three or four to live with their host families. The average stay of tourists in Ghalegaon is one night and two days.

Ghalegaon offers the opportunity to experience traditional Ghale Gurung culture firsthand by living and dining with the host family. The day begins early as tourists are guided to the village hilltop to watch the picturesque sunrise and view the majestic Himalayas. During the day, tourists are guided by a member of the community on a walking tour to see the village and its unique architecture and artifacts. On request, tourists may engage in agricultural activities. Tourists may also see the traditional community sheep farming and can tag along with the world famous honey hunters of Lamjung to nearby cliffs in search of wild honey. The sunset in Ghalegaon is another attraction that draws tourists to the village. The evenings are fun-filled with cultural programs wherein guests can dance and sing alongside the villagers.

#### 4.2.4. Tourist Arrivals

Over the years, inflow of national and international tourists has increased from 62 domestic tourists in 2001 to 10,520 domestic tourists in 2011, with a compounded annual growth rate of 67 percent. Foreign tourist visits grew from 18 to 308 during the same time period. Domestic tourists made up 97 percent of the total tourists visiting Ghalegaon. The chart below depicts the growth of tourism from 2001 to 2011.



**Source:**

**Figure 8: Ghalegaon Visitor Numbers (2001–2011)**

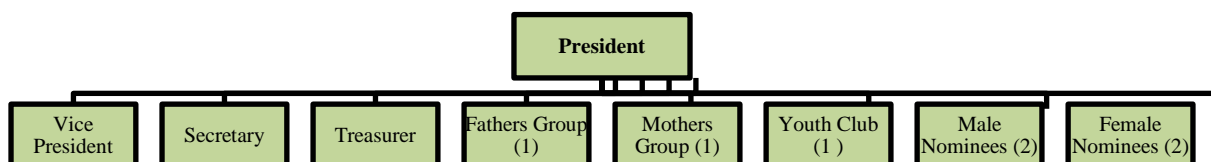
The low inflow of foreign tourists can be attributed to Ghalegaon lying off the main trekking route of the world famous Annapurna Circuit. Promotion of Ghalegaon as a cultural destination among the international community has not been effective in attracting foreign tourists. Furthermore, international Free Independent Travelers (FITs) who come to Ghalegaon are unaware that the village lies in the ACAP region and that a permit must be obtained in Kathmandu or Pokhara for a fee of NPR 2,000. International FITs on arrival without a permit from Kathmandu or Pokhara must pay double the amount, NPR 4,000, which discourages them from staying in the village.

The huge number of domestic tourists, meanwhile, can be attributed to the short distance of Ghalegaon from Kathmandu, Pokhara, and the Terai region. Interviews with a few visitors reveal that it is a close escape from the hustle and bustle of the city, especially during weekends. Ghalegaon has a lot to offer to these domestic tourists. The pleasant weather, panoramic view of the Himalayas, hospitality, local authentic food and drinks, and reasonably priced tour packages were the major reasons for domestic tourists to visit Ghalegaon. Among domestic tourists, students constitute approximately 70 to 75 percent. In fact Ghalegaon has emerged as a popular destination for hotel management and environmental science students. This can be attributed to the affordable prices being charged in comparison to other destinations. For example, bed charges are NPR 100, while meals range from NPR 150–200.

Generally tourists visiting Ghalegaon spend one night and two days in the village due to the lack of professional packages coupling Ghalegaon with similar tourism products in nearby villages.

#### 4.2.5. Tourism Management Model

The management structure and style is similar to that of the Sirubari homestay model. All tourism related activities in Ghalegaon are managed and controlled by the Ghalegaon Tourism Development and Management Committee (GTDMC). The executive committee members are chosen by consensus among the villagers and serve for five years. In total the executive committee consists of nine (sometimes eleven) members as shown in the chart below.



**Figure 9 : Structure of Ghalegaon Tourism Development and Management Committee**

The GTDMC sets the rules and regulations for tourism development and management within the village and has the right to introduce or amend any rules and regulations pertaining to tourism in Ghalegaon. It

coordinates with other groups such as the Mothers Group, Fathers Group, and Youth Club on welcome and farewell ceremonies, homestay allocations, sanitation, hygiene, and village tour activities. The committee is also responsible for facilitating and providing tourism skills to its group members. The GTDMC executive committee consists exclusively of Ghale Gurungs. Dalits and other marginalized groups do not have a representative on the GTDMC.

A tourism development plan is formulated each year along with a plan of action during the annual general meeting. The yearly plan is further bifurcated into monthly targets, which clearly explain the duties and responsibilities of the committee. The plan of action and program for development are communicated to all stakeholders. Besides the annual general meeting, the GTDMC committee meets every month to discuss the progress of plans, and issues pertaining to the development of tourism in Ghalegaon.

#### **4.2.6. Operation**

All tourists arriving in Ghalegaon must contact the GTDMC office, which is solely responsible for allocating guests to their respective homestays. Visitors, both national and foreign, are not allowed to choose the host family. This enables all GTDMC member households to welcome tourists and receive tourism benefits equally. The allocation of guests also depends on the group size. A single homestay offers lodging to only two or three people, so when the group size is large, an arrangement is made so that guests may be in homes near to each other. Food is arranged so that each homestay household prepares a single meal for everyone in the house.

#### ***Mothers Group***

The members meet twice a month and, based on the yearly plans set by the GTDMC, devise their own plan of action for achieving the target set. Usually during such meetings members are taught how to welcome and bid farewell to guests. It is during these meetings that cleanliness drives are planned. Groups are formed to undertake the cleanliness drive of their respective wards. Members of the Mothers Group are also responsible for picking tea and promoting picking among the tourists lodged at their homes.

#### ***Youth Club and Cultural Committee***

The Youth Club is responsible for organizing all cultural shows and sports activities. Each month two meetings are held to discuss ways to improve the current cultural shows and how to make engagement in village life more entertaining for tourists. The club also organizes gatherings to create awareness about issues related to peace, harmony, and the security of the village.

The GTDMC solicits tourist feedback on their experience. If there is negative feedback regarding a particular homestay then the household is immediately informed and necessary assistance is provided. If the household shows no improvement, the committee may bar it from receiving guests or, if necessary, cancel its homestay registration.

#### **4.2.7. Source of Income and Revenue Distribution**

##### ***Household Investments and Returns***

Investment in homestays is mainly in accommodation and toilet facilities. Accommodation facilities require the construction of single rooms that can accommodate two or three guests at a time, including a bed and furniture. The majority of households have invested their own savings because access to finance in Ghalegaon is limited to money lenders, who charge exorbitant monthly interest rates (5 to 7 percent). Households have invested mostly in single rooms and sanitation facilities. Only a few of the existing households have been able to upgrade the existing facilities, which they have done with money from pensions and remittances.

On average the total construction cost of a single room is approximately NPR 200,000 and constructing bathrooms amounts to approximately NPR 110,000. Households engaged in homestays on average earn NPR 15,000–20,000 per month. However during peak season (September–October and February–May), households may earn NPR 35,000–40,000 per month, though this is limited to households operating two-room facilities.

#### *GTDMC Revenue*

The major sources of revenue for the GTDMC are shown in the table below.

**Table 7: Major Sources of GTDMC Revenue**

<b>Income</b>	<b>Amount</b>
Contribution to fund (20 percent)	5 percent of total bill is added as a contribution to GTDMC fund 15 percent of total bill is added as a service charge
Car/jeep fees	NPR 15 per vehicle per trip
Hot water shower fee	NPR 10 per use for Nepalis and NPR 20 for foreigners
Museum entry fee	NPR 10 per person
Telecommunication towers	NPR 12,000 per year
Cultural program (30 percent)	NPR 2,500 per show
Homestay renewal fees	NPR 500 per year
Mule fees	NPR 2,500 per year
Shop renewal fees	NPR 3,000 per year
Sheep farming	NPR 2,000 per year
Donations and charities	Not fixed

#### **Source:**

The GTDMC assigns a member of its committee to prepare the bills for each homestay. While preparing the bills, an extra 5 percent is charged as a contribution toward the GTDMC fund and an additional 15 percent is added as a service charge. This extra 20 percent charge goes directly into the GTDMC fund. The homestay host family is reimbursed in cash as soon as the required amounts have been raised.

The GTDMC is responsible for fixing the prices of all tourism related activities as well preparing a standard food menu and food prices. No household can charge anything above those prices fixed by the committee. The committee is also responsible for coordinating with the Mothers Group and the Youth Club to provide cultural shows. The GTDMC has fixed the rate of cultural shows at NPR 2,500 per show, out of which 30 percent goes to the GTDMC fund and the remaining amount (NPR 1,750) is distributed to the Youth Club and Mothers Group according to the number of performers representing each of the groups.

The total fund collected by GTDMC amounts to approximately NPR 210,000 each year. A major portion of this fund is spent on organizing the Ghalegaon Carnival (Mahatsov) and administrative and staff expenses.

#### **4.2.8. Positive Impact of Tourism**

##### *Access to Education*

The introduction of homestay based rural tourism has helped families to earn an additional income of about NPR 15,000–20,000 per month. This has enabled families to cover not just the basic necessities of food but also higher education for their children. The household survey shows that families engaged in

homestays have sent their children to Besisahar or bigger cities, such as Kathmandu, in pursuit of higher education, thereby increasing the literacy level of the village.

### *Biodiversity*

Before the introduction of tourism there was rampant felling of trees to meet the demand for firewood for cooking and heating. This had left the northern hill of Ghalegaon devoid of vegetation. The growth of tourism has made villagers realize that tourists coming from metropolitan areas visit Ghalegaon not just for its scenic view of the Himalayas or its cultural charms, but for its natural greenery as well. In this respect the GTDMC, with assistance from ACAP, has undertaken the responsibility of regenerating the once barren land into a lush green forest. Each year the GTDMC plants 1,000–1,500 saplings. The locals have been barred from cutting trees haphazardly and only certain areas and trees are marked for firewood, at a price of NPR 15 per cubic foot. The forest has regenerated and during the migratory seasons various species of birds can be seen. Leopards have also been sighted in the forest.

### *Entrepreneurial Development*

The introduction of tourism in Ghalegaon has helped the residents to look beyond agriculture as the only means of livelihood. A few of the households have made investments in lodging and sanitation facilities to cater to tourists. Some households have gone beyond the current capacity and made provisions from the income they have generated to expand and upgrade the homestay amenities, while others have identified local Gurung handicrafts as products that can be marketed and sold to visitors as souvenirs. The construction of a road to Besisahar has led some locals to buy vehicles for driving tourists to and from Besisahar, as well as for transporting goods to Ghalegaon.

### *Sanitation and Hygiene*

Prior to the introduction of homestays, the village did not have a proper sewage system and open defecation was prevalent. With the introduction of tourism, villagers have been educated on the importance of sanitation and hygiene and how these affect their daily lives and the number of tourist arrivals. The village has banned open defecation and encouraged households to construct toilets with a proper waste disposal system. Currently all toilets in the village use septic tanks and have plans to use the waste as fertilizer in the fields. Furthermore, it has been made mandatory that households locate the lodging away from animal sheds and that they have a toilet with proper running water before they register as a host. Keeping the cleanliness and hygiene factors in mind, a cleanliness drive is undertaken by the Mothers Group wherein members gather and clean the village.

### *Women's Empowerment*

The majority of households in Ghalegaon depend on subsistence agriculture, which has never provided enough to take care of the household. This led to male members either joining the army or seeking foreign employment. Women were left entirely dependent on remittance money. The introduction of rural tourism based on the homestay model has been instrumental in empowering the women of the village. Now women have become financially independent and are better able to afford basic necessities as well as to provide higher education to their children.

## **4.2.9. Negative Impacts of Tourism**

### *Waste Management*

Tourism has grown dramatically in Ghalegaon since the homestay program began. Currently no negative impacts have been felt in the village. However, looking at the increasing number of tourists, the problem of trash collection and waste disposal is a major concern. The village does not have a proper dumping site and use of biodegradable material is nonexistent at the moment.



### *Sale of Packaged Food and Beverages*

The concept of homestay tourism was started so as to retain the income generated from tourism within the village itself. However, with the increasing number of tourists, shops have been established to cater to the tourist demand. The easy availability of packaged food and beverages has led to increased consumption of such food. As a result, money is starting to flow out of the village.

### *Pressure on the Environment*

The entire village depends on firewood for all cooking and heating purposes. With the increase in tourist inflow, the demand for wood is sure to increase, leading to illegal felling or stealing from the nearby forest. Though the majority of households have a gas stove installed, scarcity and the high cost of gas cylinders have discouraged villagers from cooking with gas. The felling of trees is controlled by ACAP, but alternative sources of energy need to be promoted.

#### **4.2.10. Key Issues and Challenges**

### *Participation*

The construction of homestay facilities costs approximately NPR 300,000. The households engaged in homestays are those whose family members have gone abroad for foreign employment. The homestays have been constructed using remittance money. The income of each household is limited, and the majority of households do not have any savings or access to loans for constructing additional units to meet the growing number of tourists. The existing families engaged in homestays are able to expand their units using the income generated from the homestay program. While this leads to additional income, only a few households see the benefits of the program.

### *Lack of Finance*

The funds raised by GTDMC are very low and most are spent on administrative expenses. Even if the poorer households wish to take part in the homestay program, they are unable to do so because they lack access to finance.

### *Migration*

The benefit derived from homestays is limited to only those households that are currently in the homestay program. Other households have not been able to increase their revenue and still depend on subsistence agriculture for their livelihood. As a result, people continue to migrate for foreign employment, defeating the objective of retaining the working class in the village. This has led to a shortage of manpower in agriculture and hence agricultural production has further declined, pushing more households to move abroad for better avenues. The mentality of “*chora manchay bha aa pachi ek choti bidesh jannu parcha*” (as a son, one has to go abroad at least once) is very much the way of thinking in the village.

### *Lack of Equitable Distribution*

The homestay model has greatly benefited only certain sections of the community through additional income, sanitation, and health facilities. Though the rise in the number of tourists will further boost revenue, the GTDMC has concentrated on issues related to infrastructural development and environmental conservation, ignoring the issue of advancing socially disadvantaged classes.

The Dalits and marginalized groups have not been included in the homestay program and have only a minor role in the village tourism projects. They receive zero or marginal benefits from tourism and tourism related activities. The Dalits and marginalized groups are employed in supportive works in the development of village tourism, which entail physical labor rather than economic investment. In other words, the homestay model has not been instrumental in the advancement of Dalits and marginalized groups.

As per our findings, it was seen that the Ghalegaon project was more successful in providing a means of livelihood to the community than the Baghmara initiative. However, even with its limitations, the benefits

must not be ignored, and such initiatives must be replicated in the future in other similar villages. In projects like these, the focus should be on providing greater benefits to the poor and marginalized members of society by increasing their participation in the tourism development process. The main problem is the lack of capital and easy access to finance, making seed financing difficult. Capacity building programs and trainings in various tourism activities must be initiated to motivate and build self-confidence.

### 4.3. Sirubari

#### 4.3.1. Fact Sheet

Study area:	Sirubari Village
Location:	28°6'51"N 83°45'19"E Altitude: 1,700 meters Panchamul-4, Syangja District
Accessibility:	<b>Road transport:</b> Jeep ride from the district headquarters of Syangja bazaar (Putalibazaar) or by bus/jeep from Naudanda along the Pokhara-Sunauli Highway (Siddhartha Highway) <b>Trekking trails:</b> Helu-Lamachaur (about 50 kilometers south of Pokhara) along the same highway offers the joint experience of adventure travel and short trekking along the lush green valley and terraced farmland of Darau-Khola and then an uphill climb of about two hours from Arjun Chaupari
Attractiveness:	<b>Geological:</b> Viewpoint at Thumro Juro at 2,300 meters (spectacular view of Langtang, Machhapuchhare, Annapurna, Dhaulagiri) Buddhist monastery—Buddha Gompa Shiva temple Viewing tower Gurung museum Picnic spot 2,500 hectares of well-managed community forest (awarded) <b>Cultural:</b> Experience in Gurung lifestyle Welcome with <i>panche-baja</i> Cultural program and lifestyle showcase
Tourist season:	September–June (non-monsoon season)
Number of households:	42
Ethnicity:	Gurung and Dalit communities (Damai, Kami, Sarki)
Occupations:	Agriculture, animal husbandry, migration, tourism, and handicraft production
Village committee:	Sirubari Village Tourism Development and Management Committee Youth Club and Culture Committee Mothers Group Fathers Group
Tourism infrastructure:	Homestays: initially 25 households, currently 15 Rooms: 15 Beds: 40
Number of homestays:	Registered: 39 households Available: 15 households



#### 4.3.2. Background

Sirubari is the first tourism product in Nepal to be created from the supply side of the tourism market unlike demand-led tourism development prevalent in other parts of Nepal. This means that the product was developed with available resources and marketed to create a demand. It is abundant in flora and fauna, hills that provide a stunning view of the western Himalayas, and shrines and pilgrimage sites that dot the landscape. It has evolved as an exemplary village tourism and homestay destination. Largely populated by traditional Gurung families, most households have at least one male member in the Nepali, Indian, or British army. The livelihoods of the families heavily depend on subsistence farming and the village economy depends upon the pensions and remittances sent back to families. To provide an alternative means of income, a retired army captain, Mr. Radar Man Gurung, explored the tourism potential in the village and established a tourism model for the village in 1997. This model was designed to expose guests to experience the life, culture and ways of the village. The first village tourism experience commenced with 16 Belgian tourists visiting Sirubari.

The village is well planned with good underground drainage and in routes. It is electrified, with telephone connectivity, and gives high priority to hygiene and sanitation. Most of the houses were built by the locals themselves using local materials that are environmentally friendly and provide a traditional look. House tagging has been done with the specific identification number and name of the house owner in order to reduce confusion for visitors. The accommodation is simple but comfortable, with good bedding and clean toilet facilities. Smokeless cooking stoves and biogas plants were built, reducing consumption of wood and improving the life of villagers. Vegetable farming projects were also implemented to supplement the income of village residents.

#### 4.3.3. Homestays: The Village Tourism Model

The village tourism model that is currently practiced offers visitors an opportunity to experience the traditional culture of the Gurung people. The visitors are welcomed with *panche-baja* and garlands. The guests are then divided into groups of two and four to live with their host families. The practice in Sirubari is often characterized by:

- *Short stays.* Guests usually spend two nights with their hosts.
- *Meals with the hosts.* Visitors usually dine with their host family. Meals are typical Nepali style.
- *Tourist attractions and sightseeing.* During the day, tourists have the opportunity to see the local tourist attractions, which include the sunrise and mountain views from atop the hills. Visitors travel around the village to see the culture and lifestyle of the villagers. Evenings are scheduled with entertainment provided by the community, usually Gurung dancing and singing. While there, tourists can visit cottage industries such as traditional handicraft and paper making workshops, and a plant nursery covering 380 hectares that includes one million trees and plants. There are two small lakes nearby, and bird watching and wildlife observation are possible.

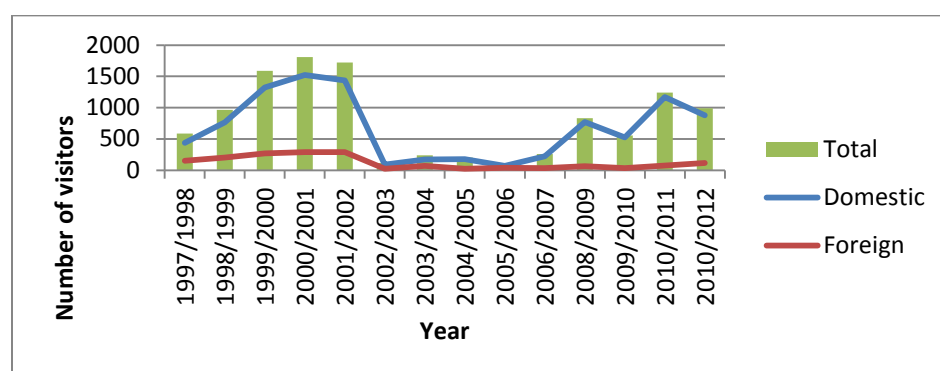
#### 4.3.4. Village Tourism Marketing

Sirubari has a unique form of village tourism. It did not grow into a tourism destination with the involvement of central level planners but developed from active participation at the grassroots level, consultation, coordination, and partnership between the Tourism Development and Management Committee (TDMC) of Sirubari and a marketing and promotion agency named the Nepal Village Resort (NVR) based in Kathmandu. The tourism initiative was designed in a way that it is small scale with low visitor numbers. In the initial stage of village tourism development, the model faced several challenges, especially in the marketing and promotion category. NVR assumed full responsibility for marketing and promotion, including making contacts with travel and tour operators, and setting up a website through a contractual agreement.

Under this model income leakages were minimized as tourist operators imported less and guest rooms, toilets, furniture, and handicraft shops used mostly local materials. Also, a major part of the tourism money stayed in the village. This resulted in sustainable development and empowerment of the people.

#### 4.3.5. Tourism Arrival

By 2068 BS (mid April 2010), the number of visitors to Sirubari amounted to 11, 220 (9,553 domestic and 1,667 international visitors, according to the TDMC). An annual breakdown of visitors is shown in the graph below. Visitation increased from 1999 to 2002, but once the country was engulfed in civil war, visitor numbers decreased drastically to just 106 in 2005/06. However, after the end of the decade-long conflict, tourism gradually increased in the country and the same was true for Sirubari. Still, arrivals were hit by the termination of the marketing contract with NVR and the number of foreign visitors was not significant.



Source: TDMC, Sirubari

Figure 10: Number of Visitors to Sirubari (1997–2012)

#### 4.3.6. Management

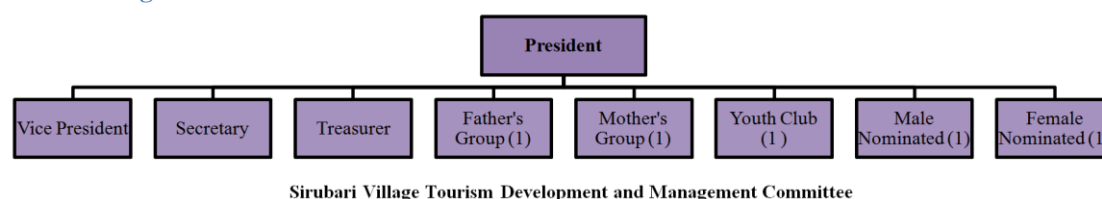


Figure 11: Structure of Sirubari Village Tourism Development and Management Committee

The most interesting aspect of Sirubari village tourism is its management style. The Sirubari Village Tourism Development and Management Committee (SVTDMC) looks into the overall management responsibilities of tourism activities, and every household is a general member of the Committee. The executive committee consists of nine (sometimes eleven) members (the president, vice president, secretary, treasurer, and five members representing the Fathers Group, Mothers Group, Youth Club, and two (sometimes four) others: one male one female nominated from among the villagers. The members are chosen through consensus for a period of two years.

It has the full right to make and amend any rules and regulations pertaining to tourism activities in the village. It manages the welcome and farewell ceremonies, guest rooms (including the type and quality of food and accommodation), local environmental sanitation and hygiene, assignment of visitors to the local hosts on a rotational basis, and the arrangement of village tour activities through one of the community members. Though effective, this executive committee is not inclusive as Dalits and other marginalized groups do not have representation.

### Operation Modality

The operation modality of the village tourism of Sirubari was simple: all families with guest room facilities are required to be members of the SVTDMC first and agree to the SVTDMC rules and regulations. SVTDMC has developed its own rules and procedure regarding the upkeep of guest rooms, sanitation and hygiene, assignment of rooms, type and quality of meals and snacks, as well as welcoming, sightseeing, and cultural programs. There are two different guest room categories. In the first category, which meets the strictest requirements, SVTDMC members host national and international visitors, while the second category is for only national visitors. In order to distribute benefits more equitably, SVTDMC has decided to spread visitors across available guest rooms.

Tourists and porters who came freely without the knowledge of any of the stakeholders were not allowed in the village until 2007, as all visitors were taken by tour operator through NVR and encouraged to book the package tour in groups. But national visitors often bypassed NVR and went directly to the village and the SVTDMC managed the accommodation for them. Once the tour date is fixed, the SVTDMC is given prior notice to arrange for porters, a welcome procession, and cultural program. This helps SVTDMC and host families to be prepared in advance. If the visitors enter the village in a group of eight or more (Folmar, 2008), there will be a welcome procession with traditional *panche-baja* or *naumati baja*. A standard package of two days/three nights or three days/four nights is offered. Most of the visitors choose the first.

According to the contract with Nepal Village Resort, SVTDMC receives NPR 1,700 for every tourist that arrives in the area, regardless of the size of the package tour. SVTDMC pays the guest room owner NPR1,000 per tourist for two night accommodation, which includes three meals a day. SVTDMC receives NPR 2,500 for a two night/three day package from foreigners and NPR1,500 from Nepali nationals. From this, 65 to 70 percent goes to the homestay operator and SVTDMC keeps some of the remaining money and gives some to the village occupation groups that provide a welcome and farewell ceremony for the visitors. Some of the money also goes to paying the groups that provide afternoon tea, and some is paid to the porters.

The contractual agreement with Nepal Village Resort ended in 2007, leading SVTDMC to function as an independent organization. The SVTDMC was also reformed for the first time in ten years. The reason for this was that NVR did not agree to the new tariff proposed by SVTDMC to meet the market value and expenses. Also, the number of tourist arrivals seemed to have decreased in comparison to earlier years. It was evident that NVR did not match the marketing and promotional activities of the previous years. However, SVTDMC gave NVR one year to rethink its decision. Once NVR chose not to renew its agreement, the old agreement was dismissed. This now made it possible for FITs and independent tourists to visit the village.

Now the SVTDMC accepts tourists from independent travel agencies and tour operators with private guides and FITs. Notification of arrival is expected well in advance. The SVTDMC is also open to any travel or tour operator to enter into a contractual agreement similar to NVR if they accept the standards proposed by SVTDMC. However, the acceptance of FITs or tourists with private guides in the future depends on the new agreement with prospective travel and tour operators.

#### 4.3.7. Investment and Returns

Operating homestays is the norm of the village and a significant amount of money has been channeled into homestay related activities. All members of the SVTDMC have investments in either a two room guest room that can accommodate four guests at a time, or in single room accommodations that suit two guests. Investments are also made to upgrade the rooms, toilets, and other services.

According to a study by Thapa (2005), the maximum amount of investment was NPR 70,000, incurred in the construction of bathrooms and some modifications to guest rooms. The lowest investment was just NPR 20,000 and was incurred in converting a normal room to a guest room and arranging some furniture. Most of the villagers running homestay operations have invested their own money from family savings to avoid the economic burden of acquiring such loans. Another discouraging factor was the cost of borrowing, which was as high as 3 to 4 percent per month.

If a comparison is made between Sirubari and Nepal's other well-known tourism destinations, the prospects seem to be bright for Sirubari because of the low level of leakages. The economic benefits from tourism that the villagers in Sirubari receive are quite low in comparison to the investment made in guest rooms (NPR 50,299) and operating costs (NPR 10,422) (Banskota et al., 2005).<sup>12</sup>

From this information it is evident that only the wealthy were able to engage in the homestay activities and capitalize on the tourism benefits.

---

<sup>12</sup> Banskota, K., Sharma, B., and Blonk, E. 2005. *Economics of Sustainable Village Tourism: Experiences and Lessons from Sirubari, Nepal*. ICIMOD Newsletter No. 48, 29–31.

### **Extract: Economics of guest room establishments**

ICIMOD and partners conducted a survey of village tourism operation in Sirubari in late 1999. During the survey year, an average guest room owner in Sirubari accommodated 12 tourists and received NPR 1,000 per tourist for a two night stay. Average income per guest room was NPR 12,000, while the average investment and annual operating cost per guest room was NPR 50,299 and NPR 10,422, respectively. The upfront investment costs when amortized under alternative lending terms provide annual repayment costs to a guest room owner. For example, if the base investment of NPR 50,299 is financed at an 18 percent annual interest rate over a five-year loan maturity period, the annual repayment to a guest room owner is NPR 15,989. In other words, the guest room owner would find it difficult to recover investments. However, if a more favorable lending term of 10 years at 16 percent interest is applied, annual costs decrease to NPR 10,345—sufficient to recover the investment.

Since the guest room owner faces both an upfront fixed investment cost and annual operating costs, net income per guest room owner is total annual tourism income minus annuity of fixed investment cost, amortized over different lending terms. Because the current level of income is not sufficient to meet the costs involved (NPR 10,422 plus annual repayment NPR 15,989), alternative income determinant scenarios that play around with price, visitor numbers, and duration of stay per guestroom were assessed. Given the tariff structure agreed upon by the TDMC and NVR for the guest room owners to recover their costs, the length of visitor stay has to increase from the present two nights to four nights, and tariff rates must increase by 20 percent.

Can the villagers afford to invest?

A fundamental question to address is whether the initial investment cost borne by an average guest room owner in Sirubari (NPR 50,299) is within the reach of an average mountain household. If rural households willing to invest in and build guest rooms have access to institutional credit, it is essential to know the affordable size of the annual loan repayment (annuity) rate that a rural borrower will be able to bear given the level of income in the area. A typical household in Nepal spent NPR 35,834 in 1996, based on the National Living Standards Survey of that year, out of which it is assumed the household will spend about one-third (NPR 10,750) on loan repayment. With this level of income, the affordable loan that can be amortized varies anywhere from NPR 33,617 (at an interest rate of 18 percent and a loan maturity period of five years) to NPR 51,958 (at a 16 percent interest rate and loan maturity period of ten years). What this exercise illustrates is that the present level of investment for making a guest room is within the reach of an average rural household if comfortable lending terms are offered.

Source: Banskota, K., Sharma, B., and Blonk, E. (2005). *Economics of Sustainable Village Tourism: Experiences and Lessons from Sirubari, Nepal*. ICIMOD Newsletter No. 48, p. 29–31.

#### 4.3.8. Biodiversity and Environmental Benefits

The award-winning community forest in Sirubari has maintained its biodiversity. Many mountain tourism destinations in Nepal are facing a deforestation problem due to the growing need for firewood required by tourists and locals, and because of the absence of alternative energy sources. But households in Sirubari have some sort of alternative energy source such as improved cook stoves, biogas cylinders, or solar cookers. Negative environmental impacts have not been experienced so far in Sirubari probably because of the low inflow of tourists.

Consuming local meals has discouraged the use of packaged food items, so the problem of disposing plastic, cans, and bottles is reduced. Waste management is well practiced. Gray water from bathrooms is fed to a septic tank while waste water from household activities is supplied to kitchen gardens. Biodegradable waste is used to make compost or mixed together with farm yard manure. There is increased awareness in terms of hygiene and sanitation. The villagers organize cleaning campaigns at least once a week in the main trails and community area to make it aesthetically pleasant for the guests.

#### 4.3.9. Sirubari, the Role Model

The village tourism model of Sirubari has provided the background for planners and policy makers working in the field of tourism and local development. Policy planners have replicated it in other potential areas as a means of conservation and economic development, and as a way to extend tourism benefits to the rural people. As mentioned earlier, Sirubari is the first tourism product in Nepal that was created from the supply side of the tourism market. It has bagged various awards, which reflect its success as a role model not only for Nepal but for the world. Sirubari village won the Pacific Asia Travel Association Gold Award in the heritage category at the 2001 PATA Gold Awards. Similarly, the government of Nepal has recognized Sirubari for its contribution to sustainable mountain development at the local level. The village has been awarded the International Mountain Development prize on the occasion of International Mountain Day 2004. The village also received television coverage as an exemplary tourism model in a program aired by Japan's NHK channel and by Singaporean channels.

#### *Success Factors*

The successful initiation and implementation of Sirubari village tourism depended on some important factors:

- Strong leadership, community participation, and unity among villagers. Sirubari has a strong social capital base because of its rich Gurung culture and strong sense of solidarity.
- Proactive marketing and publicity at the national level, developed and managed well by NVR
- Strong social and economic standing of the participants
- Community support for tourism and willingness to adapt to economic opportunities, as well as a feeling of ownership of the project
- Projects built upon principles of partnership and collaboration
- External support from the government and NGOs

More than 50 percent of receipts from tourism were retained in the village. This was many times higher than the tourism receipt retained by regular trekking routes.

#### *Opportunity Gaps*

Tourism in the village has seen many of the drawbacks and opportunity gaps that hinder growth. Some of the underlying issues are:

- **Duration:** The length of stay in Sirubari has not been increased. Over 95 percent of visitors still choose the two night/three day tour package. The main reason for this is the lack of other tourism activities that encourage visitors to stay longer.

- **Migration:** Young villagers are migrating to urban areas or abroad for higher studies and better paid jobs. This has created a generation gap in Sirubari, leaving few to take up tourism management responsibilities. Because of the lack of interest among the younger generation, the tourism project may not be sustainable.
- **Lack of pro-poor activities:** The marginalized groups have still not been able to reap the benefits of the tourism initiative in the village. It is often argued that tourism has helped only the rich community capable of running homestays. The Dalits are still treated as untouchables and contact with them is avoided to the greatest extent possible.
- **Other:** Sirubari suffers from poor access, weak transfer of state-of-the-art technology and practices to the new generation, low occupancy rates (the highest number in a year was 300 domestic and 1,500 foreign tourists), and the lack of a local code of conduct for villagers and tourists.

### *Where is Sirubari Heading?*

Once one of the first, and most successful, tourism projects—that received global recognition and accolades—Sirubari is now facing hurdles that have drawn into question its sustainability. Its declining success has helped bring forward key lessons for designing and developing similar projects. The main issues that have affected its success are:

- **Migration:** Most of the locals of Sirubari who were associated with the British Gurkha Army are eligible for resident status in the United Kingdom and have opted to become citizens there. These locals owned the households that invested their savings in homestays. With the migration of these families, a large vacuum has been created for potential successors to run the business. Furthermore, the younger generation does not seem to be interested in carrying forward the business.
- **Lack of interest:** The empty houses of the families that have migrated have been occupied by friends or relatives or rented out. These people are not interested in running homestays. From the 25 homestays there are now only 15 operational. This has reduced the dining and lodging capacity, and guests have been turned away.
- **New investments:** There has not been any investment in new homestays. The existing households (the majority are from poor and marginalized groups because the wealthier ones have migrated) do not have the money or have not been able to get financial assistance to engage in tourism. Households do not want to expand their homestay activities as there is a dearth of manpower resources.
- **Laid back attitude:** The zeal and enthusiasm that once existed in the village during the start of the village tourism in Sirubari is fast disappearing. This has created gaps in the quality of the experience and hospitality people used to get in Sirubari.
- **Separation from NVR:** During the conflict period, Sirubari received negative publicity, which affected the flow of international tourists. The termination of its contract with NVR has impacted its marketing activities. There has not been much growth in the number of international tourists and this may impact the whole dynamic of the tourism business. Also, other destinations have come up with similar offerings, creating competition.

## **5. Summary of Findings**



Community based ecotourism has always been promoted as an instrument for providing social, environmental, and economic development in the community. It is believed that such forms of tourism do to a certain extent achieve the objectives mentioned above; however, their success, or lack of it, has not been documented, and the benefits are largely not quantified. As an alternative to mainstream tourism, setting the objectives of economic and social development, they are rarely subject to criticism. Nevertheless, despite any documented benefits, this form of tourism remains popular when it comes to conservation and uplifting local communities.

However, it must not be forgotten that the community also makes its contribution to the project in the form of time and labor. These have value when considering significant opportunity costs. Especially for the poorest communities, they cannot afford to be distracted from subsistence activities. Since they contribute to the ecotourism project, they too have an interest in knowing how successful such initiatives will be before engaging in them. Therefore, it becomes imperative that research be done and past initiatives be analyzed first.

To evaluate the overall learning from the rapid assessment, all three pilot sites were analyzed and compared to better judge the advantages and shortcomings of each. The following section summarizes the major learning from all three case studies, which will help formulate the ground work for the Hariyo Ban ecotourism initiative and ensure its success.

### *Competent Management*

The management and governance committee is the foundation of the project, as it enables implementation of the idea. It depends on the management committee whether the benefits are being received at the community level and whether they are adequate or not. A strong leadership is required to make the project participatory as lack of leadership skills would result in non-participation due to the households not being confident and motivated and therefore not wanting to be involved in the activities. Therefore, the management committee must be efficient enough to meet the objectives of the project.

### *Committee Representation*

Ecotourism projects need a sound institutional framework within which the poor and underprivileged can exercise their rights to act, organize, make demands, and claim resources from the public funds. In order to ensure this, there needs to be representation of the poor on the committee. Taking the example of the Mushars in Baghmara, the intentions of the committee were right in setting up a fishery, but its utility was diminished because it did not adequately involve the Mushar community.

Also, to ensure accountability and transparency of the committee, a representative of the governing agency should be included in the committee to play an advisory and governing role. For instance, if the region falls under the Annapurna Conservation Area Program, then the committee must include a representative from ACAP. Other representatives could be from National Trust for Nature Conservation or any active non-governmental organization within the project area. The main purpose behind such representation is that it would lead to a more transparent working system within the committee. Other practices to ensure transparency could be an annual public hearing and public auditing.

### *Effective Marketing*

In a world of cutthroat competition, it is extremely important to market and brand a product to differentiate it from other such products available in the market. The experience of Sirubari village speaks to the importance of marketing. With Nepal Village Resort assuming full responsibility of the marketing activities, tourist arrival saw significant growth. But when the contract ended in 2007, tourism arrival decreased accordingly. Baghmara Community Forest meanwhile has been taking advantage of the brand of Chitwan National Park. However, with other such community forests in the vicinity, it stands to lose tourists if marketing is not done properly.



### *Market Linkages*

As has been stated earlier, the committee must be entrepreneurial and explore all possibilities of market linkages with the community, and establish them wherever possible. For instance, providing trainings in sewing and fishing is not adequate if there is no market in which to sell such products. These trainings can be provided, but a ready market for such products must also be established. This will help aid social inclusion in the village.

As was the case in Baghmara, the hotel industry was booming due to increased tourist arrival. However the CFUG could not take advantage of this as a market for the agricultural produce of the community. If such a link could be established, the community would benefit.

### *Promoting Local Produce*

It was noticed that in Ghalegaon, with the establishment of shops selling alcohol, chips, and other such items, the profits were concentrated in a few hands. In such places, locally made items, including alcohol, can be promoted so that the benefits from sale are dispersed to a larger group of people.

### *Consensus among Stakeholders*

As was the case in Ghalegaon, at the start of the project ties were developed with the Nepal Tourism Board. This helped promote the village. All involved stakeholders must be in consensus regarding the project to better achieve its objectives.

### *Separate Fund for Poor and Marginalized Groups*

Where the community based ecotourism project does not provide a direct source of livelihood to the community, a separate fund can be established to raise the standard of living of the poor and marginalized groups. Since the entire objective of the project is to provide a source of income to the poor, the creation of such a fund is essential. Alternatively, this fund can be utilized to provide financing activities at affordable rates to ensure that the poor and marginalized groups also have access to financial assistance for ecotourism activities. This will instill a sense of inclusion.

### *Tourist Numbers Based on Lodging Facilities*

In order to ensure that no complications about where tourists will be hosted arise at the latter stage of the ecotourism project, all details must be worked out in advance. For example, certain criteria must be met to be labeled a homestay, such as

- at least five houses must be involved in homestays for the project to be called a rural community based homestay;
- the village home must have a minimum of one separate room for tourists and maximum of four rooms; and
- each room must have a maximum of two beds.

The aforementioned criteria limits the maximum number of tourists that one village home can accommodate to eight. Therefore, if the potential ecotourism sites are based on a homestay model, the maximum number of tourists will reach saturation once all the village homes operate four rooms. This means that increasing the number of tourists to increase revenue is not a model that can be adopted. Before adopting a homestay model, it must be clearly understood that there is an upper limit on the number of tourists the village can accommodate and it cannot be negotiated. If the target is to engage in mass tourism, then other forms of stay such as lodges or hotels will need to be built to ensure the capacity of the tourism destination can be increased. Similarly, to engage in mass tourism, tourism information centers, professional wildlife guides, and cultural activities will be required.

### *Technical and Financial Support*

A separate fund must also be established to provide loans at subsidized interest rates to community members so they may purchase livestock and machines or upgrade their homestay facilities. Technical assistance and training in conducting homestays should be provided regularly.

It was observed that Ghalegaon and Sirubari were entrepreneurial initiatives, while Baghmara was established only to sell a product, the Baghmara Community Forest. Locals of Sirubari and Ghalegaon could be called entrepreneurs because they are directly involved in the tourism business through homestays. But the Baghmara community has no such involvement in tourism activities. The only way community members see benefits from tourism is through the management of Baghmara Community Forest. Had the community and the management committee been more proactive, a mechanism could have been developed so that they could benefit from increased tourist arrival. For instance, each of the four wards could open a hotel and staff could be hired from the respective wards. Agricultural produce could be purchased from people within the ward, creating a backward linkage with the community. Even if resources are lacking to open a hotel, some sort of mechanism could be drawn where the existing hotel entrepreneurs buy agricultural produce from the local community. However, such initiatives are lacking. As a result, the key difference between the two forms of community based ecotourism is that Ghalegaon and Sirubari are a means of directly providing a livelihood to the community, while Baghmara focuses on the conservation of biodiversity. Ultimately, in order for the ecotourism initiative to work, the committee must be entrepreneurial and explore all opportunities for community participation.

## **6. District Profiling and Selection**

### **6.1. Methodology and Approach**

The study used a standard statistical evaluation technique to identify two potential districts in both the Chitwan Annapurna Landscape (CHAL) and Terai Arc Landscape (TAL). TAL stretches between the Bagmati River in Nepal and Yamuna River in India, and encompasses 15 protected areas, which include all or part of 14 Terai districts (Rautahat, Bara, Parsa, Chitwan, Makwanpur, Nawalparasi, Rupandehi, Kapilbastu, Dang, Banke, Bardia, Kailali, Kanchanpur, Palpa) between the Bagmati and Mahakali rivers. CHAL contains the Kali, Seti, Marsyandi, and Trisuli river basins, and encompasses all or part of 19 districts, which include Mustang, Manang, Gorkha, Rasuwa, Nuwakot, Dhading, Lamjung, Tanahu, Chitwan, Nawalparasi, Syangja, Kaski, Parbat, Baglung, Myagdi, Gulmi, Arghakhachi, and Palpa.

#### **6.1.1. Initial Short-listing of Districts**

Given the time and resource constraints, it was not possible to assess and map the ecotourism potential in all these districts through field visits. Therefore, it was agreed to shortlist only a few districts in both landscapes. All the districts in both landscapes were evaluated against various parameters. These parameters resulted in ten potential districts for the next phase of evaluation through in-depth study and field visits. The parameters on which the evaluation of the districts was undertaken were grouped into four major components, namely objective, primary facilitators, secondary facilitators, and people, as shown in the table below.

**Table 8: Components and Parameters for District Selection**

<b>Objective</b>	<b>Primary facilitators</b>	<b>Secondary facilitators</b>	<b>People</b>
Biodiversity	Geological attractiveness	Accessibility	Demography
Livelihood	Flora and fauna	Infrastructural adequacy	Migration pressures
Gender and social	Cultural heritage		

inclusion			
	Existing tourism destinations		
	Scope for clustering		
4	3	2	1

Each of the components was given a weight on a scale of 1 to 4, 1 being the lowest and 4 being the highest, based on their importance to the project. All parameters were rated on scale of 1 to 5, 1 being the lowest and 5 being the highest. The weighted average for all the districts would then form the basis for selecting the 10 potential districts for field visits. The field visits will help identify the sites or clusters where there is a high possibility of engaging the communities and developing an ecotourism destination that would be saleable and which would ultimately contribute to the achievement of the objectives of this project and Hariyo Ban Program. Each of the components and parameters shown in the table is discussed in detail below.

### *Objective*

The main objective of this project is to reduce threats to biodiversity, create alternative means of livelihood, and improve gender and social inclusion.

Ecotourism is seen as just one of the ways to do it. Tourism is one of the fastest growing industries and can be a sustainable alternative to economic activities that would be damaging to biodiversity. Therefore, three major parameters were evaluated under this goal: biodiversity, livelihood, and gender and social inclusion. The highest weight of 4 was given to this component as it determines where the project is most suitable and in line with the objective of the program.

**Biodiversity:** The factors that were measured to score biodiversity were based on the availability of attractive, well-protected areas; *ramsar* sites; important bird areas; the occurrence of endemic and rare charismatic species; and attractive geomorphic formations and features. Areas scoring high in the following areas were given a high score because they would be rich in biodiversity and because conservation is key to protecting the sites from potential threats. Tourists are also attracted by natural landscapes that harbor significant biodiversity.

**Alternative means of livelihood:** Districts in both landscapes were evaluated on the basis of various sources of livelihood, for example, agriculture, trade and industry, and dairy farming. As it is labor intensive, has relatively high multiplier effects, and requires relatively low levels of capital and land investment, tourism can yield significant benefits in remote and rural areas where traditional livelihoods are under threat. Districts with no alternative means of livelihood were given a higher score as the project is aimed at venturing into areas without alternative sources of income. Ecotourism can be a key source of income and employment for local communities, which in turn provides strong incentives to protect biodiversity.

**Gender and social inclusion:** Since, no district information was available to evaluate gender and social inclusion, the study used related parameters that reflect it. To evaluate this parameter we used the Human Development Index (HDI),<sup>13</sup> the Gender-related Development Index (GDI),<sup>14</sup> and the Gender

<sup>13</sup> The Human Development Index is a composite statistic used to rank countries by level of "human development. The HDI is a comparative measure of life expectancy, literacy, education, and standard of living of a country. It is a standard means of measuring well-being, especially child welfare. It is also used to distinguish whether the country is developed, developing, or under-developed. It is also used to measure the impact of economic policies on quality of life.

<sup>14</sup> The Gender-related Development Index and the Gender Empowerment Measure were introduced in 1995 in the Human Development Report written by the United Nations Development Program. The aim of these measurements was to add a gender-sensitive dimension to the Human Development Index.

Empowerment Measure (GEM).<sup>15</sup> The averages of these were taken to score the districts under this parameter. Districts with a low score were rated higher since the project aims to foster social inclusion, gender balance, and empowerment of vulnerable groups in the region.

Ranking based on the evaluation of the above component is given in the table below:

**Table 9: Top 10 Districts on the Basis of Objective**

<b>Ranking Based on Objective</b>		
<i>Rank</i>	<i>Site</i>	<i>Total</i>
1	Manang	14.67
2	Mustang	14.67
3	Rasuwa	14.67
4	Nawalparasi	13.78
5	Chitwan	12.89
6	Kailali	12.00
7	Kapilbastu	11.56
8	Myagdi	11.56
9	Banke	11.11
10	Bardia	11.11

#### *Primary Facilitators*

Primary facilitators include those factors that facilitate the development of a tourist destination. These are attractions that will drive tourists to visit these destinations. Without these it will not be able to package an attractive destination. This includes geological attractiveness, flora and fauna, cultural heritage, and existing and potential tourism destinations. These are enablers that will make the project feasible.

**Geological attractiveness:** Attractive geomorphic formations and features, mountain views, famous lakes and rivers, waterfalls, and historical sites were considered while scoring the districts.

**Flora and fauna:** Districts were reviewed based on their level of flora and fauna, with districts with greater flora and fauna being rated higher.

**Cultural heritage:** Historical sites, religious sites, and ethnic cultural prominence were the factors considered while scoring the districts under cultural heritage. A higher scoring was given to districts with more of these factors.

**Existing tourism destinations:** Districts were reviewed and scored on the basis of available tourism destinations and their ability to attract tourists. Districts with these features were scored higher.

---

The first measurement that they created as a result was the Gender-related Development Index. The GDI is defined as a “distribution-sensitive measure that accounts for the human development impact of existing gender gaps in the three components of the HDI.” It addresses gender-gaps in life expectancy, education, and income.

<sup>15</sup> The Gender Empowerment Measure attempts to measure the extent of gender inequality across the globe's countries based on estimates of women's relative economic income, participation in high-paying positions with economic power, and access to professional and parliamentary positions.

**Potential for clustering:** All 30 districts in question were analyzed to see if a possible group or cluster could be made by combining destinations that would provide a varied and holistic range of tourist attractions. Districts that could be grouped with other such destinations in the vicinity were scored higher.

Ranking based on the evaluation of the above components is shown in the table below.

**Table 10: Top 10 Districts on the Basis of Primary Facilitators**

<b>Ranking Based on Primary Facilitators</b>		
<i>Rank</i>	<i>Site</i>	<i>Total</i>
1	Manang	12.00
2	Mustang	11.4
3	Gorkha	10.8
4	Kaski	10.8
5	Rasuwa	10.2
6	Chitwan	9.6
7	Lamjung	9.6
8	Myagdi	9
9	Nawalparasi	8.4
10	Palpa	8.4

#### *Secondary Facilitators*

Secondary facilitators are those that will enable tourism activities to be conducted. As a result of Nepal's geographical terrain there are many places that have huge tourism potential but are not easily accessible. Also due to the lack of infrastructural adequacy these areas have not been able to cash in on the tourism potential supported by their rich natural and cultural resources.

**Accessibility:** In order to measure accessibility, the availability of airports and road connections were considered. To assess the accessibility, the existing road density in each of the districts was evaluated.

**Infrastructural adequacy:** In order to measure infrastructural adequacy, the availability of facilities such as drinking water, electricity, and sanitation were considered. Districts with a greater availability of these features were given a higher score.

Ranking based on the evaluation of the above component is given in the table below:

**Table 11: Top 10 Districts on the Basis of Secondary Facilitators**

<b>Ranking Based on Secondary Facilitators</b>		
<i>Rank</i>	<i>Site</i>	<i>Total</i>
1	Kaski	9.67
2	Tanahu	9.00
3	Rupandehi	9.00
4	Nuwakot	8.00

5	Parbat	7.67
6	Syangja	7.67
7	Rautahat	7.33
8	Banke	7.00
9	Palpa	6.33
10	Gulmi	6.33

### *People*

The last parameter was the willingness and ability of the local community to engage in tourism. Therefore, the demographic profile in each of the districts was evaluated to see if there were sufficient human resources. Along with this, migratory pressure in each of the districts was evaluated to see if outmigration could be controlled by creating employment in these locations. Sustainable tourism can also make communities proud of maintaining and sharing their traditions, knowledge, and art, which contributes to the sustainable use of local biodiversity.

**Demography:** The demographic profile of the districts was measured using the formula given below. The lower the literacy level of the district, the greater the score as there is a lower chance of migration. For this criteria, the bigger the household, the greater the score given. This is because there is a greater chance that these households have just one source of income from traditional means, which is unlikely to sustain their entire household. The lower the migration rate, the higher the score, as it is essential to provide opportunities for people to prevent outmigration.

Ranking based on the evaluation of the above component is given in the table below:

**Table 12: Top 10 Districts on the Basis of People**

<b>Ranking Based on People</b>		
<i>Rank</i>	<i>Site</i>	<i>Total</i>
1	Baglung	4.00
2	Rautahat	3.33
3	Gulmi	3.33
4	Bara	3.33
5	Kapilbastu	3.33
6	Arghakhachi	3.33
7	Tanahu	3.00
8	Parbat	3.00
9	Parsa	3.00
10	Myagdi	3.00

### *Overall Ranking*

Finally, the table below shows the overall ranking of the districts according to all of the parameters.

**Table 13: Overall Ranking Based on the Four Major Components**

Total Ranking
---------------

<i>Rank</i>	<i>Site</i>	<i>Total</i>
1	Rasuwa	33.53
2	Manang	32.67
3	Kaski	32.36
4	Mustang	32.07
5	Chitwan	30.49
6	Nawalparasi	30.18
7	Myagdi	27.22
8	Gorkha	27.02
9	Kailali	26.53
10	Banke	26.18

**Table 14: Overall Ranking of Districts in the CHAL and TAL Regions**

Rank	CHAL	TAL
1	Rasuwa	Chitwan
2	Manang	Nawalparasi
3	Kaski	Kailali
4	Mustang	Banke
5	Chitwan	Kapilbastu
6	Nawalparasi	Kanchanpur
7	Myagdi	Bardia
8	Gorkha	Palpa
9	Lamjung	Rupandehi
10	Syangja	Makwanpur
11	Palpa	Parsa
12	Parbat	Rautahat
13	Tanahu	Bara
14	Baglung	Dang
15	Gulmi	
16	Dhading	
17	Nuwakot	
18	Arghakhachi	

It is evident that the districts that have high rankings are those where there is already a lot of tourism. It was agreed that focusing on these districts may not be very fruitful for the following reasons:

- There is already an established sector and it will be very difficult to intervene since we will have to make changes to the existing structure rather than starting something new.

- There are already other multilateral and bilateral organizations working or running projects in these areas, thus the intervention will only double the work already done.
- Getting community members to buy in will be difficult as they are already engaged in this activity and know how to generate income to sustain themselves.

Still, starting a project in these areas would be easy because there are existing tourism activities that may need only scaling up, promoting, or marketing.

The study went on to identify those districts that have great potential for tourism but due to some reason or other have not been able to take advantage of it. The districts are as follows:

CHAL Region		TAL Region	
<i>Clusters</i>	<i>Individual Districts</i>	<i>Clusters</i>	<i>Individual Districts</i>
- Syangja	- Gorkha	- Kailali	- Makwanpur
- Palpa		- Kanchanpur	

These six districts were subject to change depending on the initial findings presented by the baseline study team and the CHAL rapid assessment team. Upon conducting discussions with the Hariyo Ban team and researching other potential destinations, four additional districts were identified. In total, 10 districts will undergo field visits in the next step to identify the four potential sites or clusters with ecotourism potential.

#### 6.1.2. Key Informant Interviews

After narrowing down the study area from 32 districts to six, the task was to identify potential community based tourism (CBT) sites within each of the six districts and also to identify any other districts with potential that might have been missed in the initial short listing. In the absence of relevant data, stakeholders were relied on as both key informants and key players in the implementation of tourism development activities in the districts. Meetings and discussions with relevant stakeholders were a vital part of the study since there was little or no publicly available information about community based tourism in the selected districts.

The objective of interacting with the stakeholders was to gather the experiences of experts working at the policy level and to hear the views and opinions of organizations, agencies, and individuals directly involved in the tourism sector in order to identify potential CBT sites.

Interviews and discussions with stake holders were semi-structured and conducted using the questionnaire provided in the inception report as a basis for information gathering. Each stakeholder was provided with the list of the selected districts and asked to provide insights on the tourism potential of each, taking into account its biodiversity, geological attractiveness, and current tourism activities. Interactive discussions with the stakeholders disclosed several sites that included both well-developed tourist destinations as well as potential sites for CBT.

Destinations that had already developed into a tourist hub were excluded from the list and only those sites where the participants saw potential were kept on the list. A total of 37 sites were identified (see Annex 1). Each potential site was then discussed in detail with respect to its biodiversity, geological attractions, accessibility, infrastructural adequacy, and resident community. A detailed site-specific inventory was prepared to showcase the reasons why each location had potential as a community based ecotourism destination.



### 6.1.3. Discussion with Hariyo Ban Team

The list of potential sites was presented to the Hariyo Ban team. Keeping in mind the time and resource constraints, an interactive session was held to discuss each potential site so as to filter the exhaustive list into workable prospects. The main objective of the discussions was to use the expertise of the team members to identify the sites that had the most potential, and arrive at a number that would meet the limits of the project. From the 37 potential sites it was agreed that nine—four in CHAL and five in TAL—were ideal for conducting an extensive survey in order to identify two destinations in each region. The following table provides a list of the sites to which field visits were conducted.

**Table 15: List of Sites where Field Visits Were Conducted**

S.N.	Site	District	Region
1	Barpak	Gorkha	CHAL
2	Tanahusur, Dhor Phirdhi, Merlungkot	Tanahu	CHAL
3	Panchase Lekh	Kaski/Syangja/Parbat	CHAL
4	Syange, Nipragaon, Chapa Dada, Dod, Rhendu, Ghopte	Lamjung	CHAL
5	Jalbire	Chitwan	TAL
6	Amaltari, Baghkhori	Nawalparasi	TAL
7	Madi	Chitwan	TAL
8	Shukhlaphanta Wildlife Reserve	Kanchanpur	TAL
9	Ghoda Ghodi Lake	Kailali	TAL

## 7. Pre-Feasibility Assessment

Destination visits were conducted to carry out a pre-feasibility assessment to narrow the **nine** selected sites to four. The study used quantitative tools to assess the potential for ecotourism. As was done for all districts in the TAL and CHAL regions, the selected sites were assessed on a number of criteria. The following section outlines the methodology used to arrive at the final four sites.

### 7.1. Methodology and Approach

The study used a statistical evaluation technique to identify the four sites with most potential for developing an ecotourism destination. The sites were evaluated on the basis of extensive parameters, which were as follows:

**Table 16: Parameters for Pre-feasibility Assessment of Sites Visited**

Attraction inventory	Potentialities	Human capacity assessment	Infrastructural adequacy	Socioeconomic analysis
Geological attractions	Accessibility	Demographics	Electricity	Source of income
Biodiversity	Market demand	Activeness (groups and committees)	Sanitation	Standard of living
Cultural heritage	Competitiveness	Willingness	Schools	
Historical and religious relevance	Existing tourism	Capability	Medical facilities	
	Potential activities	Migratory pressure		

5	4	3	2	1
---	---	---	---	---

Based on their importance, the parameters were assigned a weight from 1 to 5, 5 being the parameter with the most importance in determining the sites for the ecotourism initiatives, and 1 being the parameter with the least importance. Each component of the parameter was scored on a scale of 1 to 5, and thereafter multiplied by the weight given to the parameters. In this way we arrived at a final score for the nine sites. The components of the parameters are explained below.

#### *Attraction Inventory*

The most important component in developing a tourism product is the varied attractions it can offer. Taking this into consideration, all existing and potential attractions in the sites were examined and an inventory was made. It included:

- Potential geological attractions, wilderness, trekking routes, mountain views, and the like
- Flora and fauna in the proposed sites
- Cultural heritage and opportunities for tourists to experience it (dances, museums, etc.)
- Historical and religious sites

Each of these attractions was evaluated on its potential to support the ecotourism project. All sub-components were scored on a scale of 1 to 5, 1 for the least attractive and 5 for the most. Since these form the basis on which the ecotourism products will be developed, the attraction inventory was given the highest weight of 5. Based on this parameter, the ranking for the sites stood as follows:

**Table 17: Ranking Based on Parameters for Attraction Inventory**

Sites in TAL	Ranking	Sites in CHAL	Ranking
Panchase	3.67	Amaltari	3.17
Syange	2.83	Madi	3.17
Tanahusur/Merlungkot	2.67	Shukhlaphanta/ Ghoda Ghodi Lake	3.00
Barpak	2.00	Jalbire	2.33

As can be seen from the table, in the CHAL region, Panchase in Kaski and Syange in Lamjung were ranked highest, whereas in the TAL region, Madi and Amaltari were ranked highest. Panchase is a hotspot for biodiversity, both in terms of flora and fauna. It boasts 113 species of orchid, 589 flowering plants, 107 species of medicinal plants, and 262 species of birds. Black bears, leopards, porcupines, deer, and flying squirrels are easily spotted. Panchase also offers a majestic 180 degree view of the Himalayas, namely, Annapurna I and II, Lamjung, Machhapuchhare, and Gauri Shankar. The Panchase Dham attracts 30,000 devotees every year. All in all, Panchase provides a complete package for a varied clientele.

Syange meanwhile is home to two beautiful waterfalls, Rhendu and Syange, with three additional waterfalls nearby. Syange is surrounded by the pristine Himalayas in the north and the Mahabharata range in the south. The destination provides breathtaking views of the sunrise and sunset. Other attractions include hot water springs and honey hunters. As in Panchase, Syange is rich in Gurung culture.

In the TAL region, Amaltari in Nawalparasi and Madi in Chitwan are both located close to Chitwan National Park. Therefore, the main attraction in both destinations is the jungle. Because of the area's proximity to the park, animal and bird sightings are common.

### Potentialities

The next parameter evaluated the potential of these sites to develop the attractions and create sustainable demand through measurable sub-components. They include:

- **Accessibility:** One of the determinants of a successful ecotourism destination is how easy it is to access. Each of the sites was evaluated on the basis of its connectivity to major cities in Nepal, and the ease of mobility within it.
- **Market demand:** This parameter gauged whether the ecotourism products would be able to generate enough demand to sustain the project. The potential target market was analyzed as well in order to determine the demand.
- **Competitiveness:** A review of each site's competitiveness was made to assess the competition in the region. It looked at competition from existing tourism destinations in other sites that could either compromise sustainability or overlap objectives. The threat from new entrants was also analyzed to ensure tourism clustering does not happen.
- **Existing tourism:** It was decided that sites with existing tourism activities would not be chosen for this project because it was felt that a new destination where tourism potential exists but has not been promoted would provide a higher marginal benefit to the local communities.
- **Potential activities:** Based on the attraction inventory, possible activities were mapped out, keeping in mind the novelty or pioneering nature of such activities.

All the above sub-components were scored on a scale of 1 to 5 for each of the sites, with 1 given to those sites with the least amount of potential and 5 given to those with the most. Sites with existing tourism activities were given a low score and those with little or none were given a higher score. The weight given to this broad parameter was 4, as it is the second most important parameter after the attraction inventory. Based on this parameter, the following table provides the ranking for the sites in the CHAL and TAL region.

**Table 18: Ranking Based on Potentialities**

Sites in TAL	Ranking	Sites in CHAL	Ranking
Panchase	3.40	Amaltari	3.50
Syange	3.20	Sukhlaphanta/ Ghoda Ghodi Lake	3.00
Tanahusur/ Merlungkot	2.60	Madi	2.90
Barpak	2.00	Jalbire	2.40

In terms of accessibility, Panchase is at an advantage because it is close to Pokhara. It is connected via metal and earthen roads. Its richness in biodiversity will attract researchers and students. Panchase would face competition from Dhampus and Sarangkot, but since there are more attractions than just the scenic view of the mountains it has an advantage. Since tourism is in its nascent stage, a few houses have started homestay facilities, but they are not yet organized.

Syange's great attraction is canyoning. As stated earlier, two target segments of tourists on the Annapurna circuit trek and tourists looking for adventure sports will be marketed to. The third attraction of homestays will help capture the trekking market that is already there. Located approximately 26 kilometers from Besisahar, Syange is easily accessible, making it all the more competitive.

Amaltari in Nawalparasi is probably the best location in terms of accessibility. With the decision to remove the hotels inside Chitwan National Park, lodges will move to the outskirts of the park and take their guests to the neighboring community forests. Once this move takes place, the demand for the neighboring CFs will increase drastically. If the CFs receive higher revenues, they may become politicized as was the case in Baghmara. Since Nawalparasi has not been marketed yet, and the eastern belt of the Narayani River has yet to be explored and established as a tourism destination, other established areas pose competition. Sauraha is an established pocket, where the CF offers the same tourism activities. There are a handful of hotels already established in Amaltari, so the homestay villages will also face competition.

Shuklaphanta Wildlife Reserve and Ghoda Ghodi Lake are located in the Far Western region, so travel costs from Kathmandu will be high. But SWR is close to northern India, and the flow of Indian visitors already exists. Now these activities need to be marketed to them to create demand. Among domestic tourists, travel culture is increasing. Repeat clientele to Chitwan National Park and Bardia National Park will decrease as domestic tourists look for new destinations. This is where Shuklaphanta will have a market. Also, Nepalis who take this route to Nainital and other areas could be potential targets. As for foreign tourists, spending an additional USD 200 is nominal once they have entered Kathmandu, so they might be interested in an alternative to CNP.

### *Human Capacity Assessment*

Since tourism is a people-oriented business and depends on the quality of its service, it is important to determine the existing capacities and the degree to which a community can meaningfully engage in the sustainable development of ecotourism. To assess the human capacity of the community in each of the sites, the following components were looked into:

- **Demographics:** The demographics of the community were analyzed on the basis of cultural homogeneity, composition, and size. A manageable size with a homogeneous community in terms of caste and a composition with the right balance of youth, adults and, the elderly would be ideal. Such a community was given a higher scoring where it existed.
- **Activeness:** Whether the community had formed groups for fathers, mothers, and youths helps assess its activeness and motivation in improving living standards. The level of activeness helps us assess whether the community will be willing to get involved in tourism activities. The higher the capability, the higher the scoring.
- **Willingness:** In order for the ecotourism project to be successful, the buy in of members of the community was a must as they would be ones implementing the project. Therefore, the willingness of the community to engage in such activities was assessed. The higher the capability, the higher the score.
- **Capability:** Along with willingness, the capability of the community to contribute to the project was also assessed. Again, the higher the capability, the higher the score.
- **Migratory pressure:** The extent of outward migration in these regions was also analyzed. Regions with a higher migration rate were given a higher weight since one of the objectives of the study was to create means of livelihood so that people would not have to leave their villages to seek employment.

The aggregate scoring for the aforementioned sub-components was multiplied by a weightage of 3. The ranking for this parameter is as follows.

**Table 19: Ranking Based on Human Capacity Assessment**

Sites in TAL	Ranking	Sites in CHAL	Ranking
Barpak	3.80	Madi	3.40
Panchase	3.60	Amaltari	3.40
Syange	3.50	Jalbire	3.20
Tanahusur/ Merlungkot	3.10	Shuklaphanta/Ghoda Ghodi Lake	3.00

It was seen that communities in all sites were very willing to engage in ecotourism activities. In Barpak, the community was large in terms of household size, but it was still closely knit and unified. The village groups in Barpak, Panchase, Madi, and Amaltari are also very active. All groups would take contributions from members and create a fund to provide loans to members. In Panchase migration is very high, so there are fewer youths in the community. One of the villages in Panchase is being transformed into an organic village, which could also be used as a marketing tool.

#### **Infrastructural Adequacy**

Inadequate infrastructure and basic facilities can hinder tourism development. First-hand information was collated through interviews regarding electricity, sanitation (prevalence of toilets), shower facilities, drinking water, medical facilities, and other such infrastructural resources that will support tourism activities. The availability of schools in the locality was also documented because it gives an idea of the extent of development in the region. Since accessibility is already discussed in the parameter measuring potentialities, it has not been discussed again here. For the aforementioned points, sites with adequate infrastructure were given a higher score. Based on this parameter, the ranking in the TAL and CHAL regions stands as follows:

**Table 20: Ranking Based on Infrastructural Adequacy**

Sites in TAL	Ranking	Sites in CHAL	Ranking
Barpak	3.50	Shuklaphanta/ Ghoda Ghodi Lake	3.00
Tanahusur/Merlungkot	3.00	Amaltari	2.75
Syange	2.75	Jalbire	2.25
Panchase	2.50	Madi	2.13

Barpak ranked the highest in terms of tourism infrastructure. It has access to electricity all year round because it owns a micro-hydropower plant that produces 75 kilowatts. Every house has access to a full bathroom. The other top three destinations according to this parameter more or less fared the same with access to public toilets and bathrooms. Electricity is obtained through the national grid. Medical facilities, though minimal, are present.

#### **Socioeconomic Analysis**

Since the objective of the project was to improve the standard of living of the communities through direct involvement in ecotourism activities, it was important to set this as one of the parameters. Current sources of income were analyzed to see their standard of living in terms of whether they were able to provide basic amenities to their families. Communities with a higher standard of living were given a lower scoring

and vice versa. This was done to favor those communities where ecotourism activities could help raise the standard of living. This parameter was assigned a weightage of 1, as with the aspect of developing a tourism product, other parameters took precedence over this one. Based on this, the ranking stands as follows:

**Table 21: Ranking Based on Socioeconomic Analysis**

Sites in TAL	Ranking	Sites in CHAL	Ranking
Syange	3.50	Madi	4.00
Barpak	2.00	Shuklaphanta/ Ghoda Ghodi Lake	3.00
Tanahusur/Merlungkot	2.00	Jalbire	2.50
Panchase	2.00	Amaltari	2.00

Due to high migratory pressure in Syange, there is only a small youth population. High dependence on agriculture limits their source of income, and most of the produce is consumed by the families. Although Madi is one of the most fertile regions in Nepal, half of its produce is destroyed by wild animals. The community close to Shuklaphanta Wildlife Reserve is also mostly dependent on agriculture, and some residents are involved in manual labor, electrical work, tailoring, teaching, and other such activities.

## 7.2. Overall Ranking

Based on all of the above parameters, the following table provides a list of the overall ranking of the sites in the TAL and CHAL regions.

**Table 22: Overall Ranking Based on all Parameters**

Rank	Sites in TAL	Scoring	Rank	Sites in CHAL	Scoring
1	Panchase	49.73	1.00	Madi	45.88
2	Syange	46.47	2.00	Amaltari	47.53
3	Tanahusur/Merlungkot	41.03	3.00	Shuklaphanta/ Ghoda Ghodi Lake	45.00
4	Barpak	38.40	4.00	Jalbire	37.87

A detailed spreadsheet with an explanation and justification for all parameters for each of the sites is attached in Annex 2. The scoring is provided as well. The overall scoring ranked Panchase and Syange the highest in the TAL region, and Madi and Amaltari the highest in the CHAL region.

As compared to Tanahusur and Barpak, both Panchase and Syange have better potential in creating an ecotourism product with the use of existing attractions. Panchase provides a composite package of attractions ranging from its diversity, both in terms of flora and fauna, as well as its scenic view of the mountains. The cultural and historical heritage is also strong with a closely knit Gurung community residing there. Syange has been selected because it can be developed as an adventure sports destination with activities that have not been developed in other parts of the country, and it can benefit from a first mover advantage. As mentioned above, since it falls on the Annapurna circuit, trekkers can also serve as another market, thereby ensuring its sustainability.

Madi in Chitwan and Amaltari in Nawalparasi were ranked the highest in the CHAL region. Both sites are located in the peripheral area of the Chitwan National Park and thus will develop similar kinds of tourism products and cater to the same clientele. Therefore, in order to ensure that the proposed sites are a viable option, it was decided to select only one of the two and develop Shuklaphanta Wildlife Reserve and Ghoda Ghodi Lake as a cluster. Since the wildlife human conflict in Madi was extremely high, it was decided to go ahead with Madi as it would help the community to see the biodiversity as an asset to attract tourism rather than as a liability. In this way it would promote conservation and the purpose of the study. Shuklaphanta Wildlife Reserve is also as rich in biodiversity like other national parks, but it has not been able to attract tourists because it is located in the Far Western region. Ghoda Ghodi Lake is another destination in Kailali that will attract bird watchers. Combined, the two destinations provide a complete package with bird watching, animal sighting, homestays, and other such attractions.

Lastly, the four sites were evaluated under the following criteria to ensure the sustainability of the project.

## 8. Final Sites Assessment

In addition to the site selection based on the weightage and scoring system, the four highest scoring sites were appraised against five different parameters to authenticate and reinforce the findings for each of these sites and ensure the viability of the project. The parameters were as follows.

Duration of Tourism Activities	Client Segment	Product	Impact	Opportunity for expansion
--------------------------------	----------------	---------	--------	---------------------------

### Kaski Panchase, Bhadaure Ward 1 and 2

**Duration:** The expected tourism duration is for nine months from September to May. This excludes the monsoon season. These months are ideal for tourism activities, but spring is the best time to experience Panchase in all its hues. Tourists have a clear view of the Himalayas and the lush green Mahabharata range. A hike to the Panchase forest is an experience in itself: it has with 5 species of rhododendron, 113 species of orchid, and 589 flowering plant species in full bloom. Autumn is ideal for viewing the Himalayan mountain ranges and experiencing the Gurung culture. Two of the biggest festivals in Nepal, Dashain and Tihar, fall during these months. The winter season meanwhile is best for watching the 262 animal species found in Panchase along the backdrop of the Himalayan mountains and the snow covered village.

**Segment:** The target group for Bhadaure includes foreign and local tourists, divided into leisure tourists and trekkers. Religious groups are another segment that can be targeted. Visitors in this segment will be highest during the Bala Chaturdasi festival in November and December. The target segment may further be extended to researchers and educational excursion groups.

**Product:** The tourism product here would be nature based tourism with an emphasis on biodiversity, culture, and geological attractions. The village has switched to organic agriculture, and can be marketed as an organic nature based cultural tourism destination.

**Impact:** Tourism here will have a multiplier effect on the overall development of the village and will improve the standard of living of marginalized groups. The benefits expected are direct as well as indirect. Directly, tourism could create job opportunities because people will be needed for nature guides, tea shops, eateries, and hotels. This will reduce dependency on foreign employment. The marginalized groups of the village are skilled in metal work, which can be channeled toward tourism through the



creation of products that can be marketed to tourists. This would help reduce dependency on contract agricultural labor.

Indirectly, tourism is expected to help promote and preserve traditional crafts and culture. Income generated from tourism is expected to be invested in higher education. Conservation of the natural environment is well engrained in the village and the promotion of tourism will be a reward that further fosters and encourages conservation.

**Opportunities for expansion:** Currently tourism is just beginning in Bhadaure. Developing Bhadaure as a tourism destination will help promote the Panchase region. It can serve as a model village and provide a spark for tourism development in other villages in the Panchase region. The opportunity for expansion will spill over to nearby villages, thereby creating the nature based cultural tourism corridor Kaski-Parbat-Syangja.

### **Lamjung (Syange, Mipra, and Chappagaon)**

**Duration:** Field research indicates that Mipra and Chappagaon will be able to sustain tourism activities for seven to eight months from September to May. The best season for canyoning and trekking is February to April, and September to December. The spring, autumn, and winter seasons offer a 360° view of the Himalayan range in the north and Mahabharata range toward the south.

**Segment:** The major target segments here are the Annapurna circuit trekkers and tourists arriving for canyoning. On top of this, Mipra and Chappagaon can also be positioned as a leisure getaway among holiday seekers and educational excursion groups. They offer several attractive activities, such as hot springs, honey hunting sites, and cultural shows.

The trekkers who stop at Syange could be attracted to Mipra and Chappagaon, which are just three kilometers uphill from Syange. A view of the Himalayan mountain range, a homestay experience in a village house, and cultural entertainment will be the key factors attracting Annapurna circuit trekkers to spend a night. For adventure seekers, Syange and Rhendu waterfalls offer the best canyoning experience in Lamjung District. In addition, there are others waterfalls, such as Ghopte Falls, Kabindra Falls, Babu Falls located only a 30-minute drive from the village.

**Product:** The tourism product in Mipra and Chappagaon will have to be developed depending upon the target segment. For Annapurna circuit trekkers, the product offered is a night stay in the village, which includes authentic local cuisines followed by an evening of a fun-filled cultural show. The next morning trekkers can be taken to Chhappadanda to view the sunrise and the Himalayan mountain range. Since time is a major factor for this target segment, activities will have to be packaged in a time-sensitive manner.

However for the adventure segment, the product offered includes canyoning at Syange and Rhendu waterfalls and a night stay at the village, followed with cultural shows, local cuisines, views of the sunrise and sunset, a drive to the hot springs, and a panoramic view of the Himalayas. The product can be further extended to include canyoning in other nearby waterfalls, such as the Ghopte, Kabindra, and Babu Falls.

For those seeking leisure, the package will include a night stay at the village, local cuisines, cultural entertainment, views of the sunrise and sunset, a trip to the hot springs, and the view of the Himalayas.

**Impact:** The impact of tourism on the two villages will be tremendous. Tourism will enable the community to understand, and serve as a role model for, the way the villages harness the benefits of specialized adventure sports currently enjoyed by and limited to the private players.



**Opportunities for expansion:** The villages and communities falling within the Annapurna circuit have not been able to take advantage of the tourism opportunities of the trekking route. The lodges in Syange are limited to a basic stay and food with no other activities. Mipra and Chappagaon can cash in on their cultural and geological attractions to lure tourists. Since the community lacks marketing abilities and the experience to conduct canyoning, it needs to enter into an agreement with private operators. In doing so, it will benefit from their strong marketing network and ability to promote the villages.

### **Chitwan – Madi**

**Duration:** The duration of tourism activities in Madi is similar to Sauraha—it lasts for about eight or nine months. However, the best season for tourism is from October to March.

**Segment:** Foreign tourists, locals, researchers, and educational groups will form the major target segment of Madi, Chitwan.

**Product:** The tourism activities are similar to those offered in Sauraha, Chitwan. Since animal sighting is common and very close to the village agricultural fields, the product will involve construction of community-run *machaans* to lodge tourists. Meals will be served in the village in one of the households a rotating basis. During the evenings cultural shows shall be showcased in the village courtyard.

**Impact:** Madi is cordoned off from the Chitwan mainland, and the village of Simara is the most disadvantaged village in the area. During the monsoon the village experiences severe flooding, destroying homes, agricultural fields, and displacing families. There is also high human-wildlife conflict that leads to loss of life and agriculture. Members of the community view conservation unfavorably because they have not benefitted from it. Instead they have suffered huge losses that have made life difficult because they cannot easily access their homes, fuel, and fodder. Initiating tourism activities here may help change the attitude of the community toward conservation because tourism will provide economic benefits.

**Opportunities for expansion:** Tourism development in Chitwan is limited to Sauraha even though other sites are equally attractive. This has led to excess tourism pressure on the Sauraha side of Chitwan National Park, resulting in the depletion of buffer zones and community forests. Starting tourism activities in Madi will help release tourism pressure from Sauraha and will provide development opportunities in other areas. This will lead to development of the larger Chitwan corridor. The opportunity for expansion lies in targeting underprivileged villages in Madi and engaging with marginalized communities, such as the Bote community. This will provide an alternative livelihood through tourism and reduce their dependency on nature.

### **Kanchanpur-Kailali Cluster (Shuklaphanta and Ghoda Ghodi Lake)**

**Duration:** Tourism activity in the Kanchanpur-Kailali area is expected to last for eight to nine months. The best tourist season is from October to March.

**Segment:** The distance between Shuklaphanta Wildlife Reserve and Kathmandu is approximately 695 kilometers. Therefore the target segment for these sites is not tourists from the capital or other cities such as Pokhara, Dharan, or Biratnagar. The target group is Indian tourists from neighboring states, and locals, such as students and parents travelling to Musoorie or Nainital.

**Product:** Tourism development here would be a cluster development and the target segment would mainly consist of Indians from neighboring states and locals travelling to Musoorie and Nainital. Here the tourism product can have a maximum duration of three nights and four days; for example, one night

might be spent camping in the Shuklaphanta Wildlife Reserve, one night in the village to experience the Rana Tharu culture, and one night could be spent at the wetlands of Ghoda Ghodi Lake.

In Kanchanpur, tourism activities would be related to wildlife safaris and Tharu culture. Meanwhile in Kailali, the biodiversity element with each of the community forest beneficiaries would offer a unique tourism product.

**Impact:** Both Shuklaphanta and Ghoda Ghodi Lake offer tourism activities similar to those offered in Chitwan or Bardia. However, these sites have not been able to brand themselves as a wildlife destination because they are far from the major cities of Nepal. The region's Rana Tharu culture is slowly fading away, but the community is aware of this fact and is willing to revive it. In the Ghoda Ghodi Lake region on the other hand, the community has a negative attitude towards conservation because they have not benefited from conservation activities. They view conservation as an impediment to development.

The project would help kick start tourism development in the unexplored Far Western Nepal and help revive Rana Tharu culture. It would also conserve the area's biodiversity and provide economic benefits to the communities.

**Opportunities for expansion:** The tourism project here is seen as a seed project for development of the tourism industry in Far Western Nepal. There are many destinations in the Far West that have extremely high potential for tourism development. Because the sights have not been advertised, they have not been able to capture the tourism market. Marketing activities should be focused on the neighboring second tier cities of India. On a larger scale, expanding the entire North–South–Far Western corridor for tourism development could be accomplished through this project.

## Section II: Tourism Management and Development Plans

This section of the report contains the Tourism Management and Development Plan (TMDP) for the selected sites in TAL and CHAL. These sites have been selected for their high potential to be developed as pilot sites for community based ecotourism. The four selected sites are listed in the table below:

**Table 23: Pilot Sites in TAL and CHAL**

S.N.	Landscape	Location	District
1	TAL	Shuklaphanta Wildlife Reserve and Ghoda Ghodi Lake	Kanchanpur-Kailali
2	TAL	Madi	Chitwan
3	CHAL	Mipra and Chappagaon	Lamjung
4	CHAL	Bhadaure, Panchase	Kaski

The TMDP aims to provide the necessary guidelines and recommendations to ensure a balanced and integrated approach to tourism development and management in the selected sites. This plan has been made with the hope of initiating participatory CBET activities. It focuses on the long term goals of integrated sustainable management to achieve a balance between community development and conservation needs.

The study has evaluated and taken into account the required interventions and inputs from the program, the needs of the community, and the commercial realities of the market for such tourism products. Information gathering was difficult because there was little data related to tourism in these sites. Nevertheless, information was collected from other sources (see bibliography) and their assistance is greatly appreciated. Given the limited data, the conclusion we have drawn should be taken with caution and verified before any substantial investment is finalized in the region.

The tourism development and management plan made in this report is only a guiding tool for commencing CBET in these selected sites. It has been developed based on research and field visits that have provided valuable information that warrants the potential of the sites to be developed as tourist destinations. This is not a static document or a blueprint, but rather a preliminary study. The document must be improved and refined according to increasing knowledge, experience, and changing circumstances. It is advised that an economic feasibility study of CBET be carried out and that based on its findings a business plan be prepared for these sites.