The Aga Khan Rural Support Programme

Gilgit-Baltistan and Chitral (GBC) Domestic Tourism Value Chain Analysis April 2013

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Date: 13th May 2013
For: AKRSP/EELY, Pakistan and AKF, Canada

ABBREVIATIONS

AKRSP	Aga Khan Rural Support Programme
AKCSP	Aga Khan Cultural Services, Pakistan
AKF	Aga Khan Foundation
AKFC	Aga Khan Foundation, Canada
AKDN	Aga Khan Fund Development Network
AKEF	Aga Khan Education Fund
AKTC	Aga Khan Trust for Culture
BEDAR	Baltistan Enterprise Development and Arts Revival
CAMAT	Chitral Association for Mountain Areas Tourism
EELY	Enhancing Employability and Leadership for Youth
GB	Gilgit-Baltistan
GBC	Gilgit-Baltistan Chitral
GBTD	Gilgit-Baltistan Tourism Development
GoGB	Government of Gilgit-Baltistan
GoKP	Government of Khyber Pakhtunkhwa
INGO	International Non Governmental Organisation
IUCN	International Union for Conservation of Nature
KADO	Karakoram Area Development Organisation
KKH	Karakoram Highway
KP	Khyber Pakhtunkhwa
KPCDO	Kothung Paeen Conservation Development Organisation
LSO	Local Social Organisation
MASO	Mountain Area Support Organisation
MSME	Micro Small and Medium Enterprises
NGO	Non Governmental Organisation
PATO	Pakistan Tour Operator Association
PPT	Pro-Poor Tourism
PTDC	Pakistan Tourism Development Corporation
TMDS	Town Management Development Society
TPS	Tourism Promotion Services
TVCA	Tourism Value Chain Analysis
UNWTO	United Nations World Tourism Organisation
WO	Women's Organisation
WTO	World Tourism Organisation
WWF	World Wildlife Fund

DEFINITIONS

The United National World Tourism Organisation (UNWTO) defines a domestic tourist and domestic tourism as:

Domestic Tourist: A domestic tourist is a person, who is residing within a country, irrespective of nationality, traveling to a place within this country other than to his usual residence for a period of more than 24 hours or one night for a purpose other than the exercise of a re-numerated activity in the place visited. The motives for such travel may be leisure, business, family, meetings, sports, studies or religion. (UNWTO, 2010)

Domestic Tourism: Comprises the activities of a resident *visitor* within the country of reference, either as part of a *domestic tourism trip* or part of an *outbound tourism trip*. (UNWTO, 2010)

Definition of Domestic Tourist for this study:
For the purpose of this study when we refer to a domestic tourist in GBC we are primarily referring to those people from outside of GBC that travel to the area for the purpose of a holiday, leisure, study, sport or religion. In all data where ever possible we try not to include business tourists or Visiting Friends and Family (VFR) family and students from GBC returning home for holidays. The reason is that these groups are known internationally to engage with only a very few value chain actors and distort the representation of leisure tourists to GBC.

Pro-Poor Tourism (PPT)
Pro-poor tourism is not a specific tourism product; it is an approach to tourism development and management which ensures that local poor people are able to secure economic benefits from tourism in a fair and sustainable manner and can therefore be applied to any type of tourism.

PPT may improve the livelihoods of poor people in three main ways: economic gain through employment and microenterprise development; infrastructure gains i.e. roads, water, electricity, telecommunications, waste treatment; and empowerment through engagement in decision making (Goodwin, Robson & Higton, 2004).

Responsible Tourism
The 2002 Cape Town Declaration for Responsible Tourism defines responsible tourism as tourism which creates better places for people to live in and better places for people to visit. Responsible tourism measures the triple bottom line impacts (socio economic, environmental and economic) of tourism in destinations focusing on minimizing the negative impacts and maximising the positive impacts.

Community Tourism
Community tourism (sometimes called community-based tourism) is a form of tourism which aims to include and benefit local communities, particularly indigenous peoples and villagers in developing countries. For instance, villagers might host tourists in their village, managing the scheme communally and sharing the profits. All community tourism projects should give local people a fair share of the benefits/profits and a voice in deciding how incoming tourism is managed (Tourism Concern, 2008)

Up Market Tourism
For the purpose of this study the term up market tourism can be defined as tourism that is appealing to or developed for high-income consumers. These high income consumers are domestic tourists whose average spend per day per person in the destination of GBC is between PKR4,000/- and PKR10,000 plus per day. They predominantly stay in accommodation that costs PKR4,000/- plus per night per room or when accommodation of this value is not available they will stay in mid range accommodation that costs between PKR1,500/- and PKR3,500/- per night. For a full profile refer to Annex 4.

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CHAPTER 1: EXECUTIVE SUMMARY

It is well known throughout the world that domestic tourism plays a significant role in the resilience of a destinations tourism industry especially in times of crisis.
Domestic tourism sustains services and jobs, offsets losses from inbound international tourism, reduces the disparity in regional development and can contribute to social and cultural cohesion as well as nation-building. Several countries in South Asia have started to shift their focus from international tourism to domestic tourism measuring the benefits it provides. In February 2013 the UNWTO launched a report on domestic tourism in Asia profiling Pakistan as one of the countries showing huge potential in this area.

The area of Gilgit-Baltistan and Chitral (GBC) located in the mountainous regions of northern Pakistan brings together a land of the world's highest high mountain ranges, deep gorges, rivers, glacial lakes, forests, desert plains, ancient monuments and a diverse population whose socio cultural traditions form a rich and colorful tapestry. As Pakistan's northern most area it offers tourists from all over the globe and from within Pakistan, a vast range of cultural heritage and nature driven experiences.

Tourism has been a key livelihood provider for the mountainous communities of GBC for several decades with activities, predominantly focused on attracting international tourism, however as a result of Pakistan's continual terrorism issues since 9/11 this market has almost disappeared.
The industry is now forced to rely on small numbers of domestic tourists for its survival with tourism stakeholders struggling to adapt their products and services from what was a predominantly high margin international tourism market to what is now a lower margin domestic tourism market. The industry is also facing many other challenges impacting the overall enabling environment of the segment.

This value chain analysis has been carried out as part of the Aga Khan Rural Support Programmes (AKRSP) Enhancing Employability and Leadership for Youth (EELY) project to identify the market gaps and opportunities (including synergies with other value chains in the EELY project).

The study focuses on the five key components of the EELY project in relation to the domestic leisure tourism segment and highlights the urgent need to enhance the overall tourism industry in GBC, improving its competitiveness as a high value sustainable domestic tourism destination and widening the economic benefits of domestic tourism to local communities.

1. **Market Based Services:** There is a need to develop and strengthen market based services in the domestic tourism value chain leveraging the existing investment in tourism and filling the current market gaps. Market based services need to focus on the needs of the high end domestic tourists and linkages within the value chain need to be cemented to ensure the economic benefits of domestic tourism are increased and spread more widely within local communities.

2. **Enterprises/Lead Enterprises:** There are very few lead enterprises in the domestic tourism value chain with the responsibility of tourism development falling predominantly on a few organisations at a regional and local level. Strengthening and supporting lead enterprises will be crucial for leveraging the intervention investment and ensuring long term sustainability of the industry. Without this support lead enterprises could disengage in the intervention failing to provide leadership or support where needed. Opportunities exist for new lead enterprises to emerge via capacity building activities and industry exposure.

3. **Skills and Technology Gaps:** The study identified many basic skills that the youth lack that prohibit their entry into the domestic tourism value chain. The biggest challenge in overcoming these skill gaps is the provision of an economically viable mechanism for both the short and long term from both the private and public sectors to be able to deliver vocational and professional training.

4. **Access to national market via marketing:**. The development of a marketing PPP that builds on the strengths of both the private and public sectors at a regional level is the recommended mechanism required to overcome the marketing issues of low awareness and poor image for GBC. Without a strategic focus on marketing activities, raising awareness of the destination and building short and long term demand will be difficult. Marketing

activities delivered from a regional level should also be complemented with marketing activities delivered from a local level. To do this the local communities needs to have their capacity built on the basic principles of how to market a tourism destination by developing cost effective practical solutions.

5. **Entry points for young men and women:** A key role of EELY will be to assist in sustaining the current employment levels that are currently geared to a high value international tourist transferring these skills across to high value domestic tourists to ensure that the industry does not lose an entire generation of youth currently working in tourism to industries that are currently seen as more attractive professionally and financially.
   Also whilst direct employment opportunities are relatively small in domestic tourism there are many opportunities for young men and women to become engaged in domestic tourism either via awareness raising activities at a community level, in micro enterprise opportunities, as female producers or input suppliers or in leadership roles on tourism associations or youth groups.

The success of any intervention that addresses the five EELY components will be hugely dependent on the motivation, co-ordination and capacity of industry enablers such as business development service organisations (including AKRSP), micro financing institutions, tourism associations, civil society organisations and the governments of GBC. The study identified numerous areas for capacity building of enablers before many of the value chain constraints can be addressed.

At a regional level ensuring the government of GBC are engaged and committed to the development of a high value sustainable domestic tourism is key not only to supporting individual interventions but also in assisting improve the overall enabling environment of tourism in GBC through the approval of policies and effective and efficient engagement with the private sector.

The next three to five years are critical for the future development of the industry providing an opportunity to improve communication and co-ordination between tourism stakeholders; ensure community ownership of tourism, upgrade products and services to provide better quality tourism experiences; and increase linkages encouraging enterprise development and employment opportunities particularly for youth.

Using this period of relatively low demand will enable AKRSP / EELY to engage the youth of GBC to progressively upgrade the value chain starting with the current ‘easy to penetrate’ target market segments in a few destinations and using these as testing grounds for future expansion. It will also ensure that the existing levels of youth employment in the industry are sustained.

The only other alternative is to do nothing. Without any interventions in the current economic and political climate the industry runs the risk of going into continual decline with individual tourism systems at local destinations collapsing and many individuals and families’ losing what has been a major livelihood provider.

The time has come for GBC to shift its focus to the enormous potential of Pakistan’s domestic tourism and to use this market to revive and sustain the tourism investment that has already occurred increasing the benefits of tourism to the local community in the most responsible and sustainable manner.

CHAPTER 2: INTRODUCTION

2.1 BACKGROUND TO THE CONSULTANCY

The Aga Khan Rural Support Programme (AKRSP) under their Enhancing Employability and Leadership of Youth (EELY) programme is planning to promote key economic sectors in Gilgit-Baltistan and Chitral. One of the economic sectors selected for potential intervention is domestic tourism.

Since terrorism events of 9/11 in 2001 international tourist numbers have plummeted and the emerging domestic tourism segment has fluctuated due to sectarian violence on the KKH in 2011 and natural disasters (floods and earthquakes) in 2005 and 2010.

There are many agencies and organizations working in different aspects of the tourism value chain. These include government agencies (Ministry of Tourism, PTDC, GB and KP Tourism Departments); private sector (hotels, tour operators, transporters, guides & porters); international organizations and NGOs (AKRSP, AKCSP, IUCN, WWF, KADO, TPS-AKFED); and the local communities of GBC - many of whom have relied on tourism as either a sole or complementary livelihood provider for the past 20 years or more.

Over time these organisations have produced a variety of tourism studies and proposals on tourism in GBC, with most being from an international tourism perspective. Table 1 outlines what these studies and proposals[1] suggested were the key challenges and recommendations for tourism in GBC.

CHALLENGES	RECOMMENDATIONS
1. Lack of security; 2. Improper marketing; 3. Lack of human resource development; 4. Lack of understanding about Ecotourism; 5. Environmental issues; 6. Preservation of cultural heritage	1. Reforming the policy formulation and implementation mechanisms 2. Tourism statistics and data collection 3. Human resource development 4. Communication and transport 5. Efficient marketing and product development 6. Ensuring tourism friendly environment 7. Proper utilization of parks & protected areas 8. Development of ‘Ecotourism’ 9. Addressing environmental issues

Table 1: GBC Tourism: Challenges and Recommendations from previous documents and studies

Unfortunately in the twelve years since 9/11 very few of these recommendations have been implemented and at present the tourism segment in GBC is in crisis.

Recognizing that domestic tourism can play a significant role in the resilience of a destinations tourism industry especially in times of crisis AKF, Canada in partnership with AKRSP commissioned this domestic tourism value chain study and analysis as the first step for the AKRSP/EELY Programme to assist in identifying the market gaps and opportunities that exist in domestic tourism and to assess the potential areas for intervention that are relevant to the EELY project.

The domestic tourism value chain analysis focuses on the five key components of the EELY project:

1. Market based services
2. Enterprises/Lead Enterprises in the value chain
3. Skills and Technology gaps
4. Access to national market via marketing
5. Entry points for young men and women

[1] NASSD, background paper on Tourism 2003, World Bank Economic Report on GB, 2009,

2.1 RESEARCH METHODOLOGY

The following is a summary of the research methodology for the domestic tourism value chain analysis. For a more detail refer to ANNEX 2.

Research Aims & Objectives

The two key broad aims of the domestic tourism value chain research were:

1. To identify the market gaps and opportunities (including synergies with other value chains in EELY project) that exist within the domestic tourism value chain in Gilgit-Baltistan and Chitral.
2. To identify the barriers and opportunities of the domestic tourism value chain that are relevant to the successful implementation of the AKRSP EELY project.

More specifically the domestic tourism value chain study objectives were directly linked to the five key components of the AKRSP EELY project.

Research Methodology:

The data compiled and analyzed for the study was gathered using:

- Secondary data: A thorough desk review of all past and current tourism information and reports on GBC.
- Primary data: Primary information and data was collected during field trips in March and April 2013 in Pakistan using predominantly qualitative methods. The research locations in GB were chosen based on a consultative approach with GB government stakeholders, AKDN agencies (AKFED-TPS and AKCSP) and the EELY Market Enterprise Development team.
  Note: Given the timing of this research it was not possible to include Chitral District or Astore and Diamer Districts in this research. Key informant interviews were conducted in Islamabad to discuss the Chitral, Astore and Diamer Districts by the researcher and three members of the AKRSP team were trained to be able to conduct research in the Chitral district at a later stage.
    - Semi structured interviews in Lahore (2 days)
    - Skype interviews with Karachi (1/2 day)
    - Semi structured interviews in Islamabad (3 days)
    - 90% focus group discussions and 10% semi structured interviews in Gilgit-Baltistan (14 days)

Recruitment Criteria:

The recruitment criteria for the research participants were:

- 50% - 60% Youth with a mixture of:
    - ✓ Educated, uneducated and school drop outs
    - ✓ Employed and unemployed
    - ✓ Tourism and non tourism
    - ✓ 50% women
- 50% tourism stakeholders, community members, local NGOs, LSOs, TMSs, WOs etc.

Research Team:

The research team was made up of the international tourism consultant, Libby Owen-Edmunds as well as AKRSP Market Development team members from the regional and district offices in GB.

SUMMARY OF GBC DOMESTIC TOURISM VALUE CHAIN RESEARCH PARTICIPANTS NUMBERS & SESSIONS, 2013

RESEARCH AREA	NO. OF RESEARCH SESSIONS	NO. OF YOUTH		NO. OF STAKEHOLDERS	TOTAL NO. PARTICIPANTS
		WOMAN	MEN		
Gilgit / Hunza Districts	37	63	63	60	186
Baltistan	27	38	111	66	208
Islamabad, Lahore, Karachi	18	4	2	18	24
TOTAL	**82**	**105**	**176**	**144**	**418**

Table 2: Summary of GBC Domestic Tourism Value Chain Research Participant Numbers & Sessions, 2013

CHAPTER 3: OVERVIEW OF DOMESTIC TOURISM IN GBC

For a more detailed overview of domestic tourism refer to ANNEX 4.

> "*Despite tremendous tourism potential, Pakistan does not enjoy a favourable tourist image in the global travel industry. Realizing that it may be an uphill task to change world´s perception of Pakistan, tourism organizations both in the public and private sectors are now focusing on promoting domestic tourism. Domestic tourism is now recognized as the most powerful agent of economic development and a way to create national harmony while also taking advantage of underutilized tourist infrastructure*".
> **UNWTO, February 2013**

Domestic tourism in GBC, veils many a mystery, in part due to inadequate collection of data related to the sector and partly due to the absence of a systematic framework for analyzing the sector.
In the absence of any reliable data or solid methodology the data for GBC obtained from the government tourism departments has been adjusted to reflect the qualitative and quantitative data collected in the domestic tourism value chain research in April 2013. A number of assumptions have also been made in order to extrapolate figures and to be able to provide a snap shot of the current situation of domestic tourism in GBC.

In 2012 it is estimated that there were approximately 25,000 domestic tourists visiting GBC. This figure represents 79% of the total tourism flow into GBC and is a 33% decrease on the previous year – a result of the sectarian violence that took place along the KKH in Kohistan, Chilas and Gilgit, particularly impacting Gilgit and Baltistan regions. In 2010 the Gilgit area suffered a significant decrease in tourism due to the Attabad Lake disaster yet it bounced back just one year later demonstrating the resilience of the domestic tourism industry.

There are also no statistics which indicate the number of people who are directly or indirectly employed in domestic tourism. It is also difficult to quantify the exact contribution of domestic leisure tourism to GBCs economy because of limited data.
Based on a very rough calculation it is estimated that in 2012 domestic tourism contributed PKR 671 million to the GB economy from four key target market segments: Up market Urban Sophisticates, Middle Class Price Conscious, Irresponsible Budget Travellers and Upper Middle Class Students.
For almost all target segments their number reason for coming to GBC is for general site seeing followed by festivals (Kalash & Shandur) and cultural heritage (Shigar Fort and Khaplu Palace). The exception are students who come predominantly for trekking and mountaineering activities.

ESTIMATED NUMBER OF DOMESTIC LESIURE TOURISTS INTO GBC (2009 -2012)

DOMESTIC LESIURE TOURISTS **Adjusted figures include only Leisure / Holiday makers from outside of GBC**	**2009**	**2010**	**2011**	**2012**
Gilgit Region (incl. Hunza-Nagar, Gojal valley, Naltar valley and Ghizer valleys)	17,000	3,000	17,000	10,000
Baltistan Region (incl. all Skardu, Shigar, Khaplu, Deosai and Hushe)	10,000	17,000	17,000	10,000
Chitral (incl. Chitral, Mastuj, Garam Chasma and Kalash valleys)	7,000	7,000	6,000	5,000
TOTAL	**34,000**	**27,000**	**40,000**	**25,000**

Table 3: Estimated Domestic Tourism Arrivals Numbers into GBC.
Source: GB Tourism Department figures adjusted with input from the private sector and Chitral figures provided by the tourism private sector.

The prediction for domestic tourism in GBC is that for the next two seasons of 2013 and 2014 the visitor numbers will remain at a similar level to that of 2012 i.e. around 27,000. However assuming there are no further major sectarian violence incidents the industry has the potential to double if not triple in size in the next 4 to 5 years reaching figures of up to 74,000 domestic tourists. Achieving this growth will also depend on the amount that is invested in PR and marketing activities for the destination. It is unrealistic to think that the industry will grow if further major sectarian violence incidents occur or if there are major natural disasters. Tourism stakeholders are of the opinion that domestic tourism cannot drop much below its current level given the challenges it has already faced since 2010.

The key for the segment is to ensure that from the relatively small number of domestic tourists that are visiting, each destination has the capacity to maximise the economic benefits for their local communities and that these challenging times are used to ensure the long term survival of this industry that has previously provided so many individuals and families in GBC with a livelihood. From an EELY perspective this also means ensure that the current levels of employment are sustained.

CHAPTER 4: DOMESTIC TOURISM VALUE CHAIN ANALYSIS

4.1 INTRODUCTION TO THE VALUE CHAIN

The Domestic Tourism Value Chain in GBC, like any tourism value chain is a complex web of service providers and input suppliers that all contribute to the delivery of tourism products and tourism experiences within the destination. This value chain analysis focuses on the **leisure** segment of domestic tourism i.e. those domestic tourists visiting from outside of GBC for the purpose of a holiday. It does not include those visiting friends and family (VFR) and business travellers or corporate incentive groups. These have not been included primarily because they use a very small percentage of the overall value chain and secondly very few corporate incentive groups are currently coming to GBC due to accessibility reasons.

To gain the best understanding of the complex domestic leisure tourism value chain this analysis maps three current target market segments and their average expenditure per summer vacation.

- Up market Urban Sophisticates
- Middle Class Price Conscious
- Upper middle class students

The key reasons these three segments have been short listed from six target market segments (refer to page 66) are:

- In line with the GB Tourism Departments 2011 draft tourism policy the government is reluctant to focus on mass domestic tourism and is only interested in focusing on high value domestic and international tourists. Although Upper Middle Class students cannot be considered high value customers they are current destination ambassadors and the destinations future up market tourist.
- Current demand - all three of these segments are currently visiting GBC and can be considered as "easy to penetrate" target segments. This is key considering that the market is not expected to grow and nor are new markets expected to immerge in the short term.
- These three segments are better educated customers and therefore more likely to be responsible travellers rather than irresponsible travellers. A key for continued sustainable tourism development.
- With only a small amount of education the behaviour of the Middle Class Price Conscious who currently may display some irresponsible behaviour can be changed for the positive. It is far more difficult to change the behaviour of irresponsible budget travellers.

Target market segments were chosen to analyse the value chain rather than niche tourism products (e.g. ecotourism, cultural heritage tourism, rural tourism etc.) for the following reasons:

1. Currently the majority of domestic leisure tourists come to GBC for general site seeing rather than for a specific type of tourism with the exception of Shandur Polo Festival and Joshi Festival in Kalash.
2. Although different types of tourism exist in GBC these products are currently not packaged and marketed to domestic tourists in such a way they can choose their holiday based on one niche product (with the exception of trekking and mountaineering which attracts approximately 500 domestic tourists per year and is a growing market). Currently domestic leisure tourists often combine several types of tourism into their site seeing holiday.

The purpose of evaluating the domestic leisure tourism value chain is to identify market gaps and opportunities that exist examining ways to increase participation of local communities, youth and lead enterprises ensuring that the industry is able to survive the current challenges and continue to contribute to the local economic development of mountain communities in GBC. The other key purpose of this value chain analysis is to understand the barriers, opportunities and synergies relevant to the EELY project focusing on five key areas:

1. Market Based Services
2. Enterprises/ Lead Enterprises
3. Skill and Technology Gaps
4. Access to National Market via marketing and branding
5. Entry points for young men and women

4.1.1 Mapping the Domestic Leisure Tourism Value Chain

Figures 1, 3 & 5 map each target markets current value chain and Figures 2, 4 & 6 highlights the flow of expenditure for each target market based on an average annual summer vacation. All figures were obtained from hotels, tour operators, students and PTDC during the primary and secondary research conducted in April 2013. The expenditure flow not only identify economic leakages but is also provides an attempt to move towards quantifying different elements of the value chain and estimating the local economic impacts.

Mapping the Up market Urban Sophisticates Domestic Tourists

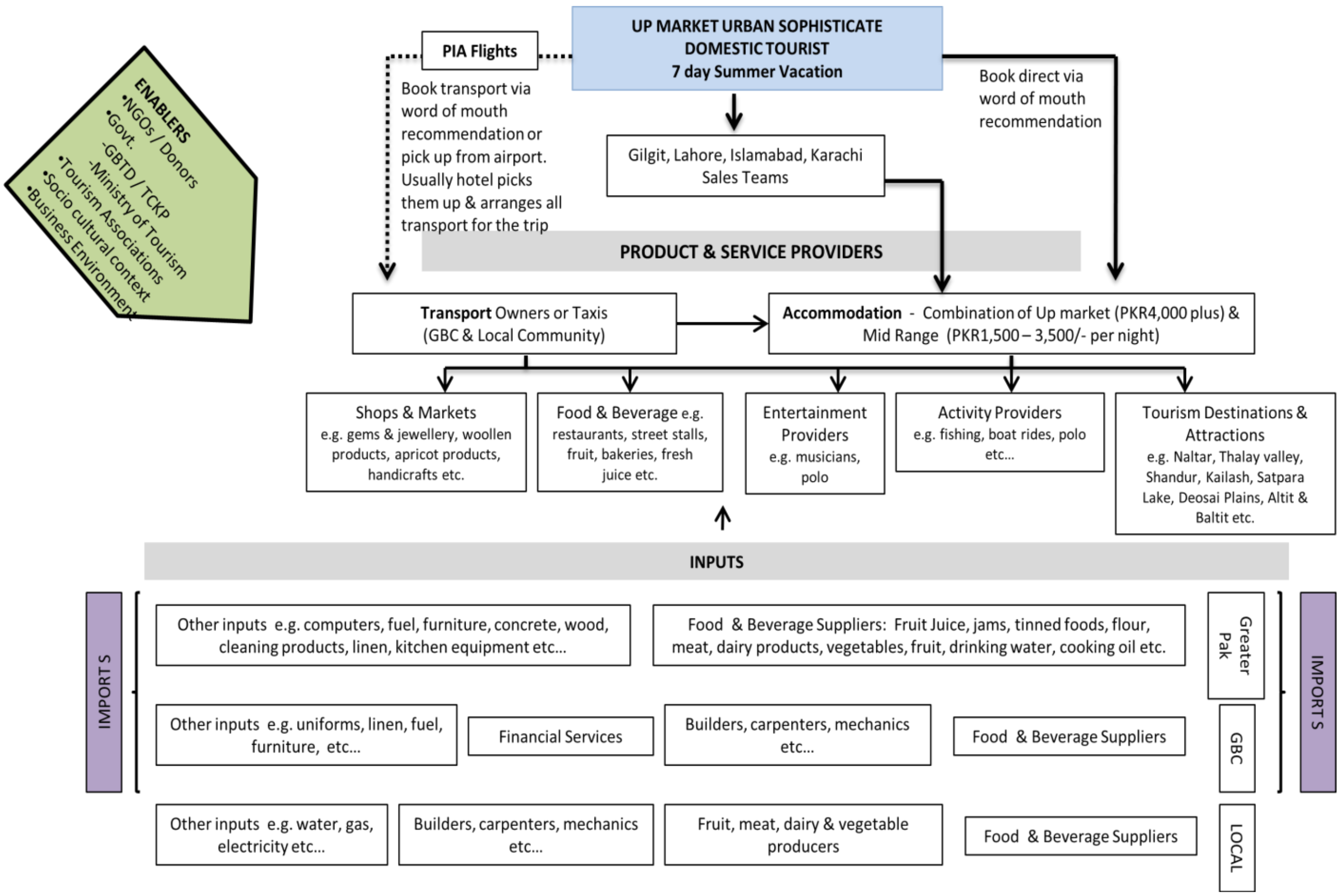

Figure 1: Current Up market Urban Sophisticates Domestic Tourism Value Chain

THE ECONOMIC FLOW OF THE UPMARKET URBAN SOPHISTICATE DOMESTIC TOURIST EXPENDITURE

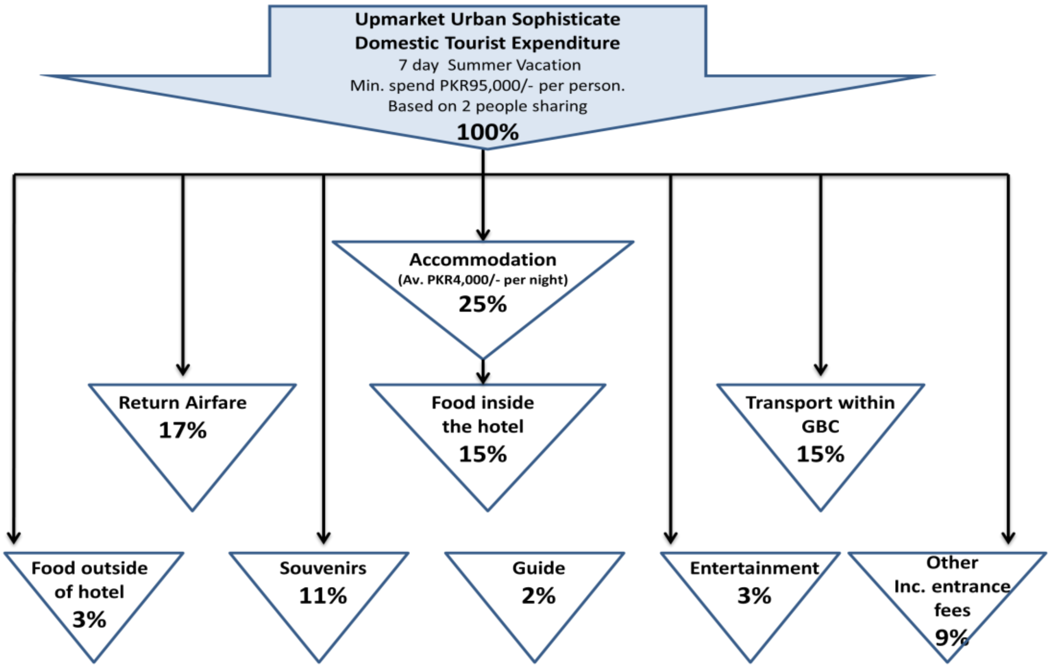

Figure 2: The economic flow of the Upmarket Urban Sophisticate Domestic Tourist Expenditure, 2013
Source: Figures are based on those supplied by GBC hotels, tour operators and transport providers during the qualitative research, 2013.

KEY OBSERVATIONS

Value Chain:

- Market based services provided by the informal sector require developing and strengthening in order to maximise integration into the value chain and local economic benefits of tourism.
- Tour operators currently do not play a role in the value chain. There is potential for them to be introduced if they can develop and market cost effective tailor made holidays to up market domestic tourists.
- Linkages between hotels / restaurants and growers and producers of vegetables, dairy and poultry products, handicrafts, fruits etc. are weak
- The enabling environment / support services are weak

Expenditure Flows:

- 40% of the total up market domestic tourist's expenditure goes towards up market accommodation.
  Note: We can assume that benefits of this 40% flow indirectly too many more from the hotel sector. For example: employment of staff, suppliers etc.
- 17% of expenditure does not benefit the local community. It goes direct to PIA.
- Only three tourism stakeholders benefit directly from 72% of the total up market domestic tourists expenditure flow. I.e. accommodation provider, PIA and a transport provider.
- Only 28% (PKR26,000/-) of the up market domestic tourists expenditure has direct local economic benefits (i.e. money spent directly with the informal sector on souvenirs, food, guides and entertainment other activities). This amount could be increased as a percentage of overall spending potentially growing the value of the tourism leisure value chain if these market based services were upgraded providing better quality products and services (food and beverage options outside the hotels, better activities and entertainment, easier access to local products and souvenirs).

Mapping Middle Class Price Conscious Domestic Tourists

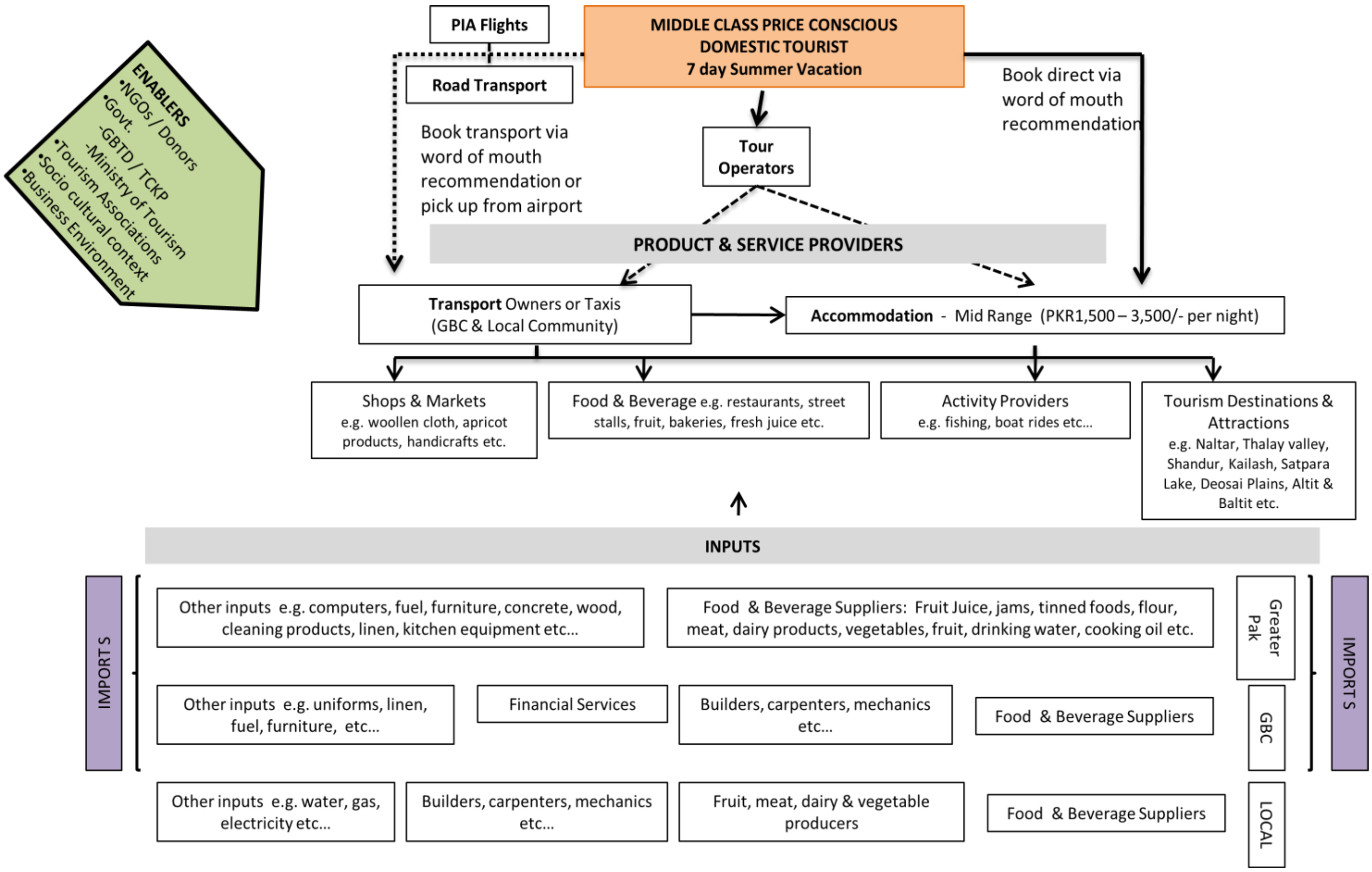

Figure 3: Middle Class Price Conscious Domestic Tourism Value Chain

THE ECONOMIC FLOW OF THE MIDDLE CLASS PRICE CONSCIOUS DOMESTIC TOURIST EXPENDITURE

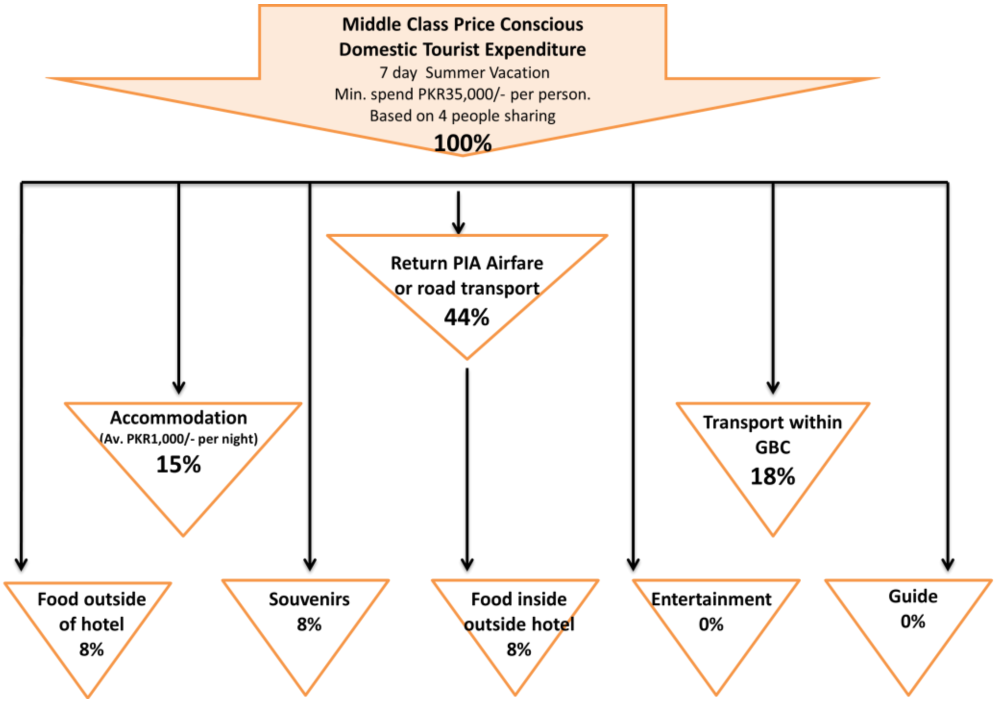

Figure 4: The economic flow of the Middle Class Price Conscious Domestic Tourist Expenditure, 2013
Source: Figures are based on those supplied by GBC hotels, tour operators and transport providers during the qualitative research, 2013.

KEY OBSERVATIONS

Value Chain:
- Market based services provided by the informal sector require developing and strengthening in order to maximise integration into the value chain and local economic benefits of tourism.
- Mid range accommodation providers need to raise the standards of their product for future repeat business / customer satisfaction.
- Cost effective, safe and reliable road transport between Islamabad and GBC is needed.
- Tour operators currently play a very small role in the price conscious middle class domestic tourism value chain. Attractive cost effective packaged holidays need to be developed and aggressively marketed to this target market.
- Linkages between hotels / restaurants and growers and producers of vegetables, dairy and poultry products, handicrafts, fruits etc. are weak
- The enabling environment / support services are weak

Expenditure Flows:
- 44% of the total expenditure of the Middle Class Price Conscious domestic tourist is spent on air travel of which none of this money benefits the local economy. This could be transferred to local transport providers if the security situation on the KKH improves.
- 38% of expenditure within the destination goes directly to two beneficiaries; accommodation and transport providers.
- Only 16% (PKR5,600/-) of discretionary spending of the Middle Class Price Conscious domestic tourist has direct local economic benefits (i.e. money spent directly with the informal sector on souvenirs and food). This amount could be increased as a percentage of overall spending potentially growing the value of the tourism leisure value chain if these market based services were upgraded providing better quality products and services (food and beverage options outside the hotels, better activities and entertainment, easier access to local products and souvenirs).

Mapping Middle Upper Class Students

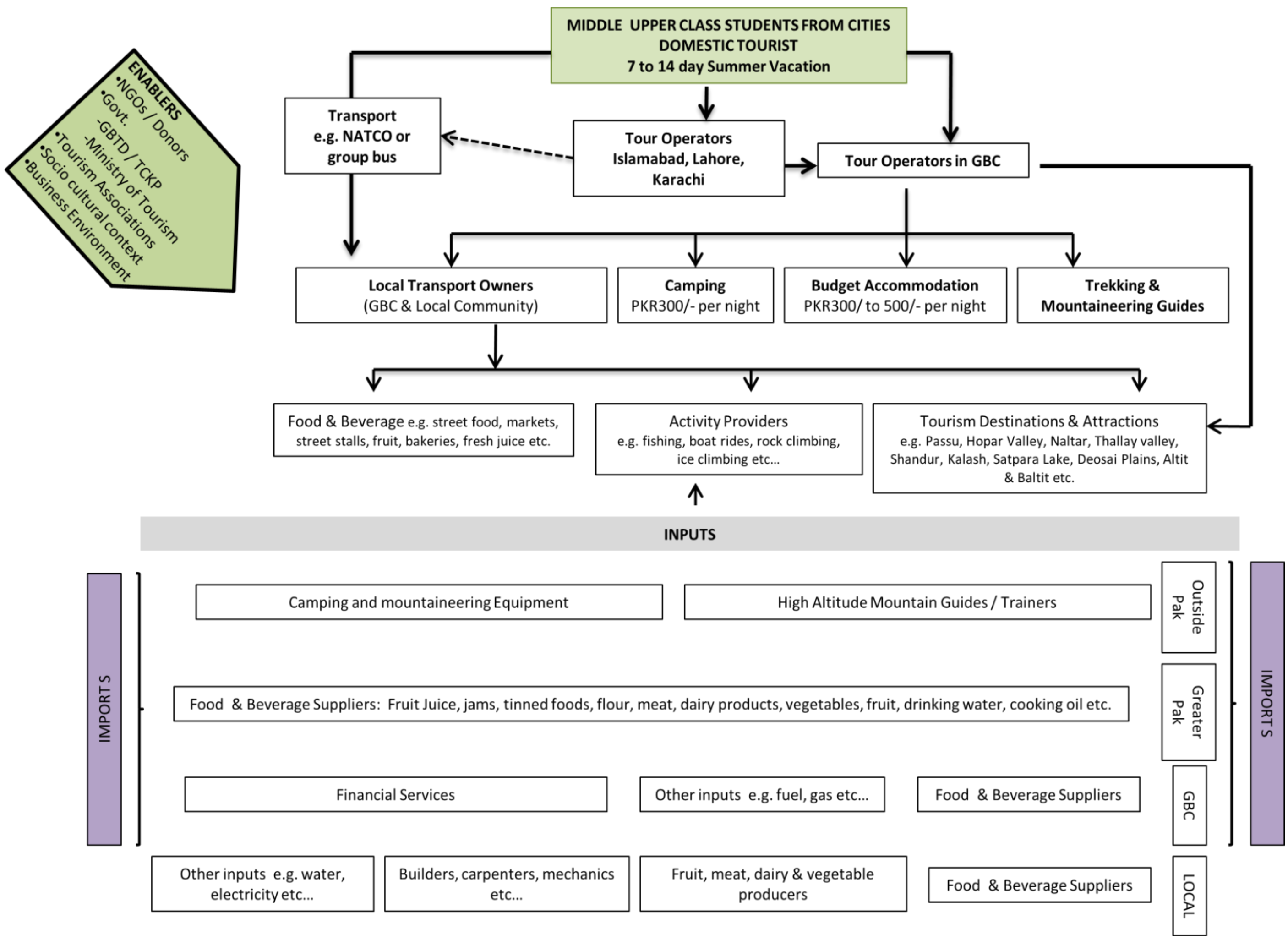

Figure 5: The Middle Upper Class Student Domestic Tourist Value Chain, 2013

THE ECONOMIC FLOW OF THE MIDDLE UPPER CLASS STUDENT DOMESTIC TOURIST EXPENDITURE

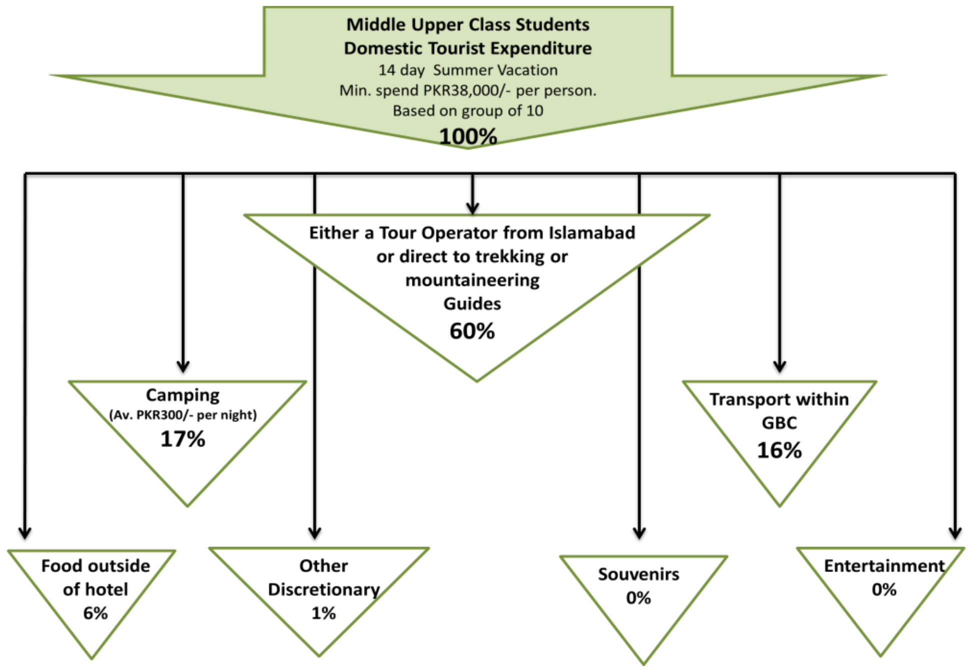

Figure 6: The economic flow of the Middle Upper Class Student Domestic Tourist Expenditure, 2013
Source: Figures are based on those supplied by GBC hotels, tour operators and transport providers during the qualitative research, 2013.

Key Observations
Value Chain:

- Tour operators in GBC need assistance to improve their access to the student market.
- Activity providers need to look at product development and strengthening linkages with GBC Tour Operators
- Camping facilities need to be developed and existing areas improved (Community tourism)
- Budget accommodation – consider expanding service to include home stays
- Linkages between budget accommodation / F&B outlets and growers and producers of vegetables, dairy and poultry products, handicrafts, fruits etc. are weak
- The enabling environment / support services are weak

Expenditure Flows:

- 60% of the total expenditure of the Middle Upper Class Student either directly benefits a tour operator (from Islamabad or from within GBC) or has a direct local economic impact being spent in the actual destination where the trekking or mountaineering activities take place.
  Note: If 60% goes to the tour operator outside of GBC a small percentage of this will have indirect economic benefits being spent in the local communities as tour operators employ with porters, guides, transport etc. Need to ensure GBC Tour Operators benefit.
- 33% (PKR12,540/-) of expenditure has a direct local economic impact being paid to camping site providers (usually local farmers or community residents) and to a range of transport providers.
- 6% is spent on food usually at markets within the major centres of the area that they are trekking or mountaineering in. Students usually cook for themselves.
- Only 1% (approx PKR 400/-) is available for discretionary spending on souvenirs

Despite the challenges faced by the industry, domestic tourists contributed approximately US$6.8 million (PKR671 million) to the GBC economy in 2012 with 66% of this coming from the Middle Class Price Conscious tourists and 27% from the Upmarket Urban Sophisticates (refer to Table 4). The total value of the value chain is broken down by component in Figure 7. When looking at the individual components it becomes clear that there are opportunities to strengthen and upgrade the activities of the informal sector e.g. souvenirs, cultural heritage guides, cultural entertainment and food outlets and generate employment via micro enterprises.
The focus should be on increasing the total value of the chain, rather than the overall size ensuring the economic benefits to the local communities are maximized and existing employment opportunities are sustained.

ESTIMATED VALUE OF DOMESTIC TOURISM VALUE CHAIN IN GBC
(Based on 2012 domestic tourist visitor numbers)

	% OF TOTAL TOURIST NUMBERS	ESTIMATED NO. OF TOURISTS	AVERAGE EXPENDITURE PER DAY PER PERSON (PKR)	AVERAGE NO. OF DAYS SPENT IN GBC (PKR)	TOTAL EXPENDITURE (PKR)
Irresponsible Budget	20%	5,000	2,500	4	50,000,000
Middle Class Price Conscious	68%	17,000	5,000	5	425,000,000
Upmarket Urban Sophisticates	10%	2,500	10,000	7	175,000,000
Upper Middle Class Students	2%	600	2,500	14	21,000,000
TOTAL	**100%**	**25,000**			**671,000,000**

93% of total value chain comes from 2 key target segments

Table 4: Estimated value of domestic tourism value chain, GBC - 2012.
Note: These figures have been estimated using data and assumptions provided by tourism private sector stakeholders (hotels, tour operators and transport providers). This does not include any revenue collected by the government from tourism businesses or from fishing, mountaineering or trophy hunting fees generated by domestic tourists.

ESTIMATED VALUE OF THE KEY COMPONENTS OF THE VALUE CHAIN

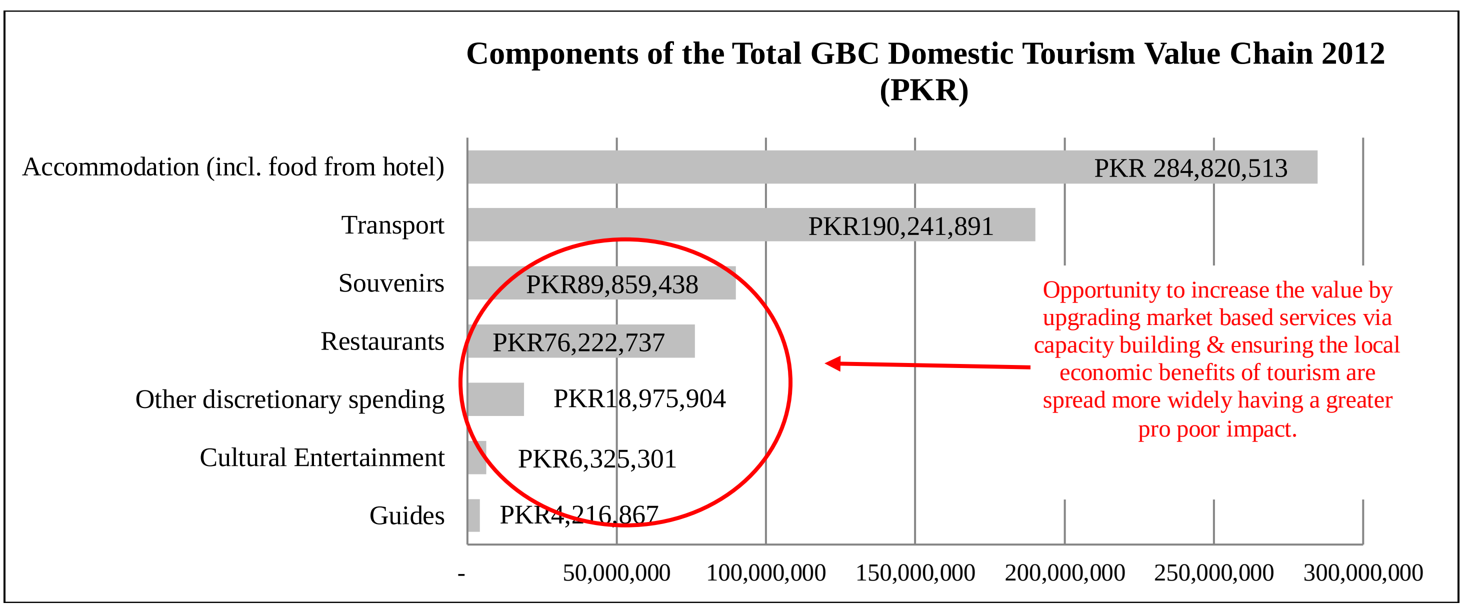

Figure 7: Estimated value of the key components of the GBC domestic tourism value chain - 2012.
Source: Consultants calculations based on the total estimated value of the total value chain in Table 3 above.
Note: This only includes expenditure that impacts GBC. i.e. it does not include airfares or tour operators.

CONNECTING THE DOMESTIC TOURISM VALUE CHAIN ANALYSIS WITH THE FIVE COMPONENTS OF EELY:

Based on the five components of EELY the analysis highlighted the following:

- **Market based services**
  - Market based services provided by the informal sector require developing and strengthening in order to maximise integration into the value chain and local economic benefits of tourism.
  - Activity providers need to improve the quality, attractively package and market their products for domestic tourists, hotels and transport providers.
  - Linkages between input suppliers (vegetables, fruit, meat, dairy and handicrafts) and accommodation and food and beverage providers are weak.
  - Accommodation providers need to raise the standards of their product for future repeat business / customer satisfaction
  - Tour operators currently play a very small role in the domestic tourism value chain. Attractive cost effective packaged and tailor made holidays need to be developed and aggressively marketed to this target market.
  - Micro financing and financial institutions do not offer tourism specific products and services
  - Very little marketing if any at all is done to support embedded services.
  - Support services such as tourism associations, CSOs, BDS organisations, government tourism departments will require motivating, re-organising and capacity building before they can fulfil their role as supporting service providers.

  For a detailed analysis of market based services refer to ANNEX 5.

- **Enterprises/Lead Enterprises in the value chain**
  - There are very few lead enterprises in the value chain – existing enterprises rely heavily on the lead enterprises to in some cases fulfil the role of the government e.g. destination marketing, policy issues etc.
    The research highlighted that there are a number of lead individuals who should be considered as 'lead enterprises'.
  - Most enterprises are de-motivated, disillusioned and lack the knowledge or skills to adapt their businesses to a lower margin domestic tourism industry.
  - There are opportunities for the development of micro enterprises in the domestic tourism value chain that will also assist improve market based services. E.g. cultural heritage guides, food and beverage outlets, cultural entertainment providers
  - Support Services Missing:
    - Youth organisations who understand tourism
    - Community Support Organisations who understand tourism and who have tourism sub-committees
    - Proactive and effective private sector tourism associations (most are stuck in the mud)
    - BDS organisations who have skills and knowledge of tourism
    - Chamber of Commerce – they are currently not involved in tourism yet could play a key role
    - Tourism Standard Committees
  - Develop recommendations for support mechanisms for the creation / strengthening of the lead enterprises at all levels of the value chain to provide vision, leadership, a corporate model and critical technical and market information crucial for backward and forward linkages for the operators of the value chain.

- **Skills and Technology gaps**
  - Skills gaps can be grouped under three areas:
    - Hospitality and Guiding
    - Enterprise development (access, market analysis, finance and marketing)
    - Communication (language and customer service)
  - Youth employed in domestic tourism lack the skills to be able to upgrade existing market based services (all aspects of hospitality)
  - Other than Serena very few enterprises invest in skill development / staff training.

- Youth currently not employed in tourism lack knowledge and awareness of domestic tourism and what the opportunities are
- Without a training institution in GBC overcoming theses skill gaps will require innovative solutions provided by the private and public sector
- Technology gaps include information technology and internet access in some localities

- **Access to national market via marketing**
  - Marketing is a key requirement to ensure continued demand in the short term and create demand in the long term.
  - Motivating the government and private sectors to work effectively together is key.

- **Entry points for young men and women**
  - Emphasis should be placed on sustaining existing employment opportunities in the domestic tourism industry rather than creating many more. This ties in with the strategy of ensuring the tourism industry survives rather than grows in the short term.
  - Most employment opportunities in micro enterprise that fulfill the gaps in market based services.
  - Skills gaps that need to be addressed to remove barriers of entry to the sector and to improve employability of young men and women are as above:
    - Hospitality and Guiding
    - Enterprise development (access, market analysis, finance and marketing)
    - Communication (language and customer service)

Quotes from the field research relating to the five key components of EELY

Market Based Services

"I don't tell anyone about the area or offer any information as I don't know that much and I am worried the tourist doesn't want to hear it."
Transport Provider, Khaplu

"We have been learning how to mountaineer every summer. The one thing that is clear is that the local guides need proper training and equipment"
Female Student, LUMS

"They all need to improve the quality of service in their hotels. Just because the domestic tourists wants to pay a cheaper price doesn't mean they should drop their service levels as well. The problem is they don't know how to improve themselves."
Tour Operator, Islamabad

"We are powerless. We have so many tourists coming here in the summer yet none of them purchase anything from us. The hotels and guides from Karimabad tell them not to eat here and not to buy gems."
Gem Shop and Hotel Owner, Hopar Valley

"We don't know how to swim or how to drive our boats in bad weather....we have some life jackets but we no longer offer them as the tourists just walk off the boat with them.
Boat Operator, Gulmit

Quotes from the field research relating to the five key components of EELY

Support Services / Lead Enterprises

"Our association has no money...we can't do anything. The government should be doing something to help us!
Hotel Owner, Skardu

"We don't know about tourism. It is not our priority – this is the role of the private sector."
Khaplu Town Management Society

"The problem is the businesses are de-motivated. They want everyone to do the hard work for them. It is easier to sit and blame than it is to work hard to solve the problems we are facing. "
Hotel Owner, Chitral

"We don't know much about tourism however if you train us we can mobilize other youth about tourism....it's important for Shigar."
LSO, Shigar

Skills and Technology Gaps

"None of my staff have been properly trained. How can they improve?"
Guest House Owner, Phandar

"The problem we have is that there is nowhere for our youth to get any training. The government needs to provide a training centre".
Hotel Owner, Skardu

"We want to learn. We are waiting for someone to help us"
25 year old male unemployed youth about being a cultural heritage guide, Skardu

"It's difficult to find staff. The youth that are educated prefer to work in an NGO or for the government. Those that are not educated do not have the communication skills."
Hotel Manager, Khaplu

Access to National Market via Marketing

"Marketing is the role of the government and they have done nothing."
Tour Operator Gilgit

"The government has the money…yet they won't spend it to support our industry. They would rather spend it on taking their family to ITB. The problem we have is that the people in the cities don't know about area. We need marketing."
Hotel Owner, Skardu

"Yes I suppose you are right…we have to do something to market our destinations. The problem is we don't know how to."
Hotel Owner, Gulmit

Entry Points for Young Men and Women

"We can consider some employment but the biggest opportunity is for us to create linkages with the youth to provide us with products and services."
Serena Hotel Manager

"We have tried supplying the hotels with vegetables once or twice. They are difficult to work with....they place orders and then cancel the order when the flight doesn't come...and that's after we have already picked the vegetables. One time they delivered the vegetables back to me without paying."
Female Vegetable Grower, Hunza

"If you have a business mind you can do anything. The problem is we don't know what the opportunities are. If only someone would help us."
20 year old girl from Passu

4.2 PRIORITY CONSTRAINTS

The priority constraints of the domestic leisure tourism value chain are summarized below in table 5 based on seven different categories. Those constraints in **black and bold** are considered priority constraints. Most of these constraints are interlinked with each other with some considered the causes to constraints in different categories. For a more detailed analysis of constraints refer to ANNEX 11.

CONSTRAINT CATEGORY	KEY CONSTRAINTS
MARKET BASED SERVICES	- **Most market based services need to improve the quality of their product and services yet lack the skills and capacity to be able to do this** - **Lack of product development and effective marketing of products minimising local economic benefits to communities** - **Lack of effective coordination and communication between value chain actors (horizontally and vertically).**
INPUT SUPPLIERS	- **Very few linkages between female producers and hotels / restaurants and tourism curio shops. Those linkages that exist are weak and are not nurtured.** - Hotels and restaurants do not implement responsible purchasing policies (except Serena who started in 2012/13) - Potential input suppliers lack knowledge and skills to access market - Cultural and social constraints for women limit their access
LEAD ENTERPRISES	- **Very few lead organisations in domestic tourism in and outside of GBC. The responsibility falls on just a few organisations to take the lead. E.g. Serena**
SKILLS & TECHNOLOGY GAPS	- **Significant number of skill areas that need to be developed to improve employability and entrepreneurship of the youth.** - **Lack of tourism training institutions or service providers to provide skill training** - Lack of information technology: reliable domestic tourism market data and information does not exist. No system in place for collection or analysis.
ACCESS TO NATIONAL MARKET (MARKETING)	- **Low awareness levels of GBC due to minimal destination marketing & PR (GBC and local level and including embedded services)** - Lack of accurate data and statistics on domestic tourism (no systems in place for collection and analysis)
YOUTH (MEN & WOMEN)	- **Low levels of awareness about what tourism is and the opportunities available** - **Lack of relevant skills (varies depending on education levels).** - **Lack of tourism training institutions or service providers** - Cultural and social constraints for women: few role models exist - Small numbers of direct employment opportunities
ENABLING ENVIRONMENT	- **Support services lack the knowledge of domestic tourism and in most cases are inactive e.g. BDS organisations, tourism associations, financial institutions** - **Lack of effective coordination and communication between enablers and value chain actors** - **GBTDB is currently inactive preventing the draft 2011 GB tourism policy from being approved or implemented** - **No community based responsible tourism destination planning and implementation at a provincial or local level** - Air access is unreliable – although a priority it falls outside of the EELY project mandate - Ongoing security issues restrict tourism demand. - GBTD and TCKP lack capacity, domestic tourism expertise and effective communication & co-ordination with the domestic tourism value chain.

Table 5: Priority Constraints for the Domestic Tourism Value Chain

4.3 VALUE CHAIN VISION & GOAL

By examining the value chain maps, establishing the priority constraints and analyzing the expenditure flows in the value chain a clear vision and goal for the domestic tourism value chain has been developed. The vision and goal are also in line with the Government of GB's draft tourism policy of 2011 and the strong view points of tourism stakeholders who emphasize the need for high value sustainable tourism for GBC learning from the negative impacts of mass domestic tourism in competing destinations.

Vision: To enhance the tourism industry in GBC, improving its competitiveness as a high value sustainable domestic tourism destination and widening the economic benefit of domestic tourism to local communities particularly for youth.

Goal: To upgrade the domestic tourism value chain by improving communication and co-ordination between tourism stakeholders; upgrading products and services to provide better quality tourism experiences; and increasing linkages encouraging enterprise development and employment opportunities particularly for youth.

4.3.1 Revised Value Chain Maps

Although the vision for a value chain is traditionally shown on one diagram this analysis has looked at three priority target market segments hence three revised value chain maps are presented below in Figures 8, 9 and 10. The sections in red highlight those areas that require strengthening and or need to be developed in order to achieve the vision and goals of the value chain as well as sustaining the current employment levels and ensuring the survival of the tourism industry during challenging times.

Comparing all three target market segments shows that the areas that need strengthening and developing are common across all three. There are two exceptions in the student value chain; camping and mountaineering / trekking guides and school need developing – these at present are not hugely important for the other two target market segments.

The vision is not to grow or expand each target markets value chains but to maximise and increase the local economic benefits to market based services, input providers and youth at an individual destination level using the current domestic tourism demand.

Utilizing this challenging time to improve and upgrade the domestic value chain is essential for its long term survival. The alternative option is to do nothing and to gradually see the entire industry fall into complete disrepair losing an entire generation who are neither engaged in tourism or know what tourism is and most importantly losing a livelihood source that has been so important to many communities of GBC.

REVISED UPMARKET URBAN SOPHISTICATE DOMESTIC TOURISM VALUE CHAIN

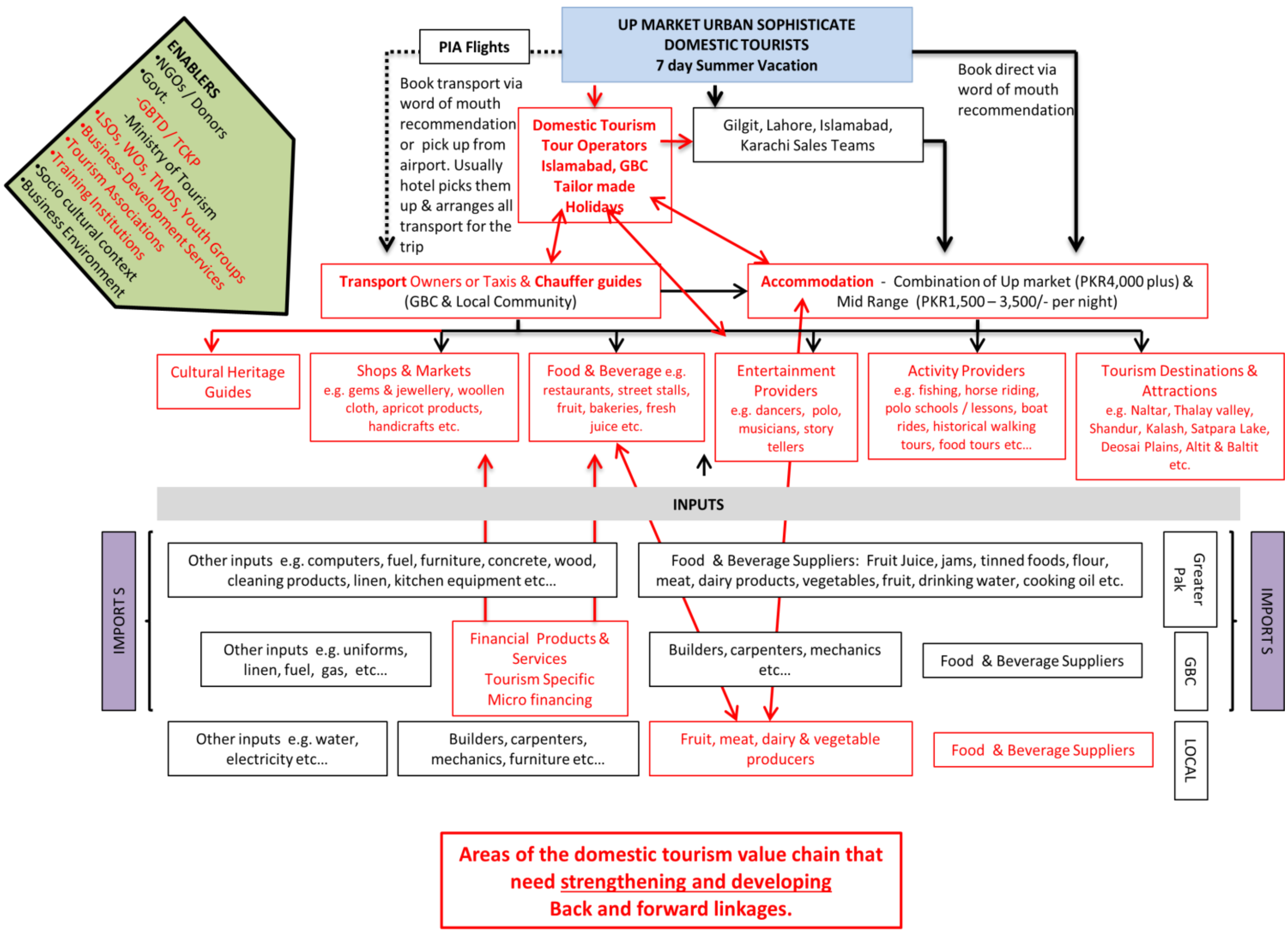

Figure 8: Revised Upmarket Urban Sophisticate Domestic Tourism Value Chain

REVISED MIDDLE CLASS PRICE CONSCIOUS DOMESTIC TOURISM VALUE CHAIN

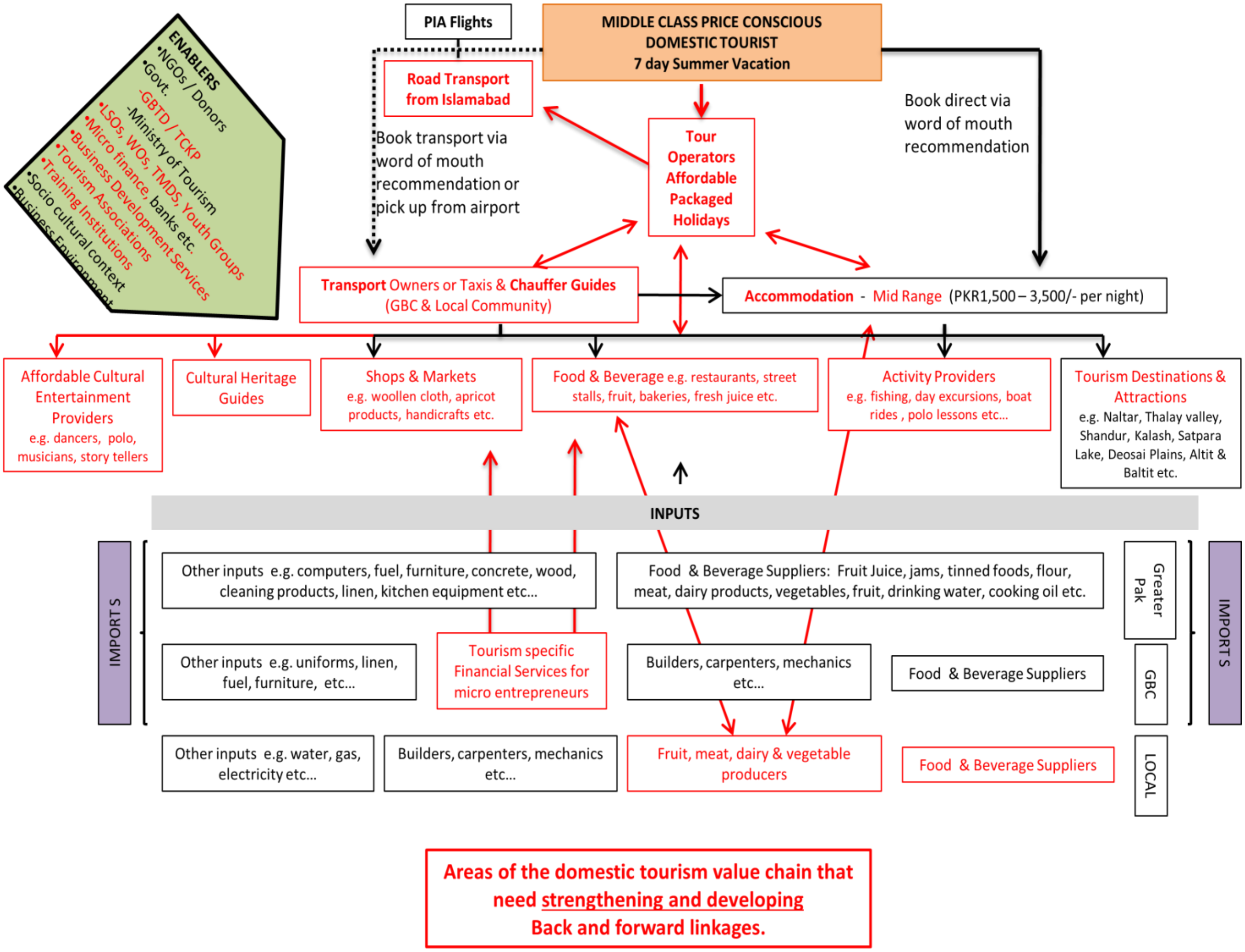

Figure 9: Revised Price Conscious Middle Class Domestic Tourism Value Chain

REVISED UPPER MIDDLE CLASS STUDENTS FROM CITIES DOMESTIC TOURISM VALUE CHAIN

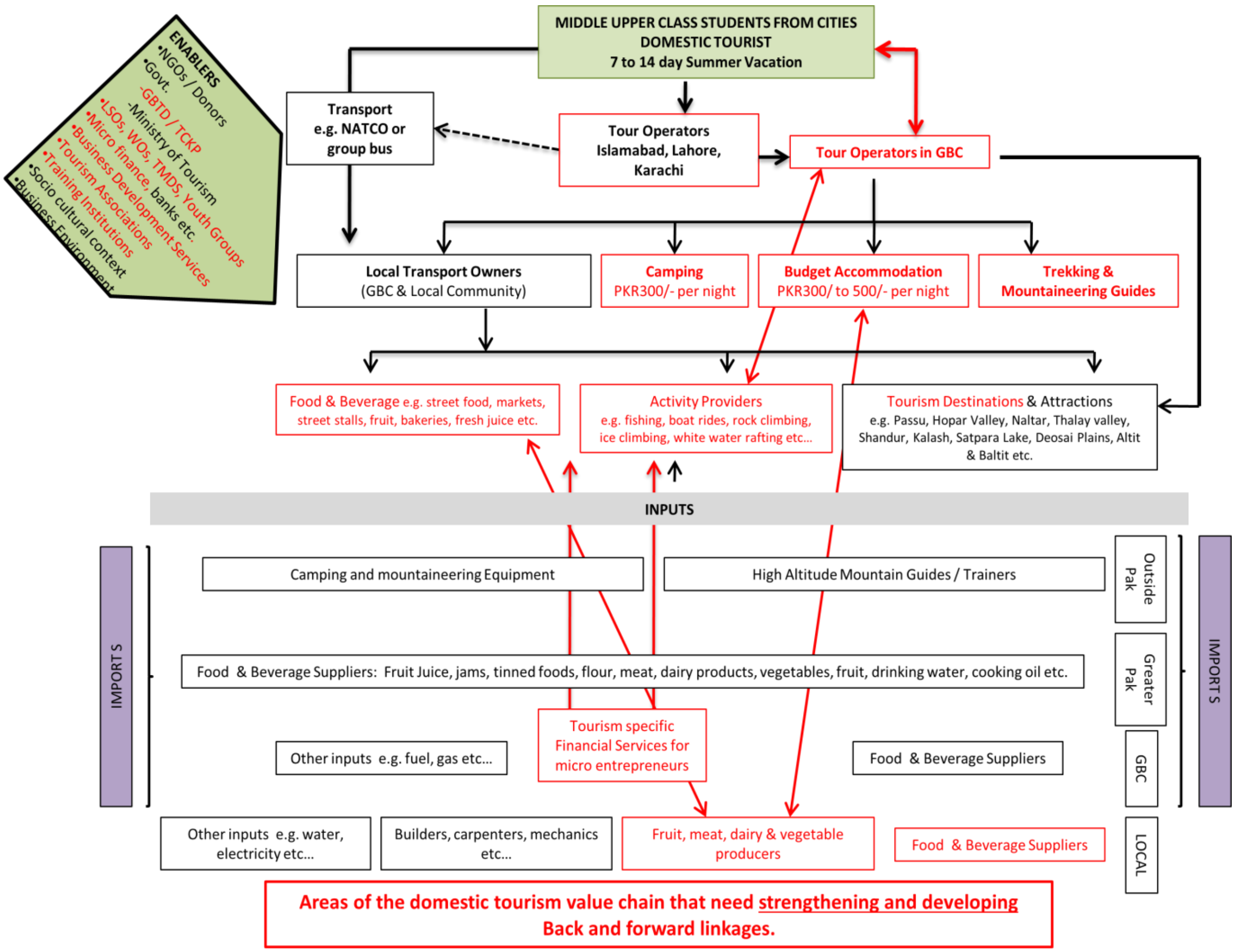

Figure 10: Revised Upper Middle Class Students from cities Domestic Tourism Value Chain

4.4 PRIORITY SUSTAINABLE RECOMMENDATIONS FOR SHORT AND LONG TERM

In order to upgrade the domestic leisure tourism value chain and achieve the goals in GBC there are two approaches to be considered:

i. Focus on 2 or 3 destinations in GBC overcoming a range of constraints at all levels of the value chain
ii. Focus on 2 or 3 constraints and address these across multiple destinations all over GBC

It is recommended that AKRSP go with approach i) which will have the greatest impact on the value chain and on the youth of GBC in the time frame of the EELY project. Focusing on specific destinations will provide sustainable and replicable models that can be rolled out by other destinations leveraging AKRSPs investment.
Recommended destinations for final selection and the selection criteria used to short list can be found in Annexes 12 and 13.

It should be noted that simply focusing and engaging only with the youth will not achieve the vision and goals for the domestic tourism value chain. The project needs to engage all actors and enablers in the value chain to have the greatest short and long term impact on youth and the enabling environment. Without upgrading the entire value chain and improving the enabling environment there will be minimal opportunities for youth.

It is important for AKRSP/EELY to intervene in some of the provincial level issues such as policy and marketing to improve the communication and co-ordination of all value chain players and the overall competitiveness of GBC as a destination.

Based on this below is a summary of the priority recommendations and interventions that should take place at the destination level and at the provincial level based on the five key components of the EELY project and directly relating to the priority constraints listed on page 22. Some of the recommendations fit across multiple EELY components. Those recommendations in **black and bold** should be considered as a top priority. For a detail on each recommendation refer to Annex 10.
Sustainable recommendations also are provided for areas outside of the EELY mandate.

PRIORITISED RECOMMENDATIONS FOR AKRSP/EELY PROJECT IN THE DOMESTIC TOURISM VALUE CHAIN GBC

EELY COMPONENT	PRIORITISED CONSTRAINTS	PRIORITISED SUSTAINABLE RECOMMENDATIONS
MARKET BASED SERVICES	- Most market based services need to improve the quality of their product and services yet lack the skills and capacity to be able to do this - Lack of product development and effective marketing of products minimising local economic benefits to communities - Lack of effective coordination and communication between value chain actors (horizontally and vertically). - Very few linkages between female producers and hotels / restaurants and tourism curio shops. Those linkages that exist are weak and are not nurtured.	- **Responsible Tourism Micro Enterprise Development and Product Development Training Modules and Workshops** - Develop business incubator competitions - Develop specific workshop for tour operators - **Development of codes of conduct and tourism standards** - **Conduct tourism awareness raising workshops at an individual destination level (youth focus)** - **Facilitate the strengthening of linkages between female input suppliers and hotels, restaurants and shop owners.**
ENTERPRISE / LEAD ENTERPRISE	- Very few lead organisations in domestic tourism in and outside of GBC. The responsibility falls on just a few organisations to take the lead. e.g. Serena	- **Involve lead enterprises in the development of enterprise and product development programmes and in the development of codes of conduct and tourism standards.** - Strengthening lead enterprises via a lead enterprise forum on tourism
SKILLS & TECHNOLOGY GAPS	- Lack of tourism training institutions or service providers to provide skill training - Significant number of skill areas that need to be developed to improve employability and entrepreneurship of the youth. - BDS organisations do not have the capacity to provide tourism skill development	- **Facilitate the implementation of Skill Development Programmes at the GBC level. Obtain multi stakeholder input into short, medium and long term solutions.** - Refer to enterprise & product development training above. - **Build capacity of BDS Providers on via ToT programmes (tourism enterprise development & destination marketing)** - Develop Business Development Mentoring Services
ACCESS TO NATIONAL MARKET VIA MARKETING	- Low awareness levels of GBC due to minimal destination marketing & PR (GBC and local level and including embedded services)	- **Destination Marketing GBC level via PPP** - **Destination Marketing Capacity Building Workshops at a local level**
ENTRY POINTS FOR YOUTH	- Low levels of awareness about what tourism is and the opportunities available - Lack of relevant skills (varies depending on education levels). - Lack of tourism training institutions or service providers	- Refer to tourism awareness raising workshops above. - Refer to Responsible Tourism Micro Enterprise Development and Product Development Training Modules and Workshops - Refer to Skills and Technology gaps.

Table 6: Prioritised recommendations for beyond the AKRSP/EELY project and beyond.

OTHER VALUE CHAIN COMPONENTS OUTSIDE OF EELY	PRIORITISED CONSTRAINTS	PRIORITISED SUSTAINABLE RECOMMENDATIONS
INPUT SUPPLIERS	- Female women do not know how to produce hygienic fresh dairy products to supply to hotels and restaurants - Female handicrafts are not always of the design and quality appealing to tourists	- Conduct training programme for the production of hygienic dairy products. - Strengthen linkages and conduct product development training - Link women co-operatives / entrepreneurs to international business development programmes such as: www.tcfglobal.com and www.intracen.org
ENABLING ENVIRONMENT	- Support services lack the knowledge of domestic tourism and in most cases are inactive e.g. BDS organisations, tourism associations, financial institutions - Lack of effective coordination and communication between enablers and value chain actors - No community based responsible tourism destination planning and implementation at a provincial or local level - GBTDB is currently inactive preventing the draft 2011 GB tourism policy from being approved or implemented	- Build capacity of BDS Providers on via ToT programmes (tourism enterprise development & destination marketing) - Engage micro financing institutions to develop competitive tourism specific financing products, loans or matching grants - Conduct tourism awareness raising workshops at an individual destination level (youth focus) **- Capacity building for the development and implementation of community based responsible Tourism Policies and Action Plans (also impacts long term enabling environment)** **- Reactivate the GBTDB and ensure GB tourism policy is approved**

Table 6: Prioritised recommendations for beyond the AKRSP/EELY project and beyond.

SUMMARY OF RECOMMENDATIONS FOR AKRSP/EELY PROJECT IN THE DOMESTIC TOURISM VALUE CHAIN

	EELY COMPONENT				
SUSTAINABLE RECOMMENDATIONS	**[1] MARKET BASED SEVICES**	**[2] ENTERPRISES / LEAD ENTERPRISES**	**[3] SKILLS & TECH GAPS**	**[4] ACCESS TO NATIONAL MARKET**	**[5] ENTRY POINTS YOUTH**
Conduct tourism awareness raising workshops at an individual destination level (youth focus)	X		X	X	
Strengthen linkages between female input suppliers and hotels, restaurants & shop owners	X		X		X
Tourism micro enterprise development and product development	X	X	X		X
Skill Development	X	X	X	X	X
Destination marketing			X	X	
Development of codes of conduct and tourism standards for market based services	X				
Build capacity of BDS Providers	X	X	X		X
Strengthening Lead Enterprises within Domestic Tourism		X			
Capacity building for the development and implementation of community based responsible Tourism Policies and Action Plans (also impacts long term enabling environment)	This impacts the overall enabling environment of the domestic tourism value chain over the long term.				
Reactivate the GBTDB and ensure GB tourism policy is approved	This impacts the overall enabling environment of the domestic tourism value chain over the long term.				

Table 7: Summary of recommendations for AKRSP/EELY Project

4.5 SYNERGIES WITH OTHER EELY VALUE CHAINS

Agricultural Value Chain
The greatest synergy for the domestic tourism value chain with other AKRSP/EELY value chains is in the area of agriculture production linking female growers and producers with hotels and restaurants and providing technical training to ensure consistent and quality supply of produce.

Gem Value Chain
The other areas where synergies can be created is in the transferring of unemployed tourism youth into the gem industry. Many youth in GBC who have work for the past ten years as a trekking or mountain guide voiced that they wanted to get involved in the gem industry; mining, gem cutting and polishing, jewellery design and wholesale and retail markets.

Construction Value Chain
There are small synergies between the green wood / construction industry and tourism. Many unemployed youth could train as carpenters and masons using traditional building techniques supplying hotels with products and services. An example of how linkages can work are both BEDAR and WSE CIQAM who have provided support to Shigar Fort, Khaplu Fort and other Serena hotels for furniture as well as carpentry and construction.

Across all Value Chains
Finally there is a lack of any form of mentoring for youth in GBC whether it's in relation to education, career and business development and support.
There are cross value chain synergies in developing a business mentoring support programme – an extension of BDS providers, using international models.
Most businesses fail in the first one to three years and currently BDS providers do not understand the concept of business mentoring. Most BDS are provided for a few months after an entrepreneur has completed their business plan and received finance. After 3 months the entrepreneurs have not access to any form of mentoring.
In order for the success of EELY in the long term it is essential that this service is developed using international models.

CHAPTER 5: DOMESTIC TOURISM VALUE CHAIN DEVELOPMENT PLAN

The following chapter gives a summary of the timing for each prioritized intervention and then follows with a detailed activity plan with corresponding timing. The development plan includes both EELY recommendations as well as recommendations that are outside the scope of EELY.

5.1 SUMMARY INTERVENTION ACTIVITY TIMING PLAN this we will discuss during our meeting

	EELY
	Outside of EELY

		YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
		Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
RECOMMENDED INTERVENTIONS																			
-	Preparation activities for intervention																		
1	Conduct tourism awareness raising workshops at an individual destination level (youth focus)																		
2	Strengthen linkages between female input suppliers and hotels, restaurants & shop owners																		
3	Tourism micro enterprise development and product development				Main concentration of work														
4	Destination marketing																		
5	Development of codes of conduct and tourism standards for market based services																		
6	Build capacity of BDS Providers																		
7	Skill Development																		
8	Strengthening Lead Enterprises within Domestic Tourism																		
9	Capacity building for the development and implementation of community based responsible Tourism Policies and Action Plans (also impacts long term enabling environment)		Main concentration of work																
10	Reactivate the GBTDB and ensure GB tourism policy is approved																		

Table 8: Summary AKRSP / EELY Intervention Activity Timing Plan for GBC Domestic Tourism Value Chain

5.2 DETAILED INTERVENTION ACTIVITY & TIMING PLAN

AKRSP PREPARATION FOR INTERVENTION	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preparation Activities																		
Conduct field research in Chitral to determine which location should be receiving intervention e.g. Chitral, Garam Chasma or Mastuj.																		
Finalise locations for overall intervention																		
Confirm resources (Project partners and TA) required for each activity																		
Identify key people in AKRSP field offices who will implement tourism intervention.																		
Conduct Training Needs Analysis (TNA) and identify key knowledge gaps in each AKRSP team																		
Develop and finalise work plans																		
Develop consultant TORs and engage where necessary																		
Identify project partners e.g. BDS providers																		
Develop training materials and workshops in order to fill the skill & knowledge gaps of AKRSP team Note: These should be staggered over the first four quarters of the programme																		
Consultant to conduct workshops for all AKRSP field teams																		
Confirm knowledge and skill gaps in BDS providers (refer to intervention #1 activities)																		

INTERVENTION #1: DOMESTIC TOURISM AWARENESS RAISING WORKSHOPS	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities																		
Confirm locations of where awareness raising workshops will take place																		
Confirm individual groups to participate in awareness raising workshops and identify which groups attend which workshop. E.g. Youth from CSOs, business owners, activity providers, tourism associations. For female awareness workshops refer to intervention #4																		
Identify the objectives and agenda for each group / workshop																		
Identify who will be workshop partners in each location. E.g. BDS, lead enterprises, tourism associations etc.																		
Develop workshop presentation materials tailoring to individual groups																		
Translate materials / handouts into relevant languages																		
Organise participants and workshop logistics - develop workshop schedule.																		
Conduct awareness workshops with different groups in different locations																		
Develop action plans from each workshop																		
Integrate follow on activities into other intervention activities.																		

INTERVENTION #2: Tourism micro enterprise development and product development	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities - Enterprise Development Workshops																		
Finalise which locations this intervention will take place in. Select one destination to run pilot programme.																		
Identify capacity building partners for this intervention																		
Develop modules and manual for workshops - How to start and grow your tourism business? (Part #1 - intro to tourism and developing your idea, Part #2 - business planning and linkage. Part #3 - ongoing mentoring programme) Take into consideration gender issues when developing modules and manuals																		
Adapt How to start and grow your tourism business? Modules and manual and tailor for product development workshops - How to adapt your tourism products and services for domestic tourism?																		
Translate materials / handouts into relevant languages if necessary																		
Develop training schedule of how these workshops should be rolled out. Start with many youth and gradually eliminate depending on skill levels, enterprise idea, ability to link with tourism private sector etc. The final group of youth should be those whose business idea / product or service is feasible and can be linked with other value chain actors.																		
If using IFC model and adapting specifically for tourism obtain copyright / licensing permission (if necessary)																		
Conduct ToT workshops for BDS providers.																		
Make any amendments to modules and manuals post ToT																		
Develop selection criteria for youth participation in enterprise development workshops at the different stages.																		
Using Community Tourism Associations and CSOs to recruit you using selection criteria developed. Part #1: 30 to 40 youth. Part #2: 20 to 25 youth																		
Conduct pilot for How to start and grow your tourism business? Part #1																		
Revise module and materials after piloting Part #1																		
Roll out How to start and grow your tourism business? Part #1 to all destinations																		
Using selection criteria to select Part #2 participants																		
Identify which private sector organisations (local, provincial or national) can i) participate in workshops as guest speakers for Part #2 (include financial organisations) and ii) create potential linkages with young entrepreneurs																		

INTERVENTION #2: Tourism micro enterprise development and product development	**YR 1: 2013**		**YR 2: 2014**				**YR 3: 2015**				**YR 4: 2016**				**YR 5: 2017**			
	Q2	**Q3**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Intervention Activities - Enterprise Development Workshops continued…																		
Present viable ideas to the private sector to ensure integration of a specified number of ideas into the domestic tourism value chain																		
Conduct pilot for How to start and grow your tourism business? Part #2																		
Revise module and materials after piloting Part #2																		
Roll out How to start and grow your tourism business? Part #2 to all destinations																		
Link workshop participants with private sector and financial institutions																		
Monitor and evaluate																		
Intervention Activities - Product Development Workshops																		
Finalise which locations this intervention will take place in. Select one destination to run pilot programme.																		
Adapt How to start and grow your tourism business? Modules and manual and tailor for product development workshops - How to adapt your tourism products and services for domestic tourism?																		
Translate materials / handouts into relevant languages if necessary																		
Develop training schedule for this workshop																		
If using IFC model and adapting specifically for tourism obtain copyright / licensing permission (if necessary)																		
Conduct ToT workshops for BDS providers.																		
Make any amendments to modules and manuals post ToT																		
Develop selection criteria for youth and non youth participation in product development workshops																		
Using Community Tourism Associations to assist recruit participants using selection criteria developed.																		
Conduct pilot for How to adapt your tourism products and services for domestic tourism?																		
Revise module and materials after piloting																		
Roll out How to adapt your tourism products and services for domestic tourism? to all destinations																		

INTERVENTION #2: Tourism micro enterprise development and product development	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities - Product Development Workshops continued….																		
Identify which private sector organisations (local, provincial or national) can i) participate in workshops as guest speakers (include financial organisations) and ii) create potential linkages with young product and service providers																		
Present viable ideas to the private sector to ensure integration of a specified number of ideas into the domestic tourism value chain																		
Link workshop participants with private sector and financial institutions																		
Look at linkages beyond GBC with international projects such as ITC and BPW Business Incubators.																		
Monitor and evaluate																		
Intervention Activities - Develop tourism specific financial packages																		
Conduct meetings with financial institutions and propose development of specific tourism financial packages (micro financing, matching grants etc.)																		
Finalise tourism specific financial packages																		
Link MSMEs with financial institutions																		
Monitoring and evaluation																		
Intervention Activities - Develop youth business mentoring facility																		
Ensure there is ongoing business support for the entrepreneurs across all value chains (not just tourism) through business incubators and business development support programmes.																		
Develop TORs for TA in developing based on international models of success in Africa and South America.																		
Develop a framework appropriate for GBC using international models																		
Conduct feasibility study and determine whether to proceed																		

INTERVENTION #3: STRENGTHEN LINKAGES BETWEEN FEMALE INPUT SUPPLIERS AND HOTELS/RESTAURANTS AND TOURISM SHOPS	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities - Overall																		
Identify which locations the intervention should take place in.																		
Confirm synergies with other EELY value chains and allocate activities accordingly.																		
Identify capacity building / skills development partners. E.g. BDS, Lead enterprises, hotels, restaurants or tourism shops etc.																		
Develop a database of potential female input suppliers who should participate in intervention and categorize based on vegetable growing, dairy farming, handicrafts, dried fruits and nuts, local foods and woollen products. Involve youth and female members of CSOs.																		
Develop data base of hotels, restaurants and tourism shops in each location.																		
Review tourism awareness raising materials to accommodate gender issues specific to tourism.																		
Conduct tourism awareness raising sessions with female producer groups. Tailor each session to have a small focus on their area of specialty. Identify overlap where women are active in multiple categories																		
Develop responsible purchasing module and training materials for hotels, restaurants and tourism shops																		
Conduct workshops with hotels and identify all possible linkages.																		
Post tourism awareness raising sessions facilitate meetings with between individual female producer groups and hotel, restaurants and tourism shops to discuss linkages.																		
Develop action plans from these meetings and prioritise skill development areas (if different from April'13 research results)																		
Look at linkages beyond GBC with organisations such as the Pakistan Women's Association, design centres and academies, international projects such as ITC and BPW Business Incubators. Explore other alternatives and facilitate support.																		
Develop training modules and materials for each female producer group where necessary.																		
Conduct training sessions																		

INTERVENTION #4: Destination Marketing	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities - Provincial Level																		
Conduct meeting with government to shift their mindsets towards the importance of conducting marketing to priority domestic tourism target markets.																		
Identify tourism stakeholders to be included in PPD																		
Initiate Public-Private Sector Dialogue (PPD) between govt and tourism stakeholders via associations. Ascertain roles and responsibilities of each party and what they are prepared to contribute.																		
If first PPD not successful identify why and try to overcome reasons. Conduct 2nd PPD.																		
If green light facilitate individuals and organisations who will be represented on the PPP committee																		
Facilitate continual development of GBC marketing PPP to clarify all details of PPP.																		
Facilitate development of Visiting Journalist Programme (VJP)																		
Finalise list of areas for capacity building to ensure long term success of PPP with input from PPP committee. E.g. strategic marketing planning, proposal writing, project implementation																		
Develop modules and materials for capacity building																		
Finalise participants for marketing capacity building workshops																		
Conduct capacity building workshops over first 6 to 12 months of intervention																		
Monitoring and evaluation																		
Intervention Activities - Local Level																		
Using the Community Tourism Association develop a marketing subcommittee (invite youth from outside of the tourism association to join this subcommittee)																		
Identify roles and responsibilities of marketing subcommittee																		
Develop marketing modules and materials for capacity building "How to market your destination to domestic tourists?																		
Finalise participants for marketing capacity building workshops																		
Develop schedule for capacity building workshops																		
Conduct marketing capacity building workshops																		
Develop marketing action and implementation plans (include funding plans)																		
Monitoring and evaluation																		

INTERVENTION #5: Development of Codes of Conduct and Tourism Standards for Guest Houses, Transport Providers & Cultural Heritage Guides	**YR 1: 2013**		**YR 2: 2014**				**YR 3: 2015**				**YR 4: 2016**				**YR 5: 2017**			
	Q2	**Q3**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Intervention Activities - Part #1 Development																		
Confirm which locations pilot programmes will take place																		
Identify partners and TA required for pilot programmes.																		
Conduct workshops to ensure private sector buy in at a local level and establish their level of contribution.																		
Facilitate govt. engagement in programme and establish what they can contribute																		
Develop presentations and materials for Standards and Codes of Conduct initial meetings with tourism private sector sub groups.																		
Develop draft framework for implementing mechanism (standards committee, actual standards, codes of conducts, funding, capacity building etc.) for individual subsectors (Guides, Hotels, Transport providers) and locations. Note: This may vary from subsector to subsector and location to location.																		
Conduct workshop to gain input from subsector groups into draft framework																		
Finalise framework																		
Facilitate development of implementation plans																		
Confirm capacity building needs of Standards Committee.																		
Develop capacity building modules and materials for individual subsector standard committees. Assess what materials can be utilized from other interventions (Skill development)																		
Develop training schedule identifying training partners																		
Conduct capacity building workshops for Standards Committee																		

INTERVENTION #5: Development of Codes of Conduct and Tourism Standards for Guest Houses, Transport Providers & Cultural Heritage Guides	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities - Part #2 Implementation																		
Standards committee to finalise database of participants for pilot programmes																		
Facilitate launch meetings for each subsector																		
Identify training modules required for subsector programme participants to assist achieve standards																		
Identify training partners																		
Develop training modules and materials (Ensure synergies with Skill Development intervention)																		
Oversee implementation of subsector pilot programmes for first 12 months																		
Monitoring and evaluation																		
Conduct workshop with Standards Committee and participants to ascertain lessons learned																		
Adapt models using lessons learned																		
Roll out in other locations.																		

INTERVENTION #6: Development of long term solution for tourism skill development	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities																		
AKRSP facilitate a workshop with the government, lead enterprises, and tourism associations to brainstorm possible short, medium and long term solutions.																		
Action plans should be developed to commence implementation of the chosen solution.																		
Commence implementation of action plan																		
Delivery of solutions																		

INTERVENTION #7: BUILD CAPACITY OF BDS ORGANISATIONS & INDIVIDUALS	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities																		
Confirm what areas of the intervention BDS providers will be required.																		
Identify project partners, their role and responsibility e.g. BDS providers (preferably 70% youth).																		
Confirm knowledge & skills gaps via more in-depth TNA																		
Develop training modules and materials for BDSs (translate where necessary)																		
Translate materials / handouts into relevant languages																		
Finalise participants																		
Conduct ToT Part #1																		
Obtain feedback and revise materials																		
Conduct ToT Part #2																		
Obtain feedback and revised materials																		
Conduct ToT Part #3																		
Obtain feedback and revised materials																		

INTERVENTION #8: Strengthening Lead Enterprises	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities																		
Conduct lead enterprise seminar to clarify how they can pool their resources (financial and human) for mutual advantage in the project. Ensure their involvement in most aspects of the intervention																		
Ensure lead enterprises are presented on the GBTDB when re-activated as well as on regional and local tourism associations. Facilitate their representation.																		
Facilitate lead enterprise forum on a quarterly basis																		
Facilitate a tourism development awareness forum with donors, INGOs, NGOs in Islamabad																		
Identify areas where lead enterprises would like their capacity built																		
Develop capacity building materials and workshops																		
Conduct capacity building exercises with lead enterprises (this may include overlap from other capacity building areas)																		

INTERVENTION #9: CAPACITY BUILDING FOR THE DEVELOPMENT OF COMMUNITY BASED RESPONSIBLE TOURISM POLICY AND PLANNING	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities # Local Level																		
AKRSP to facilitate the development of Community Tourism Associations ensuring at least 70% youth representation.																		
Identify capacity building partners																		
Conduct local level meetings with key tourism stakeholders to obtain buy in for the development of a Community Tourism Association at a local level. Following on from awareness raising workshops reiterate what is community based RT and what does it mean for the destination, give international examples, the proposed roles and responsibility (mandate) of the CTA and what would be required in the short, medium and long term.																		
Identify who will be on the Association with 100% input from community.																		
Identify what legal form (if any) the Association will take and develop sustainable business plan to ensure it will become self funding in the long run.																		
Develop RT capacity building training modules and workshops (adapt Provincial level materials)																		
Finalise work shop participants																		
Translate materials / handouts into relevant languages if necessary																		
Implement training workshops																		
Workshop #1: Identifying the triple bottom line responsible tourism impacts																		
Develop action plans from workshop #1																		
Workshop #2: Develop RT Policy and action plan																		
Develop action plans from workshop #2																		
Workshop #3: Implementing the action plan - building capacity																		
Develop action plans from workshop #3																		
Identify other workshops that association members and community need in relation to the implementation of the RT Policy and action plan.																		
Monitoring and evaluation																		

INTERVENTION #9: CAPACITY BUILDING FOR THE DEVELOPMENT OF COMMUNITY BASED RESPONSIBLE TOURISM POLICY AND PLANNING	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities # Provincial Level																		
Identify capacity building partners for this intervention																		
Identify potential partnership members and invite to meeting e.g. lead enterprises, tourism associations presidents, WWF, hotels, government, transporters, guides and Youth etc.																		
Prepare materials and presentations for workshop																		
Conduct provincial level meeting with key tourism stakeholders to obtain buy in for the development of a Responsible Tourism Partnership at a provincial level. Give presentation on what is community based RT and what does it mean for the destination, give international examples, the proposed roles and responsibility (mandate) of the RTP and what would be required in the short, medium and long term.																		
Confirm if RTP is to proceed																		
Facilitate setting up of the RTP: who will be on the committee and members of the partnership identify what legal form the RTP will take and develop sustainable business plan to ensure it will become self funding.																		
Develop RT capacity building training modules and workshops																		
Finalise work shop participants																		
Translate materials / handouts into relevant languages if necessary																		
Implement training workshops																		
Workshop #1: Identifying the triple bottom line responsible tourism impacts																		
Develop action plans from workshop #1																		
Workshop #2: Develop RT Policy and action plan																		
Develop action plans from workshop #2																		
Workshop #3: Implementing the action plan - building capacity (confirm topic with input from RTP members)																		
Develop action plans from workshop #3																		
Identify other workshops that association members and community need in relation to the implementation of the RT Policy and action plan.																		
Monitoring and evaluation																		

INTERVENTION #10: Reactivate GBTDB and ensure GB Tourism Policy is approved	YR 1: 2013		YR 2: 2014				YR 3: 2015				YR 4: 2016				YR 5: 2017			
	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Intervention Activities																		
Initiate and facilitate three meetings; i) with private sector to develop arguments for reactivation. ii) With government board members to prepare them for final meeting and iii) with ALL board members.																		
GBTDB meets to discuss and resolve issues.																		
Private sector board members to pressurize / lobby public sector members of GBTDB and negotiate a resolution.																		
GBTDB Chairman to send policy for approval to GB Council																		
Tourism Policy Approved																		

5.2 INTERVENTION RISKS & MITIGATION STRATEGY

Managing risk is central to any value chain intervention. The following table outlines the key risks and mitigations strategies that should be implemented to minimize the risk.

	Risk	Impact of Risk	Mitigation	Rating Probability/	Impact
1	**Tourism specific knowledge of most AKRSP staff is low**	Project staff are less able to guide and implement the programme within the time frame of EELY	Capacity building for most staff / project team prior and during the programme Ongoing mentoring Consultants to provide technical assistance through the intervention	M	M
2	**Government responsiveness**. Government are unwilling or unable to play a role in developing high end domestic tourism	Domestic tourism private sector is unable to get support from government where required. Trust between private sector and government diminishes further as does private sector motivation. GBTDC is not reactivated and tourism policy is not approved impacting the overall enabling environment.	AKRSP to conduct meetings with tourism secretary and GBTDB as well as KPTC and deliver sales pitch on domestic tourism to secure their support. Focus should be on high end domestic tourists and opportunity cost of not doing anything and also on the long term positive impacts for international tourism by upgrading domestic tourism now.	L	M to H
3	**Willingness of different CSOs to take ownership of tourism** Currently CSOs do not see tourism as their responsibility and in most cases it is not listed in their bi-laws.	Broader community (youth) are unable to benefit from tourism	AKRSP have a long successful history in community mobilization. AKRSP to ensure the roles and responsibilities of each CSO (WO, LSO, TMS etc.) are clearly defined and are realistic. Also ensure they are included in most capacity building workshops.	L	M
4	**All of the responsibility falls back onto the lead enterprises and communities take little ownership.**	Lead enterprises disengage with EELY project and do not offer support and leadership where needed. Lead enterprises take all of the business opportunities. Broader community (youth) are unable to benefit from tourism	Lead enterprises should also feel supported and benefit from capacity building exercises throughout the intervention. Clearly identify their roles and responsibilities in the intervention. Ensure community ownership; motivate via tourism awareness workshops and involve in planning and development. Increase communication and co-ordination between all actors.	M	H

	Risk	Impact of Risk	Mitigation	Rating Probability/ Impact	
5	**Substitution / Additionality Risk**	There has been very little NGO / donor money invested into the domestic tourism value chain in recent years. The privates sector have been inactive continually blaming the government and to a small degree donors/NGOs. AKRSP must be extremely careful that their money does not become a substitute for the investment the private sector should be making but are not because of market forces.	Tourism private sector is motivated via capacity building workshops. Govt provides support to private sector where appropriate and necessary. Consider match funding wherever possible.	**M**	**M**
6	**Certain sectors of youth do not have sufficient literacy or numeracy to participate in training** Many of the unemployed youth are illiterate (predominantly in Baltistan).	Illiterate youth do not have sufficient literacy or numeracy to participate in training.	Ensure that there is a range of training modules and delivery mechanisms to meet the varying levels of literacy amongst the youth. Link some selected youth to literacy programmes operated by other NGOs or AKRSP value chain programmes to ensure long term skills improvement.	**H**	**L**
7	**Lack of trust between private sector and tourism government departments in the short, medium and long terms.** Trust between the government and private sector is currently lacking which if not dealt with could result in many of the interventions not being successful.	Everyone shows willingness in the beginning yet interest and commitment to deliver disappears after a few months. E.g. GBTDB became inactive after a few months posts its set up in 2011 Initial investment lost as PPPs fall apart.	AKRSP to play a facilitation role throughout the intervention. Ensure trust building activities are included right from the beginning. For example: establishing transparency, communication and co-ordination as well as producing joint successes, even if small, early on in the programme. These are an important part of jump-starting the trust building process, and will in turn strengthen participants' interest and willingness to work together in the development of the value chain for the long term.	**M**	**H**
8	**Ability to provide support services to the value chain**. Planning for the delivery of support services is an integral part of developing a successful value chain program. In GBC support services are inactive in tourism and or under-developed.	Value chain participants do not have financial, business and technical support services to successfully upgrade products or services to sell into target markets.	Encourage local BDS providers and financial services to expand into providing tourism services and support the development of BDS organisations via capacity building.	**L**	**H**
9	**Natural disasters such as earthquakes, landslides, glacial outbursts / flooding etc.**	Programme implementation is affected Staff are unable to access intervention areas	Ensure project interventions and implementation teams are geographically spread across GBC.	**M**	**M**

	Risk	Impact of Risk	Mitigation	Rating Probability/ Impact	
10	**Younger participants are de-motivated by non youth.**	Fewer youth want to participate	Conduct some capacity building exercises separately in the initial stages Present examples to non youth of where similar interventions have proved successful Engage non youth in some capacity building sessions Ensure small wins early on change negative attitude.	**M**	**M**
11	**Societal norms prevent women from participating**	Not many women are able to participate in enterprise, employability or skill development opportunities Male guest house owners / hotel managers do not develop linkages with women	Educate community leaders to ensure they understand that the project will improve the incomes of women and therefore the betterment of the entire community if they are involved in tourism. Use female role models to engage other female youth as well as their families. Engage community mobilizors to assist educating families. Educating guest house owners / hotel managers about the opportunity for women to be involved and also on how to provide the right enabling environment for them. Adjust short term female intervention objectives to be realistic taking this into consideration. Leverage successes of gender work from other value chains.	**H**	**M**
13.	**Sectarian violence and general security situation in GBC deteriorates**	Project staff (and partners) are unable to travel to intervention destinations Intervention participants do not receive the support and objectives are not achieved.	Ensure project interventions and implementation teams are geographically spread across GBC. Avoid potentially high conflict areas	**M**	**M**

Table 9: Key risks and mitigation strategies of AKRSP / EELY Domestic Tourism Value Chain Intervention

RISK MATRIX SUMMARY

		IMPACT		
		HIGH	**MEDIUM**	**LOW**
PROBABILITY	**HIGH**		[1], [8], [10]	[9]
	MEDIUM	[4], [6]	[5], [12], [13]	
	LOW	[7]	[2], [3], [11],	

Table 10: Risk Matrix Summary

5.3 LOGICAL FRAMEWORK

It is recommended that this is completed once the interventions are finalised after input has been gained from AKRSP, AKF and CIDA.

CONCLUSIONS

Domestic tourism in Gilgit-Baltistan and Chitral can without a doubt play a positive role in generating local economic benefits engaging the youth in entrepreneurship and sustaining their employability in the industry.

The value chain analysis has highlighted the urgent need to enhance the overall tourism industry in GBC, improving its competitiveness as a high value sustainable domestic tourism destination and widening the economic benefits of domestic tourism to local communities.

It has highlighted that there are areas that need addressing that fall within the five EELY components and there are areas that fall outside of the AKRSP/EELY mandate.

Conclusions for the five key EELY components are

1. Existing **Market Based Services** need to be upgraded to meet the demands of a high value domestic tourism market.
2. There are opportunities for the development of **Enterprises** in the informal sector and showing support for **Lead Enterprises** (and Lead Individuals).
3. Investment in basic tourism training and capacity building is required to overcome the **Skill Gaps** with the biggest challenge being the provision of an economically viable mechanism to be able to deliver vocational and professional training for the short and long term. The key **Technology Gap** is information technology – this will require investment beyond the scope of EELY.
4. **Access to national market via marketing** initiatives at both a regional and a local level. The development of a marketing PPP that builds on the strengths of both the private and public sectors will assist overcome the marketing issues of low awareness and poor image for GBC. Marketing activities delivered from a regional level should also be complemented with marketing activities delivered from a local level.
5. **Entry points for young men and women:** Whilst direct employment opportunities are relatively small in domestic tourism the focus should be on sustaining the existing levels of employment and generating opportunities for young men and women to become engaged in domestic tourism either via awareness raising activities at a community level, in micro enterprise opportunities, as female producers or input suppliers or in leadership roles on tourism associations or youth groups.

Despite the overall security situation the constraints that are holding back the development of the domestic tourism sector include those that have been around the for the past ten years yet nothing has been done about them and those that have appeared in recent years due to the lack of effective communication and co-ordination between tourism stakeholders and an absence of community based responsible tourism policy, planning and implementation at a local and provincial level. Most of these constraints can be mitigated with the implementation of the practical interventions recommended in this study creating a more conducive enabling environment to ensure existing employment opportunities are sustained and the overall value of the domestic tourism value chain is increased rather than the size.

The key to the interventions overall success will be:

1. The capacity of the AKRSP team is built via technical assistance both prior and during the commencement of the intervention.
2. Support services are engaged and also have their capacity built.
3. The community are mobilized to understand the community based responsible tourism and have access to the opportunities that exist.
4. Ensuring the youth have their capacity built and are engaged in all interventions from the very beginning and in some take a leadership role over time (Transfer skills and responsibility from the rather negative non youth to the more positive youth)
5. That the government works in close partnership with the private sector at a provincial level building trust for the short and long terms
6. To ensure a reasonable budget is allocated by the government and the private sector for destination PR and marketing to improve the overall image and awareness of GBC and therefore to improve the demand side.

Without any interventions in the current economic and political climate the industry runs the risk of going into continual decline with individual tourism systems at local destinations collapsing and many individuals and families' losing what has been a major livelihood provider.

The time has come for GBC to shift its focus to the enormous potential of Pakistan's domestic tourism and to use this market to revive and sustain the tourism investment that has already occurred and increase the benefits of tourism to the local community in the most responsible and sustainable manner.

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ANNEXES

ANNEX 1: CONSULTANTS DELIVERABLES OF ASSIGNMENT

1. Develop work plan for domestic tourism project for GBC
    a. Meet with project team in Islamabad, Gilgit and Chitral
    b. Identify key actions, responsibilities and time frames

2. Conduct qualitative field research in GBC
    a. Develop a research plan to be approved by PM MED
    b. Include young men and women, tourism stakeholders (existing and potential), key informants (govt., NGOs, private sector, LSOs, community leaders etc.)
    c. Use community based / participatory practices (follow guidelines of AKFC's Start up Youth Tool)
    d. Use focus groups & key informant interviews

3. Conduct a tourism value chain analysis of the domestic tourism industry in GBC.
    a. Focus on five key components
        i. Market based services
        ii. Assess Enterprise / lead enterprises in the tourism value chain (existing and new)
        iii. Skills & technology gaps
        iv. Access to national and international markets
        v. Entry points for young men and women.
    b. Develop sustainable recommendations for the short and long term development of the domestic tourism subsector

4. Produce a value chain development plan for the domestic tourism to be used by AKRSP's Market Development and Entrepreneurship Development Team (AKRSP MED) to assist them implement the intervention.
    a. Include overview of activity plans with time frames
    b. Provide guidelines for strengthening 'lead' enterprises within the subsector's value chain
    c. Outline risks and develop a mitigation strategy
    d. Recommend sustainable solutions that ensures growth of the subsector post project EELY

ANNEX 2: DETAILED RESEARCH METHODOLOGY

RESEARCH AIM & OBJECTIVE

Research Aims

The two key broad aims of the domestic tourism value chain research were:

3. To identify the market gaps and opportunities (including synergies with other value chains in EELY project) that exist within the domestic tourism value chain in Gilgit-Baltistan and Chitral.
4. To identify the barriers and opportunities of the domestic tourism value chain that are relevant to the successful implementation of the AKRSP / EELY project.

Research Objective

More specifically the domestic tourism value chain study objectives were directly linked to the five key components of the AKRSP EELY project:

- **Market based services**
  - Develop a detailed analysis of the domestic tourism value chains existing market-based services e.g. input suppliers, ground handlers, travel agents and wholesalers, product and service providers.
  - Identify the promotional and marketing activities carried out to strengthen the provision of embedded services.

- **Enterprises/Lead Enterprises in the value chain**
  - Identify and map the range of existing enterprises (product and service providers & lead enterprises) that exist in the domestic tourism value chain in GBC.
  - Identify potential 'missing' essential enterprises/lead enterprises/services in the value chain.
  - Develop recommendations for support mechanisms for the creation / strengthening of the lead enterprises at all levels of the value chain to provide vision, leadership, a corporate model and critical technical and market information crucial for backward and forward linkages for the operators of the value chain.

- **Skills and Technology gaps**
  - Identify the skills and technology gaps that currently exist in the domestic tourism value chain. E.g. stakeholders that rely on traditional technologies and services which are not up to international or acceptable standards or lack of business development support services.

- **Access to national market**
  - Recommend mechanisms for developing a collective tourism brand for GBC.
  - Identify marketing activities and support required and the mechanism need to do this. E.g. organizing calendar events at national and international fairs, exhibitions and support in developing a web based information systems on tourism of GBC.

- **Entry points for young men and women**
  - Assess the potential for engaging young men and women in the tourism sector in GBC.
  - Identify entry points with low barriers to entry for this target group
  - Identify potential skills gaps that may need to be addressed to remove barriers of entry to the sector and to improve employability of young men and women.

2. RESEARCH METHODOLOGY

The data compiled and analyzed for the study was gathered under the following methodologies:

Secondary Information and Data:

A thorough desk review was conducted covering the most current tourism information and reports on GBC, domestic tourism in Pakistan and South Asia. Sources of information included NGOs, Serena Hotels, PTDC, academic journals, AKDN agency documents, Pakistan Tourism Development Corporation (PTDC), IUCN, WWF, UNWTO and WTO reports, case studies, consulting reports and the internet. This review also included the collection of tourism data from tourism departments in GBC (i.e. Gilgit-Baltistan Tourism Department and Khyber Pakhtunkhwa Tourism Department). The desk review of secondary data enabled the researcher to develop a comprehensive snap shot of domestic tourism in GBC. A full list of all documents used is listed in the References section of this report.

Primary Information and Data:

Primary information and data was collected during field trips using used predominantly qualitative methods (90% focus group discussions and 10% semi structured interviews) to assess the current domestic tourism value chain in GBC. Table 1 summarizes the participant groups that were included in the research during field trips to GB, Lahore, and Islamabad and Skype interviews with tourism stakeholders from Karachi. Table 2 summarizes the number of research participants by research location. For a more detailed look at the research participants list of Research Participants is available on request.

The recruitment criteria for the research participants were:

- 50% - 60% Youth with a mixture of:
  - ✓ Educated, uneducated and school drop outs
  - ✓ Employed and unemployed
  - ✓ Tourism and non tourism
  - ✓ 50% women
- 50% Tourism stakeholders, community members, women representatives

DOMESTIC TOURISM RESEARCH PARTICIPANTS BY GROUP

TOURISM VALUE CHAIN STAKEHOLDERS	RESEARCH METHOD
Individual Tour Operators	Semi structured interviews
Tour Operators Associations	Focus Group Discussion
Hotels and their Associations	Focus Group Discussion and Semi structured interviews
Guide Associations	Focus Group Discussion
Porter Associations	Focus Group Discussion and Semi structured interviews
Transport Providers	Focus Group Discussion
Handicrafts / Crafts (Women)	Focus Group Discussion
Carpentry, Mechanics, Builders Etc.	Focus Group Discussion
Agriculture / Horticulture: Growers, suppliers (Those already supplying the tourism industry)	Focus Group Discussion / Semi structured interviews
Agriculture / Horticulture: Growers, suppliers (Those who are not supplying the tourism industry)	Focus Group Discussion
Gem Industry	Focus Group Discussion
Other inputs: food, beverage, uniforms etc.	Focus Group Discussion
YOUTH OF GBC	**YOUTH OF GBC**
Youth Currently Employed directly in Tourism (Men)	Focus Group Discussion and Semi structured interviews
Youth Currently not employed in Tourism (Men)	Focus Group Discussion and Semi structured interviews
Youth Currently Employed directly in Tourism (Women)	Focus Group Discussion
Youth Currently Employed indirectly in Tourism (Women) e.g. CIQAM	Focus Group Discussion
Youth Currently unemployed (men and women)	Focus Group Discussion
Students (University and School)	Focus Group Discussion
Youth Groups / Associations	Focus Group Discussion
Women's Youth Groups	Focus Group Discussion
Female Entrepreneurs	Focus Group Discussion
Male Entrepreneurs	Focus Group Discussion
CIVIL SOCIETY ORGANISATIONS: LSOs, WSOs, TMDS, Community Leaders	Focus Group Discussion
NGO'S	Semi structured interviews
GOVERNMENT	Semi structured interviews
OTHER SUPPORTING SERVICES	**OTHER SUPPORTING SERVICES**
Micro Financing Organisations	Semi structured interviews
Business Development Services (Islamabad & GBC)	Semi structured interviews

Table 1: Summary of GBC Domestic Tourism Value Chain Research Participants by group, 2013

SUMMARY OF GBC DOMESTIC TOURISM VALUE CHAIN RESEARCH PARTICIPANTS NUMBERS & SESSIONS, 2013

RESEARCH AREA	NO. OF RESEARCH SESSIONS	NO. OF YOUTH		NO. OF STAKEHOLDERS	TOTAL NO. PARTICIPANTS
		WOMAN	MEN		
Gilgit / Hunza Districts	37	63	63	60	186
Baltistan	27	38	111	66	208
Islamabad, Lahore, Karachi	18	4	2	18	24
TOTAL	**82**	**105**	**176**	**144**	**418**

Table 2: Summary of GBC Domestic Tourism Value Chain Research Participant Numbers & Sessions, 2013

Primary Research Field Trips and Locations

- **Exploratory Field Trip to Gilgit-Baltistan**
  Two field trips over a period of 14 days were conducted in GB.

FIELD TRIP	LOCATIONS
Field Trip #1: **20th to 26th March 2013**	Gilgit, Karimabad, Altit, Baltit, Hopar Valley, Gulmit (Attabad Lake area), Ghizer Valley (Ghizer, Khalti and Phander)
Field Trip #2: **31st March to 5th April 2013**	Skardu, Khaplu, Shigar, Sadpara / Deosai, Upper Kachura

Table 3: Summary of GBC Domestic Tourism Value Chain Research Participant Numbers & Sessions, 2013

The research locations for these two field trips in GB were chosen based on a consultative approach with GB government stakeholders, AKDN agencies (AKFED-TPS and AKCSP) and the EELY Market Enterprise Development team.

The research undertaken in GB used community based participatory practices to ensure that the 'youth' of GBC were well represented and involved. Translators from AKRSP field and district offices accompanied the researcher to all sessions in Gilgit-Baltistan.

Note: Given the timing of this research it was not possible to include Chitral District or Astore and Diamer Districts in this research. Key informant interviews were conducted in Islamabad to discuss the Chitral, Astore and Diamer Districts by the researcher and three members of the AKRSP team were trained to be able to conduct research in the Chitral district at a later stage to be confirmed.

- **Semi structured interviews in Lahore and Islamabad**
  Semi structured interviews were conducted with key informants and tourism stakeholders in Lahore and Islamabad.
  - Lahore: 6th March 2013
  - Islamabad: 11th, 12th & 13th March 2013 – Islamabad (research / interviews with key informants, tour operators etc.)

KEY INFORMANTS	Responsible tourism advocates, AKDN agency individuals, TPS individuals and local tourism consultants
TOURISM STAKEHOLDERS	Serena hotel sales directors, tour operators, trekking guides, business development service providers

Table 4: Summary of GBC Domestic Tourism Value Chain Semi structured interview groups in Lahore and Islamabad, 2013

- **Telephone / Skype semi structured interviews in Karachi**
  Skype interviews were conducted with tour operators and Serena Hotel Sales Director / team in Karachi on the 7th March 2013.

RESEARCH TEAM

The research team was made up of the international tourism consultant, Libby Owen-Edmunds as well as AKRSP Market Development team members from the regional and district offices in GB.

- Saima Parveen, AKRSP Gilgit regional office (All Gilgit areas)
- Amjad Karim, AKRSP Gilgit regional office (Gilgit only)
- Nazneen Zehra, AKRSP Skardu regional office
- Zahra Batool, AKRSP Skardu regional office

In addition many other members of the AKRSP regional and district offices were involved in the recruitment process and logistics for the research study.

STUDY LIMITATIONS

- The international tourism consultant was delayed by 7 days arriving into GB due to flight cancellations. This meant that the research schedule changed at short notice with some AKRSP teams not fully prepared with the correct sample of research participants.

- The consultant was not able to get to Chitral in the number of days allocated in the TOR. An AKRSP team need to conduct the research in Chitral at a later date. Chitral is therefore not fairly represented in the qualitative findings.

- The international consultants TOR allocated time to conduct a TVCA workshop with the AKRSP team however the consultant was advised that the team would not be available in Islamabad and instead an evening session would be conducted in Gilgit to replace the workshop in Islamabad. Unfortunately this session occurred ten days prior to the confirmed Islamabad workshop date which meant the consultant did not have time to prepare the TVCA for discussion. Instead the consultant presented the research results (based on the research objectives). Although this was a valuable session local input into the TVCA assisting prioritising constraints and development interventions is key. The consultant is waiting to hear from the Muzaffar Uddin on an alternative solution.

- One of the main constraints for this study was lack of accurate data. Additionally for almost all of the data that has been supplied the methodology is highly questionable. Where reliable data sources were not available a number of assumptions have been made to provide a picture of the domestic tourism in GBC. The last survey on Domestic Tourism was conducted by the federal Ministry of Tourism in 2000 and was for all of Pakistan. Much has changed in the country since this survey and therefore the data from this survey cannot be used to provide any concrete conclusions other than to gain a few insights into the sector.

ANNEX 3: CONSULTANTS ITINERARY

LIBBY OWEN-EDMUNDS
AKRSP / EELY DOMESTIC TOURISM FIELD TRIP SCHEDULE
MARCH - APRIL 2013

LAHORE & KARACHI	
Weds, 6th March 2013	
10am - 11.30am	Syed Mohammad Tayyab, Managing Director, Karavan Leaders
1.30am - 3pm	Mr. Mohammad Akhtar Mummunka, Managing Director, Travel Easy
3.30pm - 5pm	Nadeem, Managing Director, Plan Tours.
Thurs, 7th March 2013	
10am - 11am	Rehman Abbasi, Director Sales, Serena Hotels - Karachi
11.30am - 1pm	Khawaja Jahan Zeb, Zeb Travels, Karachi
2pm - 3.30pm	Palvasha, LUMS University Adventure Club, Lahore
4.30pm - 5.30pm	Rubab Daha, Serena Hotels Sales, Lahore
ISLAMABAD	
Sun, 10th March 2013	Drive from Lahore to Islamabad in afternoon.
Mon, 11th March 2013	
8am - 9.30am	Siraj Ulmulk, Hindu Kush Heights Hotel, Chitral
10.30am - 11.45am	Irfan Ullah, Waljis, Islamabad
12noon - 1pm	Aziz Boolani, CEO TPS, Pakistan
1pm - 2.30pm	Javed Awan, Oriental Links Travels and Tourism Islamabad & PATO
4pm - 6pm	Nazir Sabir Expeditions, Islamabad plus 2 youth trekking guides from Hunza
Tues, 12th March 2013	
10am - 12 noon	Azizullah Baig, AKF
12 noon - 1.30pm	Ghulam Nabi, Fairy Meadows
1.30pm - 2.30pm	Shah Imran Hassan, Sales Director, Serena Hotels Islamabad
3.30pm - 5pm	Meharban Karim, Managing Director, Explore Pakistan Tours & Treks
5.30pm - 6.30pm	Ahmjed Ayub, Pearl Tours - Hashoo Group - cancelled.
Weds, 13th March 2013	
9am - 10am	Yousaf Akhtar, Saiyyah Travels
10am - 12 noon	Azizullah Baig, AKF and Yasmin Karim, AKRSP
12 noon - 1.30pm	Ghulam Nabi, Fairy Meadows
1.30pm - 2.30pm	Salman Beg, CEO, AKCSP
3.30pm - 5pm	Karim Mutrib, Musician, Gilgit
5.30pm - 7pm	Zeeshan Shafa, Documentary Maker, Hunza
7pm - 9pm	Abdul Malik, CEO AKRSP & Tom Austin, AKF, Geneva

ISLAMABAD	
Thurs, 14th March 2013	**Flight Cancelled**
12 noon - 1.30pm	Hamid Qadri, GM Serena Hotels Gilgit-Baltistan & Swat
1.30pm - 2.30pm	Mehmood Alam. Front Office Officer, Serena Hotels (Youth from Hunza)
3.30pm to 4.30pm	Sher Ghazi, Front Office Serena Hotels (Youth from Hunza)
5.30pm - 7pm	Mirza Ali, Karakoram Expeditions (Youth from Shimshal) Samina Baig, Female Mountaineer (Youth from Shimshal)

Fri, 15th March 2013	**Flight cancelled.** Desk Work in Islamabad
Sat, 16th March 2013	**Flight cancelled.** Desk Work in Islamabad
Sun, 17th March 2013	**Flight cancelled.** Day Off
Mon, 18th March 2013	**Flight cancelled.** Desk Work in Islamabad
Tues, 19th March 2013	Flight from Islamabad to Skardu. Drove from Skardu to Gilgit. Arrived 5.30pm
GILGIT	
Weds , 20th March 2013	
8.30am - 9.30am	GB Tour Operator Association (FGD)
9.30am - 10.30am	GB Tour Operator Association (Semi structure interview)
11am - 12 noon	Gilgit Hotel Association
12.15pm - 1.15pm	Tourism Secretariat, GBTD
2.15pm - 3.15pm	NATCO Office - cancelled and rescheduled
3.30pm - 4.30pm	CEO, WWF
5pm - 5pm	Youth employed in tourism
6pm - 7pm	Asghar Khan

Thurs , 21st March 2013	
8.30am - 9.30am	Foreigner Registration Office - meeting cancelled
9.30am - 10.30am	Sher Ghazi - CEO Mountain Fruits
11am - 12.30pm	Nine Star Ladies (women entrepreneurs)
1.30pm - 2pm	First Microfinance Bank
2pm	Depart Gilgit for Hunza
3.30pm - 4.30pm	Rizwan, Owner Rakaposhi View Point Café & Camping
6pm	Arrive Hunza at 6pm
HUNZA	
Fri , 22nd March 2013	
8.30am - 9.30am	Baltit LSO
10.30am - 12 noon	Unemployed Tourism Youth (Tourism Guides)
12.30pm - 1.30pm	Employed Youth
2pm - 3.30pm	Womens Social Enterprise Altit Fort
3.45pm - 4.45pm	Hunza Adventure Tourism Alliance
5pm - 6pm	Women Vegetable Growers, Hyderabad
7.30pm - 9pm	Hunza Hotel Association

GULMIT	
Sat, 23rd March 2013	
8am - 11.30am	Depart Hunza and drive to Attabad Lake. Catch boat and transfer to AKRSP office in Gulmit.
11.30am - 12.30pm	Gulmit LSO, WO
12.30pm - 1.30pm	Gulmit Female Youth
1.30pm - 2pm	Drive to Passu
2pm - 3.30pm	Passu Youth (unemployed, employed and tourism)
4.30pm - 5.30pm	Women vegetable growers, Gulmit
5.30pm - 6.30pm	Gulmit Hotel Association

Sun, 24th March 2013	
9am - 10am	Unemployed youth Gulmit
10.30am - 11.30am	Gulmit Carpet Centre Ladies
11.30am - 12.30pm	Wakhi Tajik Cultural Association
12.30pm - 12.50pm	Wazir Aman Rustam, Sea buckthorn Specialist
1pm - 2pm	Attabad Lake Boat Operators
2pm - 5pm	Depart Gulmit. Catch boat across Attabad Lake and drive to Hunza.
5pm - 6.30pm	Youth (students, unemployed), Hunza
HOPAR VALLEY	
Mon, 25th March 2013	
8am - 9am	Depart Hunza and drive to Hopar Valley
9am - 10.30am	Unemployed Youth
1030am - 1130am	Employed Youth (guides, gem sellers, NGO, government)
1130am - 1pm	Hotels and Shop Keepers
1pm - 2pm	Hopar LSO President
2pm - 5pm	Depart Hopar and drive to Gilgit.

GARKUCH	
Tues, 26th March 2013	
7.30am - 9am	Depart Hunza and drive to Hopar Valley
9am - 10am	LSO, WO young members
10am - 11.30am	Employed Youth
11.30am - 12.30pm	Unemployed youth and school drop outs
12.30pm - 1.00pm	Womens market
1.00pm - 1.30pm	Rupani Foundation, Garkuch
2.30pm - 3.30pm	Women farmers (vegetable growers)
4pm - 5.30pm	Hotel and restaurant owners
5.30pm - 6.30pm	Upper Garkuch

PHANDAR	
Weds, 27th March 2013	
7.30am - 9am	Depart Garkuch and drive to Phander
9am - 10am	Youth (unemployed and employed), Phander
10am - 11.30am	LSO and VO members, Phander (include Hotel owners)
11.30am - 12.30pm	Women in Phander (vegetable growers)
12.30pm - 1.30pm	Hotel owner Phander (semi structured interview) over lunch
1.30pm - 2.30pm	Drive to Khalti
2.30pm - 3.30pm	Khalti KSDO (3 meetings in one): Women, Youth and KSDO
4pm - 5.30pm	Gupis Youth (employed and unemployed)
5.30pm - 8pm	Drive from Gupis to Gilgit

GILGIT	
Thurs, 28th March 2013	Desk work in Gilgit
10am - 11am	NATCO Manager

Fri, 29th March 2013	Desk work in Gilgit
Sat, 30th March 2013	Pinelli Shimshal Mountaineering Proposal - met with Muzaffar and wrote

SKARDU & KHAPLU	
Sun, 31st March 2013	
7am - 2pm	Drive from Gilgit to Skardu
2pm - 4pm	Meeting with AKRSP Skardu team
4pm - 6.30pm	Drive from Skardu to Khaplu
KHAPLU	
Mon, 1st April 2013	
9am - 10.30am	Khaplu Hotel Meeting
10.30am - 11.30am	Khaplu Transporters
11.30am - 1pm	Female entrepreneurs and vegetable growers
2.30pm - 3.30pm	Chaqchan Mosque Stakeholders
3.30pm - 5pm	KTMDS
5pm - 6pm	Khaplu Palace Staff members

SKARDU	
Tues, 2nd April 2013	
7.30am - 9am	Depart Khaplu and drive to Skardu
9.30am - 11.30am	BCDF Staff (BEDAR)
12.30pm - 3.30pm	Deosai National Park Staff Sadpara Hoteliers Sadpara Youth
4pm - 6pm	Skardu Tour Operators (incl Khurpa Care)
6.30pm to 7pm	Female Woollen Cloth producers
7pm	Drive to Shigar

SHIGAR	
Weds, 3rd April 2013	
9am - 10.30am	Blind Lake Stakeholders
11am - 12.30pm	Marapi LSO Shigar
12.45pm - 1.45pm	Amburiq Mosque Stakeholders
2pm - 2.45pm	Male Youth (employed and unemployed)
3pm -4pm	Women handicrafts Shigar
4pm - 5.30pm	TMDS Shigar
6pm - 7pm	Women vegetable growers / farmers

UPPER KACHURA & SKARDU	
Thurs, 4th April 2013	
7.30am - 9am	Depart Shigar and drive to Upper Kachura
9am - 10am	Hoteliers, boat owners and restaurant owners
10am - 11am	Youth employed and unemployed
12pm - 1.30pm	Baltistan Hotel Association
2pm - 3pm	Skardu Transporters
3pm - 4pm	Baltistan Cultural Arts Council
4pm - 5pm	Female Youth (students, employed, unemployed)
5pm - 6pm	Wrap up session Skardu AKRSP team

GILGIT	
Fri, 5th April 2013	
7am - 1pm	Depart Skardu and drive to Gilgit
Sat, 6th April – Sat, 12th April 2013	Document research results and prepare presentation to Gilgit AKRSP team for 11th April 2013. Consultant not full time on AKFC work.
Sun 13th April 2013	Fly Gilgit to Islamabad and then Islamabad to Lahore.

The Aga Khan Rural Support Programme

Gilgit-Baltistan and Chitral (GBC)
Pakistan
Domestic Tourism Review
March 2013

"*Despite tremendous tourism potential, Pakistan does not enjoy a favourable tourist image in the global travel industry. Realizing that it may be an uphill task to change world´s perception of Pakistan, tourism organizations both in the public and private sectors are now focusing on promoting domestic tourism. Domestic tourism is now recognized as the most powerful agent of economic development and a way to create national harmony while also taking advantage of underutilized tourist infrastructure*".
UNWTO, February 2013

Document Title: Domestic Tourism Review, Gilgit-Baltistan and Chitral

Date of Report: April 2013

Author's Name: Libby Owen-Edmunds

Prepared For: Aga Khan Foundation, Canada
Aga Khan Rural Support Programme, Pakistan

Domestic tourism in Pakistan and GBC, veils many a mystery, in part due to inadequate collection of data related to the sector and partly due to the absence of a systematic framework for analyzing the sector. While statistics related to international visitors have been collected, data on domestic tourists have been generated only sporadically, in an ad hoc manner, primarily by government tourism departments and some private sector stakeholders.
The last domestic tourism survey for all of Pakistan was completed in 2000, since then much has changed in Pakistan and within GBC. The last national census was conducted in 2011 however as at April 2013 the data from this census which will provide insights into domestic tourism has not yet been published.

This Tourism desk review has been compiled based on qualitative market research conducted in Gilgit-Baltistan in April 2013 with tourism stakeholders, government and a range of domestic tourists from Karachi, Lahore, and Islamabad as well as within GBC. Additionally a quantitative accommodation survey was also conducted in GBC and secondary data was collected from government departments and published studies by international tourism organisations, academics, international donors and local NGOs.

In the absence of any reliable data or solid methodology the data for GBC obtained from the government tourism departments has been adjusted to reflect the qualitative and quantitative data collected in the domestic tourism value chain research in April 2013. A number of assumptions have also been made in order to extrapolate figures and to be able to provide a snap shot of the current situation of domestic tourism in GBC.

1. DOMESTIC TOURISM IN PAKISTAN

More than a decade since the terrorism events of 9/11 (after which international tourism has seen a dramatic drop), domestic tourism is gradually coming to the fore in Pakistan. Pakistan's limited wealthy upper class and emerging middle-class from the major cities of the Sindh (Karachi) and the Punjab (Islamabad, Lahore, Multan, Faisalabad) provide the base for leisure tourism, especially during the peak summer months when they travel to the mountain areas to escape the scorching summer temperatures of the lowlands. Domestic tourism during the winter months in Pakistan is currently focused in Sindh and the Punjab as tourists take advantage of the cooler climate.

The last domestic tourism survey in 2000 highlighted that there were 46.07 million domestic tourists in Pakistan. About half of these tourists were the people who travelled to meet their family and friends for social obligations and about 14% (6.4 million) of these travelled for leisure purposes. (Refer to Figure 1). Of the 6.4million leisure travellers it is estimated that 3.4 million of these are middle class domestic tourists, 2 million are budget domestic tourists and 500,000 to 1 million of these are high value domestic tourists[2].

A more recent document produced by USAID in 2009 highlighted that domestic tourism in Pakistan is a male dominated activity, undertaken mostly by people below 40 years of age.

PAKISTAN DOMESTIC TOURIST
PURPOSE OF TRAVEL IN PAKISTAN
Year 2000

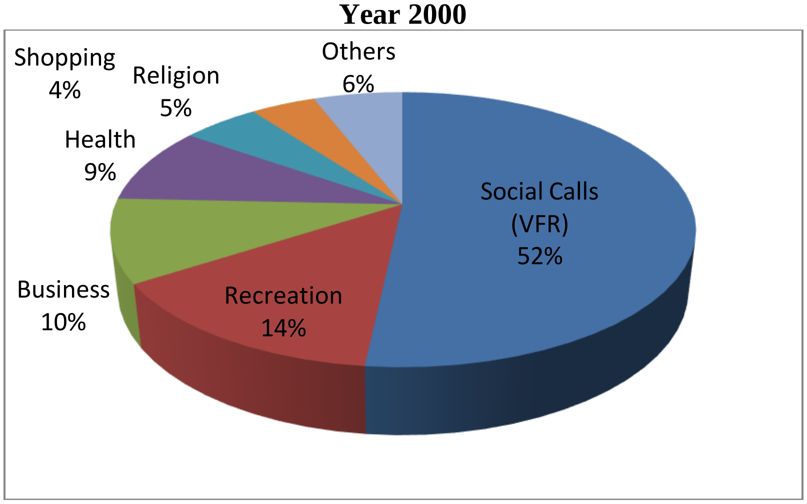

Figure 1: Pakistan Domestic Tourist Purpose of Travel in Pakistan, Year 2000
Source: Ministry of Tourism, Pakistan

The value of the domestic tourism market in Pakistan is difficult to calculate as the data provided is for all tourism receipts in Pakistan and more than 50% of this includes the Pakistani Diaspora and others living in the cities of Pakistan returning home to rural other urban areas to see friends and relatives. In 2006 at tourisms peak in Pakistan tourism receipts totaled US$260 million contributing only .02% to GDP[3].

The table below summarizes the popular domestic tourism destinations in Pakistan during the summer months (June to August) all of which are in the higher altitude regions of Pakistan. All of the destinations outside of GBC are its direct competitors and in some of the destinations they attract more than more 5 million tourists a year.

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[2] Based on the 2010/11 Millennium Development Goals Report for the Punjab and Sindh.

[3] GB Economic Report, 2011.

POPULAR DOMESTIC TOURISM DESTINATIONS IN PAKISTAN DURING THE SUMMER HOLIDAY MONTHS (JUNE TO AUGUST)

THE PUNJAB	AZAD KASHMIR	KHYBER PAKHTUNKHWA	GILGIT-BALTISTAN
Murree Nathia Gali	Muzaffarabad Nelum Valley Ralwakot	Swat valley Naran / Kaghan Valley Babusar Pass Chitral valley Kalash areas Dir Valley Abbottabad Khyber Pass Shandur Mastuj	Gilgit Hunza-Nagar Ghizer valley Naltar Valley Astore valley Fairy Meadows Baltistan Chilas

Table 1: Popular Domestic Tourism Destinations in Pakistan during the summer months.

It is known globally that domestic tourists are much more resilient than international tourists when it comes to travelling to politically unstable and conflict ridden areas. However there is evidence to show that recent political events in Pakistan have disrupted this source market and trend. There is hope that with more stability post the May 2013 elections and with the development of tourism policies at the provincial level, domestic tourism in Pakistan can and will flourish. The country not only has many tourism assets but it also has a market that is ready to travel and explore their own country.

2. DOMESTIC TOURISM IN GILGIT-BALTISTAN & CHITRAL

Domestic Tourism Visitor Numbers & Market Value

In 2012 it is estimated that there were approximately 25,000 domestic tourists visiting GBC. This figure represents 79% of the total tourism flow into GBC and is a 33% decrease on the previous year – a result of the sectarian violence that took place along the KKH in Kohistan, Chilas and Gilgit, particularly impacting Gilgit and Baltistan regions. In 2010 the Gilgit area suffered a significant decrease in tourism due to the Attabad Lake disaster yet it bounced back just one year later demonstrating the resilience of the domestic tourism industry.

ESTIMATED NUMBER OF DOMESTIC LESIURE TOURISTS INTO GBC (2009 -2012)

DOMESTIC LESIURE TOURISTS **Adjusted figures include only Leisure / Holiday makers from outside of GBC**	**2009**	**2010**	**2011**	**2012**
Gilgit Region (incl. Hunza-Nagar, Gojal valley, Naltar valley and Ghizer valleys)	17,000	3,000	17,000	10,000
Baltistan Region (incl. all Skardu, Shigar, Khaplu, Deosai and Hushe)	10,000	17,000	17,000	10,000
Chitral (incl. Chitral, Mastuj, Garam Chasma and Kalash valleys)	7,000	7,000	6,000	5,000
TOTAL	**34,000**	**27,000**	**40,000**	**25,000**

Table 2: Estimated Domestic Tourism Arrivals Numbers into GBC.
Source: GB Tourism Department figures adjusted with input from the private sector and Chitral figures provided by the tourism private sector.

Figure 2 below highlights the discrepancy between the private sector estimations and the GB Tourism Departments figures for the last three years in GB only. The trends of peaks and troughs remain the same however the figures are reduced considerably to take into account only leisure tourists from the major cities of Pakistan. It is believed that the government's figures contain business men travelling to the areas as well as the movement of GB people living in the cities returning to GB to see friends and families during their holiday time. The reason these two groups have been removed from the figures is that they do no interact with 95% of the domestic tourism value chain relying only on transport and in the case of businessmen hotels.

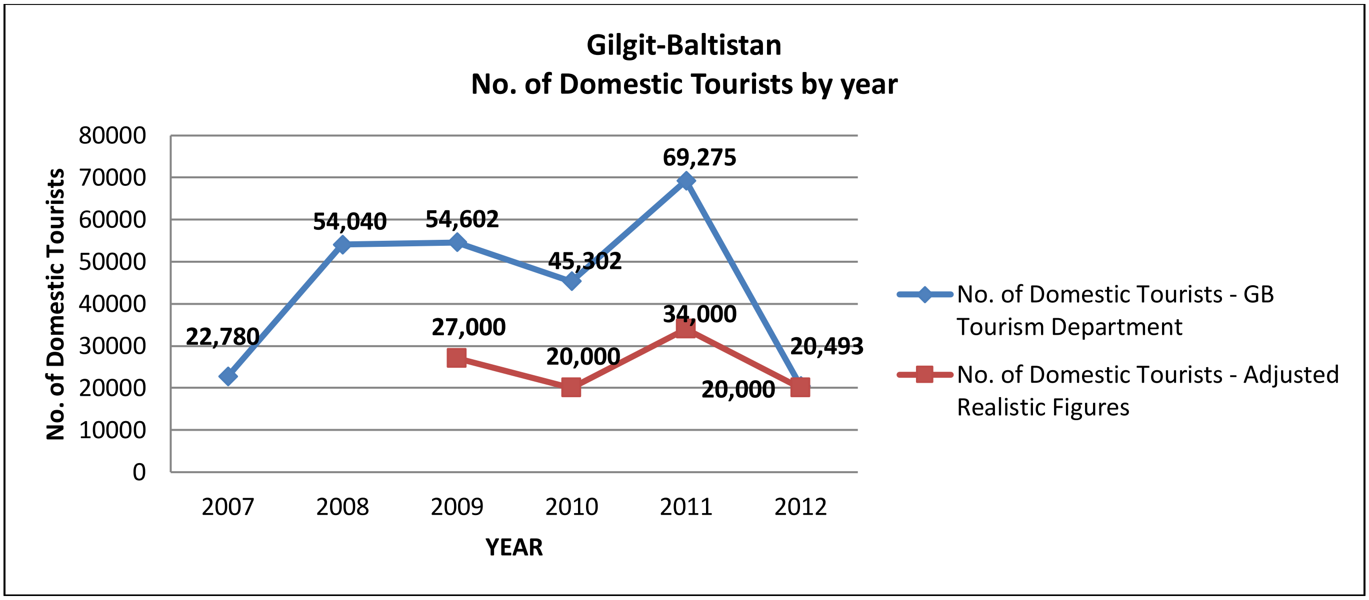

Figure 2: Gilgit-Baltistan Domestic Tourist Numbers by Year
Source: Gilgit-Baltistan Tourism Department, 2013

The table below estimates the total number of domestic tourists in GBC for the 2012 season by key tourism destination and highlights what percentage of these tourists were day visitors or overnight visitors i.e. staying at least one night in the destination. Although these numbers are small they offer significant potential for the distribution of local economic benefits to local communities, considering the small population of most of these areas.

ESTIMATED NUMBER OF DOMESTIC LEISURE TOURISTS INTO GBC
April to October 2012

LOCATION (Figures Estimated By Tourism Stakeholders)	ESTIMATED DOMESTIC VISITOR NUMBERS	% OVERNIGHT VISITORS	% DAY VISITORS
Gilgit / Hunza			
Gilgit	10,000	70%	30%
Rakaposhi	8,000	1%	99%
Hunza (Karimabad, Altit, Baltit, Ganesh)	3,600	99%	1%
Hoper Valley	5,000	3%	97%
Gulmit	1,300	30%	70%
Garkuch	2,000	70%	30%
Khalti / Gupis (30 to 40% of this figure stops during the Shandur Polo festival in the first week of July.)	10,000	17%	83%
Phander	2,000	40%	60%
Naltar Valley	4,000	4%	96%
Baltistan			
Skardu	10,000	60%	40%
Shigar	4,000	35%	65%
Khaplu (includes Saling)	2,000	45%	55%
Upper Kachura	7,000	2.5%	97.5%
Deosai	1,274	8%	92%
Chitral			

Chitral Central	3,000	99%	1%
Kalash Valleys	4,000	80%	20%
Mastuj	500	60%	40%
Diamer / Astore			
Fairy Meadows	Unknown	90%	10%

Table 3: Estimated Domestic Tourism Figures for Key Tourist Locations in GBC for 2012 season.
Note: These figures have been estimated using data and assumptions provided by tourism private sector stakeholders (hotels, tour operators and transport providers). In some locations the figures are for 7 months and in others for only 4 months depending on the length of the tourism season in different destinations.

Value of Domestic Leisure Tourism in GBC

It is difficult to quantify the exact contribution of domestic leisure tourism to GBCs economy because of limited data. There are also no statistics which indicate the number of people who are directly or indirectly employed in domestic tourism. The table below provides a very rough estimation of what domestic tourists visiting GBC contributed to the economy based on the 2012 visitor figures and the four key types of leisure tourists that currently visit GBC.

ESTIMATED VALUE OF DOMESTIC TOURISM MARKET IN GBC
(Based on 2012 domestic tourist visitor numbers)

	% OF TOTAL TOURIST NUMBERS	ESTIMATED NO. OF TOURISTS	AVERAGE EXPENDITURE PER DAY PER PERSON (PKR)	AVERAGE NO. OF DAYS SPENT IN GBC (PKR)	TOTAL EXPENDITURE (PKR)
Irresponsible Budget	20%	5,000	2,500	4	50,000,000
Middle Class Price Conscious	68%	17,000	5,000	5	425,000,000
Upmarket Urban Sophisticates	10%	2,500	10,000	7	175,000,000
Upper Middle Class Students	2%	600	2,500	14	21,000,000
TOTAL	**100%**	**25,000**			**671,000,000**

Table 4: Estimated value of domestic tourists coming to GBC, 2012.
Note: These figures have been estimated using data and assumptions provided by tourism private sector stakeholders (hotels, tour operators and transport providers). This does not include any revenue collected by the government from tourism businesses or from fishing, mountaineering or trophy hunting fees generated by domestic tourists.

By looking at the 2012 government tourism budgets for both the GB and KP provinces and the percentage these represent of their overall budgets compared to the Agriculture, Livestock and Fisheries (ALF) sector which in 2005 accounted for an average 48% of total incomes earned by poor and non poor households in GBC[4] we can see that although not as important as ALF tourism, particularly in GB, is also considered a key contributor given its budget allocation compared to KP. A significant percentage of the GB budget is for infrastructure improvement such as roads in remote areas.

	TOURISM BUDGET ALLOCATION (PKR)	TOURISM BUDGET AS A% OF TOTAL PROVINCIAL BUDGET	AGRICULTURE, LIVESTOCK & FISHERIES BUDGET AS A % OF TOTAL PROVINCIAL BUDGET
Gilgit-Baltistan Tourism Development (GBTD)	113 million	1.7%	2%
Khyber-Pakhtunkhwa Tourism Corporation (KPTC)	123 million	0.2%	3%
Chitral Area's estimated portion of KP Tourism Budget	14 million	**% of total KP tourism budget** 11.3%	-

Table 5: KP, Chitral and GB government tourism development budgets as a percentage of the provinces total development budget for 2012/13.
Source: KP and GB Governments Development Plans, 2012/13
Note: Government Tourism budgets do not specify what is for domestic and what is for international tourists except for some marketing activities.

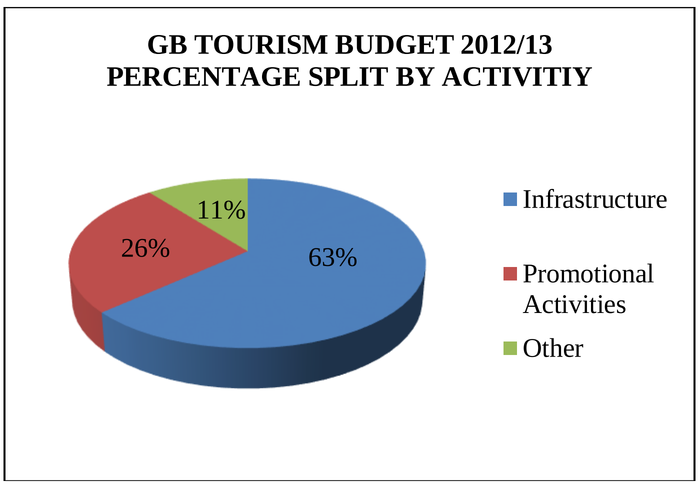

Figure 3: Split of GB Tourism Budget by activity, 2012/13
Source: GB Development Plan, 2012

KP TOURISM BUDGET 2012/13

100% of the KP tourism budget is allocated for infrastructure projects (roads, buildings etc.) of which 50% is for tourism facilities with Chitral named as one of 5 recipient areas. There is no promotional budget allocated for tourism except indirectly in the KP Archeological Departments Budget however there is no mention of Chitral as a recipient.

Source: KP Development Plan, 2012

3. THE FUTURE OF DOMESTIC TOURISM

The prediction for domestic tourism in GBC is that for the next two seasons of 2013 and 2014 the visitor numbers will remain at a similar level of 2012 i.e. around 27,000. However assuming there are no further major sectarian violence incidents the industry has the potential to double if not triple in size in the next 4 to 5 years reaching figures of up to 74,000 domestic tourists. Achieving this growth will also depend on the amount that is invested in PR and marketing activities for the destination. It is unrealistic to think that the industry will grow if further major sectarian violence incidents occur or if there are major natural disasters. Tourism stakeholders are of the opinion that domestic tourism cannot drop much below its current level given the challenges it has already faced since 2010. The key for the segment is to ensure that from the relatively small number of domestic tourists that are visiting each destination has the capacity to maximise the economic benefits for their local communities and that these challenging times are used to ensure the long term survival of this industry that has previously provided so many individual and families in GBC with a livelihood.

[4] AKRSP 2007 Assessment of socio economic trends and impacts in the northern areas and Chitral, Pakistan

4. TRENDS AND MARKET DRIVERS IN DOMESTIC TOURISM

- **Difficulty for Pakistanis to travel abroad:** Stricter visa regulations globally are deterring Pakistanis from travelling abroad. Rather than taking all their holidays abroad this higher income group are now taking at least one holiday within Pakistan, predominantly during the summer months (June to August)
- **Last minute bookings:** most domestic tourists think about their holiday travels at the last minute and book no more than one month in advance and on average one week in advance. Businesses need to learn how to cope with short lead times.
- Pakistan has a **young population** (65% under 25 years of age). Tourism products and services need to be tailored to this market. Although they are budget travellers international and local research shows they stay longer in destinations having a greater impact. They are also the future of Pakistan's tourism industry both as family travellers and as the future workforce for tourism in Pakistan. They are most likely to return to GBC and give more value to the destination over their lifetime.
- **Perceived value** is hugely important to the middle class domestic tourism market. Price drives their decision making and despite wanting the "cheapest" price they still demand quality.
- **All inclusive packaged holidays** enable the middle class to budget for their holiday.
- **Tailor made holidays** – the upper class segment of domestic tourists are more inclined to require an individually tailor made holiday to GBC.
- **An increase in the appreciation of leisure time**: Leisure and pleasure are secondary to tradition and family values that govern society in Pakistan and traditionally holidays were a part of the culture of the upper class. This however is slowly changing with the middle classes who work in middle to upper management in large corporations aspiring to take their family on holiday.
- **A changing business model** – there is no doubt that the bulk of domestic tourism is a lower margin sector of the tourism industry compared with international tourism. Tourism businesses and organisations need to adapt their business models to ensure long term survival.
- **Adventure Tourism –** traditionally Pakistani tourists have not participated in adventure tourism (in particular trekking and mountaineering) however in recent years this trend is gradually changing as university students and upwardly mobile youth from the cities have begun to embrace both activities during their summer and winter holidays.
- **Eating** – Although domestic tourists are keen to explore local foods from GBC they also expect that they can have access to spicy Punjabi food at least once a day. They also eat late at night and expect hotels and food outlets to adjust their timings for them.

5. TYPES OF DOMESTIC TOURISTS IN GBC

The domestic tourism value chain begins with the end users, those who choose Gilgit-Baltistan and Chitral as their leisure destination and pay for products and services. There are several different types of domestic tourists within GBC each bringing both positive and negative impacts to the destination and some more than others.

- Urban Sophisticates Upper Class Travellers - PRIORITY
- Price Conscious Middle Upper Class Travellers - PRIORITY
- Students / Youth Travellers - PRIORITY
- Budget Irresponsible Travellers
- Corporate Incentive Groups
- Business Travellers

In line with the 2011 draft tourism policy for Gilgit-Baltistan higher value responsible domestic tourists should be the marketing priority to ensure that tourism is developed in a sustainable and responsible manner. Table X below gives a detailed profile of each target market segment and an analysis of their motivations, needs and wants - key information required when developing products and services for domestic tourism.

GBC DOMESTIC TOURSIT PROFILE

DOMESTIC TOURIST TYPES	PROFILE
Urban Sophisticates / Experiential Up market / Upper class tourists **PRIORITY SEGMENT**	Men, women & families. The decision maker is generally the male of the family – generally a successful business man from Karachi, Lahore & Islamabad. They are cultured, have travelled the world and are interested in the local cultural heritage & their natural environment. They generally allocate one holiday a year in Pakistan and the rest of their holidays in other parts of the world (America, Europe, and Asia). For their holiday in Pakistan they like to travel to destinations that are totally different from where they live so they can learn about the culture, heritage and landscapes of their country. They also like to experience a little bit of soft adventure such as trekking for a few hours, fishing, horse riding, skiing, white water rafting etc. They like to stay in upmarket star rated accommodation e.g. Serena Hotels, Shigar Fort or Khaplu palace. They generally book their accommodation and transport direct with the hotel they are staying in. They use the internet as well as word of mouth to conduct their research on the destination. They will stay anywhere from 3 to 10 nights in GBC. Average spend per person per day in the destination ranges from PKR4,000/- to 10,000/-
Price Conscious Middle Upper class Pakistani **PRIORITY SEGMENT**	Predominantly couples and families. They are aged between 35 to 55 years old and are from the major cities of Pakistan. They hold middle to senior management jobs in corporate organisations or are small business owners. They spend 1 to 2 holidays per year in Pakistan and possibly one abroad to cost effective countries such as Dubai, Malaysia & Sri Lanka. They do not want the best accommodation however they demand the best value (most affordable with good service). They shop around before going on holiday looking for the best price. They tend to bargain for everything they purchase from accommodation, transport, food, souvenirs etc... Their most powerful marketing tool is word of mouth. This audience does not use the internet to research the holiday. They sometimes use a tour operator or hotels who have advertised a holiday package with a set price that they know they can afford. They are not particularly cultured and hence are not really interested in integrating with the local people; history and culture however are more interested in ticking off the location as one that they have been too as part of their social status within the community. If something is packaged for them and included in their overall holiday package then they will engage in the activity. They generally visit during the school / university holidays particularly in the summer (15th June to end August). They will spend on average 3 to 5 nights in GBC. Average spend per person per day in the destination ranges from PKR1,000/- to 3,500/-
Budget Irresponsible Travellers	This group are either from the cities of Pakistan (Lahore, Karachi, Islamabad, Faisalabad, Multan) or from within Gilgit-Baltistan. They travel only in the summer and in groups of 3 or 4 families or with community members. Those from the Punjab or Sindh currently go to places such Murree, Naran, Kaghan or Swat etc. Those from within GBC go to Ghizer, Naltar and Gilgit, Shandur or Kalash. They are irresponsible tourists and are not well educated. They catch public transport or hire a minivan and fill it with family members or members of their community. They sometimes bring their own food and cook it in the hotel or by the side of the road (picnic). They spend little money in the local economy and only stay 2 or 3 nights. Average spend per person per day in the destination ranges from PKR100/- to 500/-
Middle Upper Class Students / Youth Travellers **PRIORITY SEGMENT**	Men and women, boys and girls from middle upper class families studying at private education institutions (schools and universities). They often belong to a study group or to an adventure club and spend their long summer holidays (and sometimes winter holidays) trekking, learning mountaineering and engaging in adventure tourism activities. Although they are 'money poor' they are in fact 'time rich' which means they spend longer in a destination than other tourists. e.g. PKR10,000/- to 15,000/-for a 3 week camping trip and more than 60% of their budget is spent in the destination. They look for enriching experiences that they can learn from and have the potential of contributing positively (socially and culturally) to the areas they travel. They are less likely to be deterred from travelling by acts of terrorism, political or civil unrest. They are also likely to return to GBC and give more value to the destination over their lifetime.
Corporate Incentive Groups	Large groups (50 to 150 people per group of predominantly men aged 30 to 50) from multinational organisations in Karachi, Lahore or Islamabad. These groups are funded 100% by their corporation to attend team building or annual management conferences in natural or often challenging environments such as GBC, Nellum Valley (Azad Kashmir), Murree, Kaghan valley etc. They want to do outdoor activities such as rock climbing, white water rafting, trekking as well as see some cultural sites. They are short on time as the trips are taken

	during the working week or over a weekend so easy access is important – the trips last an average 3 days (max 4 days). They require the services of a tour operator to organise their entire trip. Their average spend is approximately PKR 2 million to 3 million for 3 days for 50 to 80 people or approximately PKR 1,750 per person per day.
Business Travellers	Predominantly men aged 30 to 60. They hold senior management positions in large Pakistani corporations such as telecommunication companies, banks, IT support & pharmaceutical companies. They are often from the sales & marketing departments and sometime include the CEO. They earn more than PKR 50,000 to 70,000 per month. They are tech savvy – use i-phones, blackberry's and carry laptops with them (some may have ipads). They prefer Pakistani food (Punjabi/Sindh). Tend to stay 2 to 3 nights and are often repeat customers. They generally do NOT come to GBC for holidays with their families – they only come for business. They often ask for alcohol from the hotel owner and demand prompt and quality service during their stay.

Table 4: Profile of Domestic Tourists in GBC

THE MOTIVATIONS, NEEDS AND WANTS OF DOMESTIC TOURISTS IN GBC

OVERALL SEGMENT	UP MARKET URBAN SOPHISTICATE	PRICE CONSCIOUS MIDDLE UPPER CLASS	MIDDLE UPPER CLASS STUDENTS
Motivations What are the key factors motivating this segment to come to GBC.	- Unique accommodation - Natural beauty of all types - Cultural Heritage - They have a desire to explore a destination that is new to them - How safe & secure is the destination	- Natural beauty (Green, lush, lakes, rivers, snow, wild flowers) - Cooler temperature - They have a desire to explore a destination that is new to them - How safe & secure is the destination	- Natural beauty - Cultural Heritage - They have a desire to explore a destination that is new to them - Adventure activities
Needs These are the necessities, the fundamental factors in making an initial decision on which part of Pakistan they will choose for a holiday.	- Location – access, interesting, flights. - Quality of Accommodation: want a little bit of luxury - Activities / Experiential – things to do (see, eat, buy) - Price	- Price - Location **-** access - A decent level of accommodation: they spend more time in their room - Activities / Experiential – things to do (see, eat, buy) - Security	- Price - Outdoor activities – trekking, climbing, rock climbing – things to do -
Wants These are the more luxury items, additional factors that are considered when making an initial decision to choose a destination for the holiday in Pakistan.	- Authentic Experiences: social & cultural immersion - Local Food with some southern spicy specialties. - I want a complete break from my everyday life – privacy, unique, relaxing / not stressful - Responsible Tourism Behaviour – like to know what the community benefits are - Excellent Room (Heritage, Quality, Unique)	- Punjabi / Sindh spicy food - Authentic experiences - Local Knowledge - Soft Adventure - Local Food	- Authentic experiences - Interactions with local people - Local Knowledge - Local Food - Security

Table 5: Profile of Domestic Tourists in GBC

6. DOMESTIC TOURISTS PURPOSE OF VISIT TO GBC

The following table shows the reasons why domestic leisure tourists visit GBC in order of estimated preference. The number one purpose of visit is for general site seeing on a holiday followed by festivals such as Shandur Polo and Kalash festivals.

Although these activities can be categorized into different types of tourism as identified in the table below unfortunately in GBC tourism has not been marketed by sub segments except for trekking and mountaineering tourism and trophy hunting – both of which have been key international tourism products. This provides an opportunity for holidays to be packaged and marketing based on the type of tourism rather than attracting people by activity.

In addition to the types of tourism in the right hand column in a small number of destinations Community Tourism and Responsible Tourism are practiced ensuring that the community benefit environmentally, socially and economically as well as have a voice and role in the development of tourism in their destinations e.g. Shimshal.

DOMESTIC TOURISTS PURPOSE OF VISIT TO GBC
CATEGORISED BY TYPE OF TOURISM
2013

ESTIMATED RANK	PURPOSE OF VISIT TO GBC	CATEGORY OF TOURISM IN GBC
1	General site seeing (picnics, lakes, glaciers, snow, alpine areas with some heritage sites)	Leisure Tourism
2	Festivals: Polo, Kalash, Silk Road, spring, cherry blossom and harvest etc.	Festival Tourism
3	Visiting cultural heritage sites such as Altit, Baltit, Shigar Fort, Khaplu Fort & Chitral Fort. Experiencing the history and culture of the area via musical performances, polo, local food experiences , festivals etc.	Cultural Heritage Tourism
4	Trekking & Camping	Adventure tourism / Ecotourism
5	Wedding and Honeymoons	Weddings and Honey moons Tourism
6	Study / Educational	Educational Tourism
7	Hunting	Trophy Hunting Tourism
8	Fishing	Aqua Tourism
9	Volunteering with NGOs, schools etc.	Voluntourism
10	Mountaineering	.Adventure Tourism
11	Religious Pilgrimages	Religious Tourism

Table 6: Domestic Tourist purpose of visit categorized by types of tourism in GBC
Source: This data has been compiled with information collected in the qualitative value chain research in GB in April 2013.
Note: This table does not include Visiting Family and Friends as well as Business Tourism.

7. COMPETITIVE CONTEXT OF GBC WITHIN PAKISTAN

The destination of GBC competes with a number of other destinations in Pakistan for domestic tourists, particularly in the summer months (June to August). Table 7 summarizes these competitor destinations highlighting the strengths and weaknesses of each. Of all these destinations the Swat valley is potentially its greatest competitor if it was not for the declining security situation it is currently experiencing since its revival in 2009. Following Swat the valleys of Azad Kashmir are the 2^{nd} biggest competitors.

COMPETING DOMESTIC TOURISM DESTINATIONS FOR GILGIT-BALTISTAN AND CHITRAL WITHIN PAKISTAN.

COMPETITIVE AREA	STRENGTHS	WEAKNESSES
Naran - Kaghan Valley, Azad Kashmir	Access Green & lush with rivers Offers winter and summer tourism. Security situation is good. High awareness of the destination	Overcrowded. Destination has had no land use planning. Attracts low value irresponsible tourists for short stays. Major pollution / waste issues due to overcrowding. Most of the land is owned by 2 families – community benefits are minimal.
Neelam Valley, Azad Kashmir	Access and ease of travel Parallel valley to Naran – will take over flow. Green & lush with rivers. Offers winter and summer tourism. Security situation is good. Tour operators are now sending large corporate groups	Currently an emerging area with relative low awareness. Lack of accommodation and tourism facilities. Currently being developed with plans to build 2 motels, 15 tourist huts, cafeteria and a tuck shop will be constructed. Lacks cultural heritage sites.
Murree / Nathia Gali	Minimal travel time from Islamabad, access, alpine forest, high awareness of the destination amongst target audience	Crowded, over built, environmental degradation from impact of tourism, attracts irresponsible low valued domestic tourists. Lack of quality and up market accommodation except for PC Bhurban hotel. Does not have any cultural heritage.
Swat Valley	Access, natural beauty, summer and winter tourism, culture and heritage, high awareness of the destination. Has had financial and capacity building support from USAID for a tourism sector recovery and development project to the value of US$4.375 million to rebuild the area.	Currently suffering from a worsening security situation from Taliban extremism. Many tour operators are no longer sending tourists here.

Table 7: Competing domestic tourism destinations for Gilgit-Baltistan and Chitral within Pakistan.

In addition to competing destinations outside of GBC all the key destinations within GBC compete against each other in attracting domestic tourists. Currently all tourism stakeholders do not understand that their individual destinations are competing against each other and in order to maximise the benefits from the small numbers of domestic tourists they need to focus on developing marketing activities for their individual destinations.

The following table highlights the key domestic tourism destinations in GBC during the summer months:

KEY DOMESTIC TOURISM DESTINATIONS IN GBC

REGION	DESTINATION	MAIN TOURISM ATTRACTIONS
Chitral	Chitral city Kalash Valley Shandur Garam Chasma (emerging)	Chitral Fort, Trout farm, central location for day trips. Cultural Heritage, Festival Shandur Polo Festival* Escape the heat of Chitral city in the summer. Day trips only.
Astore Valley	Fairy Meadows	Views of Nanga Parbat, Nanga Parbat base camp trek, Alpine landscape (green), pristine environment
Gilgit	Naltar Valley Ghizer Valley (Khalti, Garkuch) Shandur	Alpine landscape (green), day trips for picnics, trekking, skiing in winter Fishing, lakes, mountains Shandur Polo Festival*
Hunza-Nagar	Karimabad (Altit & Baltit) Hopar Valley Attabad Lake (Gulmit, Shishkat)	Cultural heritage, Altit and Baltit Forts, Ganish, Ancient petroglyphs and rock carvings etc. Day trip only - easily accessible glacier, fastest moving in the world. Scenery, boat trip across the lake, day trip only.
Skardu	Skardu town Upper Kachura Sadpara Deosai Plain	Mountains, landscape, cultural heritage, central location to many day trips, trekking Lake, boating, fishing, picnics, day trips only Lake, boating, fishing, Buddha rock carving – day trip only. Flora and fauna, trekking, fishing, camping, worlds 2nd highest plateau
Shigar	Shigar Town	Cultural heritage: Shigar Fort, Amburiq mosque. Day trips and overnight.
Khaplu	Khaplu Town Saling, Machulo and Hushe valley	Khaplu Fort (emerging), Saling Fish farm, mountains, landscape, Chaqchan Mosque

*Shandur is accessed from both sides – often domestic tourists do not continue over the pass they return back the same way.

Table 8: Key Domestic Tourism Destinations in GBC

8. SWOT ANALYSIS OF THE DOMESTIC LEISURE TOURISM VALUE CHAIN

STRENGTHS	WEAKNESSES

• Incredible natural resources: mountains, lakes, rivers, glaciers, alpine forests
• Diverse and rich cultural heritage offering authentic experiences – archeological, historical sites and festivals
• Ethnic diversity adding to authentic and diverse experiences
• No visa or permissions required to visit GBC (except for diplomats and foreign NGOs workers)
	• Unreliable access: flight cancellations and security on road
	• Difficult to access with lengthy travel times and uncomfortable travel (Fluctuating satisfaction & levels of happiness)
	• Short peak season (mid June to end August)
	• Lack of tourism infrastructure – places to eat, rest stops, picnic areas, garbage disposal etc...
	• Tourism in GBC traditionally focused on trekking and mountaineering however domestic tourists prefer other activities.
	• Existing hotels have low standards that don't meet the needs of today's traveller.
	• Places to eat outside of the few hotels are of poor standard and quality (poor sanitation)
	• Limited quality rest stops and restaurants on KKH travelling from Islamabad to GBC
	• Lack of awareness of what is available in GBC amongst travellers, travel agents & the media
	• Poor marketing of the destination
	• Low levels of knowledge amongst the tour operators of how to sell the product
	• Lack of information and marketing collateral on key tourism areas
	• Distance from major hospitals & health care facilities
	• Lack of skills within existing and potential tourism labour force
	• Irresponsible domestic tourists have generated negative image. Private sector and GB government reluctant to engage with this potential market.
	• Low levels of capacity and skills with most actors in meeting the demands of the modern day traveler.
	• Lack of interpretative material at the destinations tourism sites
	• Limited financial packages offering soft loans for tourism business during these difficult times
	• No education campaign that focuses on educating domestic tourists in the following areas:
	  ◦ Waste disposal
	  ◦ Caring for the environment
	  ◦ Noise Pollution
	  ◦ Respecting cultural differences
	  ◦ How to behave as a tourist
	↓
	RESPONSIBLE TRAVEL

OPPORTUNITIES	THREATS
- Need to develop products that encourage winter tourism as well as extend the peak seasonality through events and festivals. - Develop destination brand to raise awareness and improve destination image - Community involvement upfront – social mobilization (capacity building & empowerment) and economic growth - Engage the youth to encourage innovation and entrepreneurship within the tourism value chain - Community based tourism e.g. Shimshal - Develop a sustainable destination at all levels (Economic, Socio-economic & Environmental). Implement the 2002 Cape Town Declaration and Responsible Tourism Policy to minimize the negative impacts of tourism and maximise the positive impacts. - Successful marketing strategy that creates a brand and unique point of difference, domestically and internationally - Advanced weather technology allowing aircraft better access into mountain regions. - Private airlines to GBC - Improved infrastructure for tourism and communities including transportation & roads - Employment opportunities for youth - Potential funding from major donors into tourism such as the World Bank, Asia Development Bank, USAID etc...	- Difficult to access capital for local investors - Diminishing priority of tourism by government over other industries. - Rising fuel and electricity prices - Increased competition from other destinations in Pakistan e.g. Nellum valley, Kaghan & Naran – all of which are more accessible. - Natural disasters i.e. earthquakes, landslides and glacial floods - Conflicts between communities and domestic tourists - Lack of land use planning and policy - Growth of terrorism and sectarian violence in Pakistan - Tourism in GB currently under the GB Council in Islamabad – powers have not yet been devolved and policy not approved. - Certain types of domestic tourists are currently poorly educated about how to travel responsibly. They are creating a greater negative impact than a positive impact which is detrimental to the local communities (it both costs them and creates conflict between communities and tourists)

Table 9: SWOT Analysis for GBC

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ANNEX 5: DOMESTIC TOURISM VALUE CHAIN OPERATORS AND SUPPORTERS

MARKET BASED SERVICES

The quality and quantity of domestic tourism product and service providers varies considerably from valley to valley within GBC and also varies depending on the different target segment of domestic tourists that come to GBC.
Table 13 provides a summary of market based product and service providers that currently exist for the two most valuable domestic tourist target segments – up market urban sophisticates and price conscious middle class. An indepth assesment of the key existing market-based services in GBC's domestic tourism value chain follows.

MARKET BASED PRODUCTS & SERVICES	UP MARKET URBAN SOPHISTICATES	PRICE CONSCIOUS MIDDLE CLASS	STUDENTS
Tour Operators			
- Tour Operators in the major cities of Pakistan		X	X
- Tour Operators in GBC		X	X
Accommodation			
- Up market Hotels	X	X	
- Mid Range Hotels / Guest Houses	X	X	
- Budget Hotels / Guest Houses		X	X
- Camping			X
Transport Providers			
- NATCO (only in GB)			X
- Private Mini vans		X	X
- Taxis		X	
- Private Transport Companies (Jeeps, vans and vehicles)	X	X	
Trekking Guides	X		X
Mountaineering Guides			X
Souvenir Shops / Markets	X	X	
Food & Beverage Outlets outside of Hotels	X	X	X
Cultural Entertainment	X		
Activity / Excursion Providers	X	X	X

Table 13: Key Domestic Tourism Destinations in GBC

Inbound Tour Operators – Islamabad, Karachi, Lahore

Domestic tourism is a relatively new segment for tour operators from the large cities of Pakistan who have traditionally relied solely on international tourists for revenue. Of the 86 tour operators in the cities of Pakistan registered with Pakistan Association of Tour Operators (PATO) 30% are engaged in domestic tourism and only 20% are engaged in sending domestic tourists to GBC. Even more alarming is that only 5% of tour operators are marketing GBC holiday packages to domestic tourists. The small number reflects the current planning and buying behaviour of domestic tourists who generally book direct with a hotel by passing the tour operator. This is purely a cost issue with the perception that tour operators charge more.

Of the tour operators who are actively engaged with domestic tourism approximately 80% target corporate incentive group business (sales calls, emails and flyers), 15% student groups (relationship building with university clubs and teaching fraternity at private schools) and 5% domestic holiday makers (families and couples primarily via word of mouth or via their corporate business). At the moment given the air and road access issues to GBC tour operators are not sending corporate incentive groups (80 to 150 pax) to GBC as these groups generally only have a 3-day window to travel and conduct their activities.

The 70% of tour operators that are not engaged in domestic tourism are reluctant to engage with the domestic tourism market due to it being a low margin business with challenging customers. Additionally many lack the knowledge of how to access the domestic tourism industry. These tour operators rely on 2 to 4 international groups per year to GBC barely covering their business expenses or additionally have developed outbound tourism businesses sending Pakistani's abroad.

Tour Operators – Gilgit-Baltistan and Chitral

There are approximately 35 tour operators in Gilgit-Baltistan (25 registered and active with GB Tour Operator Association) and 5 in Chitral. Similar to the national level tour operators there are very few tour operators in GBC who are working in the domestic tourism sector for the same reasons listed above – low margin business and limited knowledge or resources to be able to access the market from GBC.

Most GBC tour operators maintain good relationships with tour operators in Islamabad and very few develop direct relationships with potential customers such as corporate companies, universities and schools.

Accommodation

Accommodation is the most important component of domestic tourism along with transport.
In GBC there is an estimated 242 hotels of various grades with an overall room capacity of 2,900 rooms[5]. More than 40% of this capacity is in the city of Gilgit, followed by Hunza, Skardu and Chitral.

The different types of accommodation available to domestic tourists in GBC are:

- Up market hotels: Internationally star rated hotels, boutique hotels and heritage hotels
- Mid range hotels
- Budget Hotels
- Guest Houses
- Camping (tents)

Note: There is no official home stay product in GBC however in some areas of Gilgit and Hunza families welcome the odd international guest. Most families in GB are nervous about having Pakistani's staying in their homes. In Chitral it appears they are less sensitive (to be confirmed by further research).

Figures 4 shows the estimated percentage split of accommodation types by three different price categories in GBC.

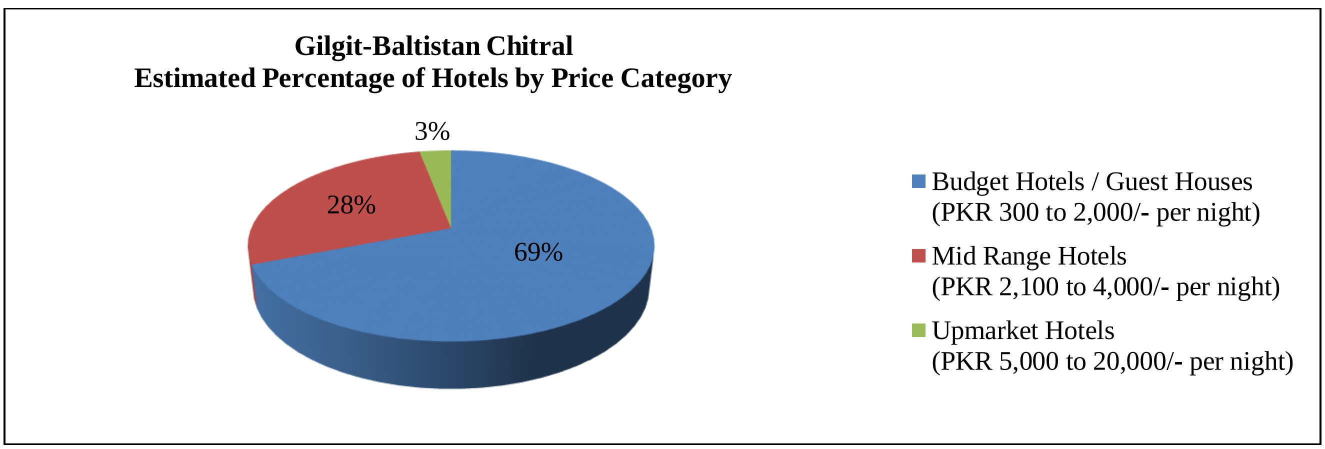

Figure 4: Estimated Percentage of Hotels by Price Category in GBC, 2013.
Source: Estimated using Accommodation Survey and Qualitative data collected in April 2013 as part of AKRSP domestic tourism value chain analysis.

For almost all accommodation providers in GBC domestic tourism accounts for 70% to 100% of their total business. The exception is in the up market hotel category where this figures drops to 50% with the balance being made up by the

[5] 2011 World Bank Report on GB updated with AKRSP Tourism Value Chain Accommodation Database, March 2013.

business / corporate sector and by international tourists (predominantly expats and diplomats living in Islamabad as well foreign tour groups).

Almost all hotels in GBC are open from April through to September/October and are closed during the winter months from October / November through to end March / Mid April. As at the end of the 2012 the average occupancy of most hotels during the season (April to September) was between 2% and 75% with the highest occupancy occurring between the 15th June to the end of August during the summer holiday season. Skardu recorded the highest occupancy throughout the season and Hunza and Upper Hunza the lowest average throughout the year.
This demonstrates that there is currently not enough demand to fill the existing room inventory and therefore there is no need for the construction of new accommodation facilities. There is however demand for improved standards and overall quality of the existing hotels with many not having the basic knowledge of expected levels of cleanliness and hospitality service required to meet the needs of the different types of domestic tourists. All tour operators interviewed who send domestic tourists to GBC mentioned the service standards and quality of accomodation as an issue for both internatioanl and domestic tourists with the exception of the hotels in the up market end. Most also felt that accommodation standards had dropped significantly since there was an increased reliance on domestic tourism.
On the contrary when the accommodation providers were asked if they believed their hotels were of excellent quality and standard for domestic tourism they all replied “yes” demonstrating their inability to understand what is required. With further discussion they all agreed they needed training on how to improve with most interested in implementing a hotel standards programme at a local level. (With the exception of Hunza who were concerned about how they would judge each other).

Transport Providers

Gilgit- Baltistan
Prior to the 2011 sectarian violence on the KKH domestic tourists predominantly travel by road to and from GB either in a private or chauffeur driven rented vehicle (jeeps from Islamabad) whilst student and budget tourists travel in 40 seater buses provided by Northern Areas Transport Corporation (NATCO). Smaller numbers travelled by air primarily because of the cost factor when travelling with their family or friends.

Since the 2011 violence road travel has declined significantly. NATCO have cut their bus services, between Islamabad and Gilgit and Islamabad and Skardu, by 70% from eight 40-seater buses per day to three 40-seater buses per day.
Air travel is now the only secure route to GB however PIA have a monopoly on scheduled flights and in 2013 increased the airfares for Pakistani’s by 120% from PKR 3,250/- to PKR8,000/- for a one way ticket (PKR16,000/- return) making the price prohibitive for most domestic tourists except the up market and some middle class price conscious tourists. Not only is the price prohibitive the service is unreliable with an average 50% of flights being cancelled.

Chitral
For those travelling to Chitral road is still the number one mode of transport however for the budget travellers there is no government run transport system such as NATCO. There are numerous budget transport providers filling this gap however all vans are overcrowded, vehicles are of poor quality and drivers are unruly. The only alternative is to hire a jeep and driver out right. Like GB flights between Islamabad and Chitral have had a similar price increase and are also unreliable with 40% being cancelled.

For those tourists who choose not to travel in their own vehicle (this is the majority) there are several types of transport providers in GBC. Refer to ANNEX 4 for a detailed table of the transport options available.
It is difficult to establish the number of tourism vehicle transport providers in GBC however the quality of the vehicles and drivers varies significantly from area to area. Transport providers in the major centers of GBC such as Gilgit, Skardu, Hunza and Chitral offer better vehicles with more experienced drivers compared to those transport providers from smaller destinations. Regardless of this almost all independent transport providers have never undergone tourism training and their vehicles are often not roadworthy (hand brakes don’t work, tyres are bald, windscreen wipers don’t work etc.) Also vehicle and service standards do not match the price paid (drivers hygiene, customer service skills lacking, knowledge of tourists sites and the area lacking etc).

Hiring transport in GBC on average accounts for 15% of the entire domestic tourist's budget (with the exception of students). Regardless of rising fuel prices domestic tourists continually think about "value for money" when looking for transport - in many situations there is no value for money.

Guides

There are many different types of guides in tourism; trekking, high altitude / mountaineering, chauffeur guides, cultural heritage, wildlife, bird etc

GBC has only two types of guides: trekking and high altitude / mountaineering guides. Most of these guides are currently unemployed due to the decline in international tourism and the fact that the majority of domestic tourists currently do not participate in trekking and mountaineering. (In 2012 600 students came to GBC for trekking and mountaineering). Any business that does exist for high altitude mountaineer guides is often replaced with professional and experienced Nepali Sherpas who are employed by tour operators.

Most of the trekking and mountaineering guides lack the skills, knowledge and guidance on how to adapt there existing skills for alternative employment. Some have shifted to the gem mining industry whilst most remain unemployed and without any form livelihood other than self subsistence agriculture.

There are no professionally trained cultural heritage guides in GBC. It is internationally recognized that Tourist Guides play an important role in ensuring positive tourist-host interactions. Research[6] has shown that positive interactions lead to richer experiences, better holidays and repeat business thus providing an environment for greater economic contributions to the tourism destination. Cultural heritage guides (often referred to as Cultural Brokers) also play a significant role in the promotion of historical and cultural tourism sites and destinations - a key objective in the draft 2011 Gilgit-Baltistan Tourism Policy.

During the focus group discussions many youth showed a keen interest in studying to become a guide and many tourism stakeholders recognized that this was a service that was not available for domestic tourists that should be made available.

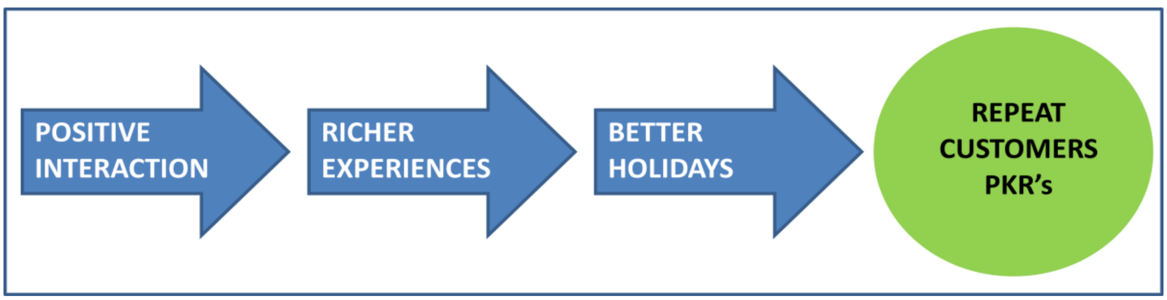

Figure 5: The Business Case for Positive Tourist-Host Interactions

Food & Beverage (Food stalls, restaurants, bakeries, cafes etc.)

Regardless of the different target market segments within domestic tourism almost all enjoy trying local foods from GBC at some point during their holiday (not every day). They also like to have their Punjabi or southern favourites during their travels. Outside of the hotels there are very few hygenic and appropriate eateries for domestic tourists and most hotels who do have dining options their menus do not cater for the tastes of domestic tourists. One of the key reasons is that there is a lack of trained chefs as well as restaurant staff within the hospitality industry in GBC.

Some of the older chefs predominantly now working in guests houses or hotels had been sent to the Mariott and Serena hotels for training more than 6 to 10 years ago however none of the youth have been trained.

In most hotels the food can take anywhere from 40 to 90 minutes to arrive from the time of ordering.

Outside of the hotels there are very few eateries or snack options.e.g in Hopar most day visitors spend anywhere betwee 1 to 3 hours at the view point and surrounding areas of the glacier. During the summer the glacier receives anywhere between 20 to 500 visitors per day and yet there are no food stalls selling affordable snacks and drinks. There are two

[6] McCoombe, J (2009) ICRT

hotels that have restaurants however the meals, are of poor quality and take far to long to deliver the food. Most visitors bring their own packed lunch or snacks from Hunza.

Activity Providers
e.g. Polo, trekking, horse riding, boating, rock climbing, ice climbing, paragliding, fishing, day excursions etc.
In addition to trekking and mountaineering there are many other different activities in GBC however there are very few providers (informal sector or formal sector) proactively marketing and packaging activities to domestic tourists in such a way that they are attractive and in such a way that they benefit the local community in which the activity takes place. E.g. of all the domestic tourist day trips to Hopar and Gulmit only 5% to 13% (depending on the hotel or tour operator) of the total excursion cost per person is spent in the Hopar valley.
Also the quality, safety and standard of the different activities offered varies enormously depending on the provider, hotel or tour operator who has organised it.
Most hotels and local tour operators organise activities developing relationships with providers such as boat owners, local fishermen, transport providers etc. In many cases it has been the hotel or tour operators who have been proactively seeking out activity providers and not the other way round.
In recent years there has also been a few mountaineering schools open who offer ice climbing and rock climbing e.g. Hushe, Shigar, Skardu, Shimshal etc. However in many cases these schools lack the safety procedures and quality equipment for most hotels and tour operators to be able to promote them.

Table 14 lists the activities that are currently available and those that are not available.

ACTIVITIES AVAILABLE IN GBC **Most of these are on an adhoc basis and are difficult to access without using a hotel or tour operator**	**ACTIVITIES** **NOT AVAILABLE IN GBC**
- Fishing and fish farm visits - Glacier walking (Hopar and Gulmit) - Boating on Attabad, Upper Kachura and Satpara Lakes - Polo Tournaments (Chitral, Shandur, Astore, Shigar, Skardu & Khaplu) - Horse riding (Chitral, Mastuj, Astore, Shigar and Khaplu) - Hunting - Rock Climbing (Shigar – just started) - Ice Climbing (Shimshal, Baltoro, Passu) - Paragliding (Karimabad, Chitral. Adhoc basis not marketed or developed) - White water rafting (since the decline in internatonal tourism providers have shifted to the Naran valley) - Skiing (Naltar) - Festivals (only a few are marketed and packaged) - Hunting - Wildlife Tours (Markhor and bird wathcing – Chitral only) - Village cultural tours - Overnight camping expeditions - Mountain bikes (only in Shigar or organised by tour operators in Islamabad) - Musical and dacne performances - Hot springs - Jeep safaris	- Local food tours - Traditional food cooking classes - Polo camps or schools - Heritage walking trails or tours in villages - Folklore and story telling sessions - Winter sports such as ice skating, cross country skiing - Yoga retreats - Health retreats - Water sports - Bike riding tours - Bird watching / wildlife tours - Easily accessible and affordable cultural shows

Table 14: Activities available in GBC for domestic tourists

Entertainment Providers
Entertainment providers in GBC are primarily cultural musical performers and polo matches. The number of entertainment providers varies from valley to valley however overall the number who actively are involved in domestic tourism is limited. Some musicians have relationships with a few hotels however most have little or no interaction in the tourism market.

Hotels will only engage with a musician for a wedding or when a guest requests a private performance. The cost for private performances is prohibitive for most domestic tourists. There are no scheduled weekly performances in key areas of GBC where tourists can experience some of the local culture through entertainment.

There are a number of cultural associations in GBC made up of musicians, historians, actors, poets, storytellers and dancers. Almost all members are males. They lack funds, knowledge and capacity of how to access the domestic tourism market. Hotels and tour operators also do not proactively engage with these associations to encourage synergies in providing cultural entertainment products.

Some of these associations include:
- Wakhi Tajik Cultural Association in Gulmit
- Karimabad Arts and Cultural Council
- Baltistan Cultural Arts Council, Skardu
- Tibet Baltistan Arts Council, Skardu
- Balitstan National Council of the Arts, Skardu

Tourist Shops & Markets
Domestic tourists, particularly up market tourists, like to shop when travelling in Pakistan despite some of the target market segments such as students and middle class price conscious having a small discretionary spending budgets. Most domestic tourists to GBC prefer to purchase locally made products to take home as memomentos of their holiday and for gifts. In GBC there are a few locations that offer easy access to local products (refer to list below) however in a lot of areas it is difficult to access. Additionally most women who produce local products have little knowledge or ability to access domestic tourists.
Refer to ANNEX 5 to review the list of shops and markets that sell local products to domestic tourists in GBC.

3.1.10 Market Bases Services Missing in the Value Chain
There are very few market based services missing however there are many market based services that need upgrading. Table 15 below summarizes those missing market based services and those that exist yet need upgrading.

MAKRET BASED SERVICES MISSING FROM THE DOMESTIC TOURISM VALUE CHAIN	MAKRET BASED SERVICES THAT NEED DEVELOPMENT AND UPGRADING IN THE DOMESTIC TOURISM VALUE CHAIN
• Tour Operators who focus on domestic tourism successfully • Cultural Heritage Guides • Chauffer Guides • Local and Pakistani food outlets or restaurants outside of hotels • Handicraft markets • Activity Providers (refer to table 14)	• Transport providers • Hotels and guest houses • Activity providers (refer to table 14) • Cultural entertainment providers • Mountaineering guides

Table 15: Market Based Services missing from domestic tourism value chain

INPUT SUPPLIERS

Food & Beverage Suppliers: Shops, Markets and Producers
Hotels and restaurants require food and beverage supplies in order to run their business.
Most currently purchase these from one or two general stores, meat suppliers or vegetable shop owners and in some cases where possible they will purchase from local markets in their destination. For those hotels and restaurants in more remote locations they often have to purchase products from suppliers in the key cities within GBC such as Chitral, Skardu or Gilgit.

Food and beverage can be broken into two main categories:

- **Dry Stores:**
  Almost all of the products purchased for a hotel / restaurant's dry store are imported products from either outside of GBC or outside of Pakistan. E.g. sauces, tinned fruits, noodles, herbs and spices, packaged juices, nestle water, flour, rice, ghee etc. These products are sold by local general stores who often have informal credit agreements / extended payment terms with some hotels.

- **Fresh Produce:** Fresh fruit, vegetables, dairy, poultry products and meat. Also include fruit bi-products e.g. jams, fresh juices, dried fruit and nuts etc.
  Short vegetable and fruit growing periods in most areas of GBC means that a lot of produce is imported from outside of GBC or from different valleys within GBC. Additionally a lack of hygenic and quality dairy and poultry products means that most are imported from outside of GBC and are not fresh.
  Most of these products are accessed in local fruit and vegetable markets or through individual shops.

  Very few hotels and restaurants have direct connections with growers and producers.
  Most of the growers, producers and farmers in GBC are women. Due to the previous work of AKRSP a lot more women are now able to earn a living from the what they produce. In some villages / towns (Gulmit, Gilgit, Hunza, Shigar, Khaplu) there are women who have even tried to sell their products (namely vegetables) to hotels however most of them have failed due to lack of transportation (women rely on public transport) in delivering their products and pricing issues (a lot of women said that the hotels were paying the wholesale price not the retail price which made it unattractive to them).
  There remains many women who are still unable to access the hotels and restaurants with their products due to social / cultural constraints, lack of awareness of tourism or lack of resources and skills to access.

The concept of responsible purchasing policies amongst hotels and restaurants is relatively new with only a few consciously purchasing products that are locally produced or working with local producers to replace imported products. There are many opportunitie for linkages to be created and strengthened between producers and hotels and restaurants.

Serena Hotels are often the largest purchaser of food and beverage items in the areas they are located. In 2012 they commenced implementing responsible purchasing policies moving away from bulk purchasing from outside of GBC towards developing linkages with local suppliers. In 2013 they are taking this one step further and looking at replacing as many imported items with locally made items whereever possible.

Handicrafts & Stitching

In many areas it is difficult for domestic toursits to access local products to purchase as gifts and momentoes from their holiday in GBC.

Through projects conducted by BEDAR, KADO, AKRSP and various vocational training centres there are a lot of women who have learned how to make handicrafts, mainly embroidery and woollen products, yet do not have the skills or resources to be able to access the domestic tourism market, particularly in Baltistan.

Additionally a lot of these products lack contemporary designs appealing to domestic tourists.

Medium to Upmarket category hotels also require uniforms and soft furnishings for their hotels. In Gilgit, Serena Hotels have created a linkage with Hunar Gar Womens stitching social enterprise at Danyore for their uniform needs. However most hotels do not engage the services of local women for these services and often use non youth male tailors in the major cities of GBC.

Financing / Banks

Within GBC Micro, Small and Medium sized enterprises (MSMEs) can obtain finance either via banks, specific micro financing bank or local communitiy societies.

The micro financing banks (First Micro finance and Karakoram Microfinance Bank) currently do not offer tourism specific micro financing loan schemes.

Tourism is a seasonal business which requires specific loan structures for entrepreneurs to assist them managme their loans throughout the year. At the moment institutions believe there is no demand for specific tourism financing products.

In many countres where tourism is affected by security issues the banks for obvious reasons are reluctant to loan to suffering businesses e.g. hotels, transport providers and tour operators. However a large part of the domestic tourism value chain is the informal sector and in order for it to develop and for existing service and product providers to up grade they require micro financing (loans and matching grant schemes).

Loan schemes should be developed in conjunction with business development services to ensure that micro and small enterprises have the skills and capacity to be entrepenurs as well as benefit from ongiong mentoring. Most businesses fail within the first year of being in business and a high percentage fail in the first three years primarily due to lack of business skills and support.

In May 2013 the GB Government will commence a Youth Financing Scheme in partnership with the Lahore based NGO Akuwat Foundation. The scheme will primarily be for graduates who wish to start their own businesses. Loans of up to PKR75,000/- will be given. The media and commentary around this scheme is both skeptical and critical about the lack of consultation with the youth and the history of failure with similar schemes in other provinces of Pakistan.

Also in Chitral in March 2013 YES Pakistan in partnership with AKRSP and Abdul Wali Khan University also launched a fund generating and micro financing scheme for youth.

Examples of the informal sector in GBC that would benefit from tourism specific micro financing packages would be:

- Female farmers / producers (to assist them develop value added products for the hospitality industry: dairy products, fresh juices, jams, hot houses etc..)
- Guides (to assist them market themselves and obtain certification)
- Acitvity & excursions providers e.g. horse riding, polo, rock climbing, ice climbing etc. (to assist them package and market their products and raise the quality and standards)
- Boat owners (to assist them raise their safety standards e.g. life jackets, basic first aid skills, swimming lessons etc)
- Small food outlets

Other input suppliers
In addition to the above key input supplies the tourism industry also require the services of electricians, carpenters, building materials, furniture, stationary, equipment and machinery.
Almost all of these items are purchased from regional centres (Gilgit, Skardu or Chitral) or from the cities of Pakistan (Lahore, Islamabad, Peshewar or Karachi).

There are very few qualified professional electricians in most areas with hotels resorting to sub standard solutions.

In Hunza (WSE) and Skardu (BEDAR) there are now men and women who have been professionally trained in carpentry, masonry etc... and who have assisted in the construction of Shigar Fort, Khaplu Fort, Altit and Baltit Forts.
The Women Social Enterprise (WSE), CIQAM, in Hunza provides furniture, carpentry, stitching services to hotels (namely Serena) replacing imported fproducts and services.

SUPPORTING SERVICES AND ORGANISATIONS

Business Development Services Organisations
Although there are some Business Development Services (BDS) providers in GBC (including AKRSP) the research was unable to identify any organisations that have knowledge and experience of providing these services to the tourism industry.
There is also several service gaps found in the existing BDS providers. The result being that despite BDS organisations giving MSMEs a good start (usually the first two months), almost all MSMEs face a high probability of failure in the first year of business. If tourism is to be supported, particularly as it is currently facing many challenges, the gaps in BDS organisations need to be addressed by developing BDS models and providing them with the tools to strategically support businesses over an extended period of time (+12 months).

Tourism Private Sector Associations

Chitral Association for Mountain Area Tourism (CAMAT)
CAMAT was formed in 1998 when the need arose to find a voice and representation for all stake holders in the field of tourism in Chitral. During the start of its life CAMAT was incredibly active with its membership including hotel owners, tour operators, tour guides, jeep drivers, association of shop keepers and officials from the police and administration. At one point its representation was so broad and inclusive that its vice chairman was one of the local religious clergy. With financial help from UNESCO the association achieved many things. For example: revived traditional sports and cultural events, set up an office in the center of the town, conducted seminars on eco tourism, linked up with similar bodies in Tajikistan and Kyrgyzstan, developed stakeholder field trips to other countries and encouraged other countries to visit Chitral to share knowledge. They also linked up with the local municipality to dispose of garbage, they placed dust bins in the main bazaar and in the Kalash valley of Rumboor and they certified jeep drivers taking into account the condition of their vehicles and their drivers.
All members were obliged to pay a fixed monthly fee towards CAMAT (hotels and tour operators paid according to the size of their establishment etc). This was done to ensure sustainability when the UNESCO funds stopped.
After four successful years the Chairman changed and since 2002 CAMAT has become almost inactive with membership fees not being collected and activities kept to the bare minimal.
The KP government provides some funding for a few related tourism activities in Chitral to CAMAT.

Gilgit-Baltistan Tour Operator Association
There are 25 tour operators who are registered with the GB Tour Operator Association – all of whom are active in international tourism and only a few are active in domestic tourism.
The association has submitted several proposals to the GBTD however they have rarely had any response to their proposals and as a result feel completely de-motivated by and disengaged from the government. The association remains fairly inactive due to lack of funds and motivation.

Hunza Hotel Association
This association represents both Karimabad and Aliabad hotels and restaurants with a total of 50 members of which 50% are hotels from Karimabad. They have, like the GB Tour Operators have also written proposals to the government and

have not heard back. Most of their members are in financial problems and feel disappointed that the government has not provided any assistance to an industry that has provided their region with livelihoods for over 115,000 people during its peak years and is now currently supporting approximately 42,000 individuals with a livelihood[7].
Note: Most of those employed were porters and guides for trekking and mountaineering expeditions.

Tourism Adventure Alliance, Hunza
This association represents tour operators, transport providers, porters and guides from the Hunza area. The association is currently inactive, demotivated and angry that the government have not done anything to support the tourism industry and to assist them through these difficult times.

Gulmit Hotel Association
Developed in 2012 and yet to be formalised / legalised. The association has approximatly six members of which four are hotel owners and two are the young sons of two hotel owners.
The members were once a part of the Hunza Hotel Association however did not feel that they were fairly represented or that their issues were being heard. What this new association will achieve themselves is questionable given that lack knowledge and capacity to be able proactive. Two of the hotels are currently in major financial difficulies with their young sons trying to restructure the businesses in order to survive.

Upper Kachura Tourism Association
The tourism stakeholders of Upper Kachura are currently in the process of setting up this association with 6 members (guest house and boat owners). They were once a part of the Baltistan Hotel Association however did not feel their needs were being met. They will also work with the Kachura Well Wishers youth organisation to encourage and educate youth on tourism and the issues facing the destination.

Baltistan Hotel Association
Consists of 25 members, most of who are based in Skardu. Total membership represents 200 to 250 rooms. They charge a 1,000/- registration fee for any members. They are inactive and angry that there has been no support given to them by the government and donors.

Baltistan Tour Operator Association
They are currently inactive with little or no communication between members. They have lack of funds, are angry with the government and NGOs for not providing any assistance.

Attabad Lake Boat Association
As at April 2013, seventeen of the local boat owners from Upper Hunza (5 x Gulmit, 6 x Shishkat and 6 x Ghulkin) are in the process of forming a boat association (currently drafting bi-laws). Some members are fearful of the outcome of the association as they think there will be too many rules and regulations placed on them. This will be the first time since the Attabad Lake disaster that the boat owners will come together to discuss the issues they face in their boating business. Only a small number of boat owners are actually interested in tourism. The majority are not interested as they are currently earning a significant income from transportation of cargo and day to day local / business passengers.

Mountaineering / Climbing Schools and Associations
There are a number of mountaineering schools and associations in some areas of GBC such as Shimshal, Hopar, Passu, Shigar, Skardu, Sadpara, Hushe and Machulo. Some of these associations and schools offer rock climbing, ice climbing and mountaineering courses on an adhoc basis to the youth and to those individuals currently working in these areas of tourism. Others were set up to act as a voice for porters and mountain guides (trekking and mountaineering) and assist organise themselves for distribution of work e.g. Hopar valley.
Of these schools Shimshal Mountaineering School is the most professional and advanced and offers a sustainable business model in which future schools should be developed.

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[7] Source: Hunza-Nagar Tourism Scenario produced by Hunza Hotel Association, 2011

Community Support Organisations e.g. LSOs, WOs, TMDSs, MASO, KSDO etc..
Most of these were set up by AKRSP except for the TMDSs which were set up by AKCSP in Khaplu and Shigar only.
All of these support organisations are run by non youth who believe that tourism is not a part of their mandate.
The exception is the Khalti Social Development Organisation who received some funding and capacity building by AKRSP in recent years focusing on tourism (in particular fishing and boating).

In all community support organisations the youth are poorly represented on the board with most of the board members old and stuck in their ways unable to see the urgent need to focus on tourism activities to improve their destination, resolve issues in their destination and keep tourism surviving as an important livelihood provider for their community.

None of these community support organisations have a tourism subcommittee within their organisations and almost all are unaware of what tourism is and what the opportunities for tourism are.

Development Organisations
The following development organisations based in GBC have been the most active in the area of tourism over the past five years. The organisation who has the most involvement and understanding of tourism / domestic tourism is WWF.

ORGANISATION NAME	AREA OF TOURISM FOCUSED
Aga Khan Cultural Services Pakistan (AKCSP)	Focus on Cultural Heritage Tourism. Development of a cultural heritage tourism circuit. Restoration of cultural assets for the purpose of tourism. Have completed all work in Baltistan and are now active in Hunza and Mastuj and in the next few years the Ghizer valley.
Aga Khan Rural Support Services Programme	Very little support has been given directly to tourism. In directly many people have been trained that could potentially become input suppliers to the industry. In the past few years some funding has been given to Khurpa Care for training mountaineer guides. Over the past 20 years projects like the development of guest houses / home stays in Hunza and the development of organic tourist villages have failed for reasons unknown. Very few field staff understand tourism or have experience in working in tourism.
Karakoram Development Organisation (KADO)	Handicraft development, carpet weaving, gems and jewellery for sale to tourists.
Baltistan Enterprise Development and Art Revival Programme (BEDAR)	Have trained men and women in value adding apricot products, wood carving and woollen products with tourists being one market. Create linkages however in tourism these have not been nurtured. Supplies apricot products to Serena Hotels for sale in their hotel shops. Trained carpenters who have been involved as input suppliers in Shigar Fort and Khaplu Palace hotel projects – carpentry and furniture. All BEDAR staff have very little knowledge of tourism. Too focused on the supply side rather than the demand side. An Enterprise Development Manager is about to be employed (May 2013) and will be responsible for developing products for the domestic tourists.
Khurpa Care	Primarily focused on providing training to trekking and mountaineer guides in Baltistan. A small amount of work in ecotourism.
WWF	Largest contributor to the development of ecotourism, and community tourism in the Karakoram and Khunjerab National Parks. Currently active throughout GB.
Felix Foundation	Ecotourism and adventure tourism in Machulo. Development of guest houses for mountaineers and trekkers as well as

	mountaineering school.
Karakoram Trust (Ev-K2-CNR)	Focuses on sustainable development in the Central Karakorum National Park (CKNP) of which tourism is one component.

Table 16: List of development agencies involved in tourism in GBC.

Government Organisations

Gilgit-Baltistan Council

At present the Gilgit-Baltistan Council based in Islamabad maintains all policy controls on tourism despite the devolution of powers given to the provinces in 2010/11 under the 18th amendment. The GBC's Chairman is the Prime Minister of Pakistan and the Vice Chairman is the Governor of GB. Tourism is one of four sectors that the GBC still retains control over and where 100% of the powers have not yet been devolved to the province.

Gilgit-Baltistan Tourism Development (GBTD)

The government body based in Gilgit currently responsible for the administration and marketing of tourism. Despite not being legally empowered to have 100% of tourism responsibilities, the GBTD still has the mandate to play a key role in tourism development and promotion. The current secretary understands the concept of sustainable tourism and is keen to focus on high value tourism rather than mass domestic tourism.

Although they advocate working with private sector tourism stakeholders, the current perception amongst the private sector is that they are not proactive in engaging with them and supporting their needs.

Gilgit-Baltistan Tourism Development Board (GBTDB)

Set up in 2011 as a semi government organisation with representation of both the private, development and government sectors. The GBTDB achieved one task (developing a draft tourism policy) before conflict within the boards government members brought it to a grinding halt.

Without the board being reactivated the draft tourism policy for GB stands very little chance of being approved and implemented and tourism development in GB will suffer.

Tourism Corporation Khyber Pakhtunkhwa (TCKP)
TCKP mandate is to implement tourism activities at the grass root level to promote tourism in KP via PPPs.
Like the GBTDB, TCKP is supposed to be a semi government organisation however it currently has no private sector representation. They have a sub office in Chitral and are most active / visible in the Chitral region during the Shandur and Kalash festivals. The private sector feels completely disappointed in TCKP.
Some private sector stakeholders feel TCKP will continue to play a back seat role in tourism development in Chitral until such time that the PTDC hand over the ownership of their guest houses (4 in Chitral) to the province of TCKP[8].

Pakistan Tourism Development Board (PTDC)
The PTDC was the national tourism promotion and development board for Pakistan until devolution in 2011. It still exists supported by four subsidiary organisations one of which is the PTDC Motels North (PVT) Ltd – the holding company of all the government guests houses dotted around the north of Pakistan. PTDC was to have handed over the ownership of its assets (the guest houses) to the provinces at the time of devolution however two years on and they are refusing. As a result of this state of limbo the guests houses are being run inefficiently and in most cases have not been able to pay the salaries of their staff for more than a year. In GBC there are approximately 12 to 13 government owned guest houses waiting transfer of ownership to KP and GB provincial governments.

Another of PTDCs four subsidiaries is Pakistan Tours (PVT) Ltd who organizes summer tour packages to GBC based around domestic tourists staying in their guest houses. Refer to: http://www.tourism.gov.pk/summer_tour_package.html. PTDC were unable to give details of how many of these packages they sell in a year.

[8] This was supposed to happen with devolution however for almost 2 years PTDC are refusing to transfer the ownership of the assets.

SUPPORTING SERVICES AND ORGANISATIONS REQUIRED TO UPGRADE THE VALUE CHAIN

The following table is a summary of the support services needed to upgrade the domestic tourism value chain. It is important to identify the role that each support service plays, who they can support in the value chain, what type of support they can give and what is required for them to be able to provide this support.

Defining these roles and responsibilities will increase the effectiveness of communication and co-ordination of all actors in the value chain - a key current constraint inhibiting the progression of the industry. This is by no means an exhaustive list however gives an indication of what is required in order to kick start the revival of the industry and upgrade the value chain.

In almost all cases these support services will require motivating, capacity building and reorganization with the assistance of AKRSP before they will be able to fulfill their role as a supporting service provider. The exception will be Serena Hotels and one or two other leader enterprises that already exist.

SUPPORT SERVICES	WHO CAN THEY SUPPORT IN THE VALUE CHAIN?	HOW CAN THEY SUPPORT THE VALUE CHAIN?	WHAT IS NEEDED TO PROVIDE THIS SUPPORT?
TOURISM ASSOCIATIONS	- Individual members of their association (hotels, tour operators, transport providers, guides etc.) - Govt. tourism departments - CSOs	- Provide a platform for effective destination (GB & local) planning and development including marketing activities. - Provide market information / data to market based services and government. - Provide platform for development of standards and codes of conducts - Provide some training to youth (young members only to youth)	- AKRSP to reactivate and motivate tourism associations through tourism workshops. - Clarify the roles, relationships and communication lines between the many associations and consolidate /short list those showing the greatest potential for effectiveness. - Destination planning and development training modules (includes marketing, product development, responsible tourism, responsible purchasing) conducted by BDS or association lead individuals. - Investment in information technology systems by government. - Representation on government tourism boards / committees - Development of marketing PPP and marketing co-operatives at a local level for GBC
COMMUNITY SUPPORT ORGANISATIONS e.g. LSOs, WOs, TMDSs etc.	- Youth interested in tourism - Informal sector actors (often not represented in associations) - Female growers / producers - Tourism associations	- Mobilize the youth in the community to engage in tourism - Mobilize the community to take ownership of tourism and increase / broaden the economic benefits to the community - Solve specific - Act as a bridge between tourism associations and civil society in presenting tourism issues in the community and or creating linkages. - Where tourism associations don't exist in smaller destinations they can fulfil some or part of this role. - Provide a platform for effective destination (GB & local) planning and development including marketing activities.	- AKRSP to conduct tourism awareness sessions and build capacity of tourism youth sub committee - Develop a tourism sub-committee in CSOs that is youth driven. - Conduct community tourism awareness workshops - Improved communication and relationships with tourism associations.

	WHO CAN THEY		

SUPPORT SERVICES	SUPPORT IN THE VALUE CHAIN?	HOW CAN THEY SUPPORT THE VALUE CHAIN?	WHAT IS NEEDED TO PROVIDE THIS SUPPORT?
BUSINESS DEVELOPMENT SERVICE ORGANISATIONS	- Market Based Services that need to upgrade their products and services - Youth entrepreneurs (potential and existing) - Financial Institutions	- Tourism enterprise development workshops - Provide Mentoring and extended support beyond first few months	- Development of tourism specific enterprise development manual following IFC model yet modified for Pakistan - Develop and conduct ToT programme to ensure BDS providers understand tourism. - Pilot the manual with a group of potential young entrepreneurs and trainers. Involve financial institutions as well. - Development of other training modules such as market access (market analysis, marketing & sales), financial analysis, product development etc. - Review existing BDS business model to take into consideration mentoring and extended support to MSMEs.
FINANCIAL INSTITUTIONS	- Micro and small market based services that need to upgrade their products and services - Youth entrepreneurs (potential and existing) - Female input suppliers - BDS organisations	- Provide tourism specific micro financing products that take into consideration the challenges / seasonality of tourism. - Provide financial advice - Assist develop business plans	- AKRSP to facilitate further discussions with financial institutions - Improved communication between BDS and financial institutions.
GOVERNMENT TOURISM DEPARTMENTS	- Tourism Associations - Market Based Services - BDS organisations - Youth interested in tourism	- Provide funding for promotional activity - Provide human resources for development of promotional and marketing materials - Provide up to date effective tourism data and analysis on a monthly basis. - Implement policy - Provide platform for development of standards and codes of conducts - Provide funding for infrastructure improvements - Provide funding for the development of training institutions / training service providers	- Reactivate GBTDB and get GB tourism policy approved - Build capacity of GBTD team - Commitment for promotional funding - Development of marketing PPP and marketing co-operatives at a local level for GBC - Improved communication and relationships with tourism private sector - Investment in information technology systems by government. - Representation of private sector on government tourism boards / committees

SUPPORT SERVICES	WHO CAN THEY SUPPORT IN THE VALUE CHAIN?	HOW CAN THEY SUPPORT THE VALUE CHAIN?	WHAT IS NEEDED TO PROVIDE THIS SUPPORT?
LEAD ENTERPRISES (e.g. Serena hotels) **For this example Serena Hotels has been used as the example lead enterprise. Serena is the number 1 lead enterprise in GBC. Using it as an example assist set the expectations of what other lead organisations may be able to achieve.**	- Market based services - Female input suppliers - Tourism Associations - Youth interested in tourism - CSOs - BDS organisations	- Provide training to all actors (internships, hospitality skill development, responsible purchasing etc.) - Strengthen linkages between other hotels and input suppliers - Advocate the role of women supporting role models - Representation on GBTDB and PPP - A bridge between private sector and government - Marketing of embedded services and destination - Contribute to BDS training programmes - Assist build the capacity of CSOs and tourism associations - Assist development by providing data base, and possible human resources. - Assist develop responsible tourism policies for the destinations they are located	- Development of marketing PPP and marketing co-operatives at a local level for GBC - Representation on government tourism boards / committees - Improved communication and relationships with other tourism value chain actors - Development of training manuals / modules - Agreement of TPS management and support from GM North.

LEAD ENTERPRISES

There are very few lead organisations currently operating in the domestic tourism value chain – either in GBC or outside. Most business or organisations involved in tourism are currently 'stuck in the mud' overwhelmed and de-motivated by the challenges the industry is facing. With so few lead enterprises it is important to identify lead individuals from the domestic tourism industry who have the ability to provide leadership and expertise to the industry.

Table 17 below outlines organisations and individuals that can be considered as lead enterprises and the following table X highlights those lead enterprises and support organisations currently missing from the value chain.

Location	Lead Enterprise / Lead Individual	Type of Enterprise	Comments
Islamabad	Tourism Promotion Services - Serena Hotels	Hotels	Located in four locations in GBC and three locations (soon to be 4) in Pakistan. The most proactive and professional private sector organisation in tourism.
Islamabad	Zaiyyah Travels	Tour Operator	Young, dynamic and positive entrepreneur. Although continues to focus on international tourism he is also experimenting in domestic tourism.
Islamabad	Explore Pakistan (Mehraban Karim)	Tour Operator, Shop Owner, Guest House Owner	Entrepreneur from Passu village based in Islamabad. Dynamic understands small business and how to diversify tourism skills in order to survive.
Karachi	Zeb	Tour Operator	Old and experienced tour operator. Despite being located in Karachi it is 100% committed to ensuring GBC continues to develop as a tourism destination.
Hunza	Hunza Baltit Inn (Amanullah Beg)	Hotel	Have been trained on Responsible Tourism and Community Development. Understand responsible purchasing policies and hospitality standards and training.
Gilgit	Serena Hotel (GM - Hamid Qadri)	Hotel	Understands concept of responsible tourism, understands hospitality standards and training. Experienced in sales and marketing to domestic tourism market. Has worked abroad – has exposure.
Gulmit	Didar Khan	Boat Owner, Shishkat	Only boat owner who understands tourism. Most vocal and productive of all Attabad Lake boat owners. Has an agreement with Saiyyah Tours (domestic and international tourists)
Shigar	Zumlekh (Nasima Kosar)	Women's Business Group Association	Dynamic, breaking cultural barriers, enabled by supporting husband
Shigar	One Youth employed by the LSO	Representative of the youth	Ability to start youth tourism groups and mobilize community.

Shigar	Shigar Fort Residence	Hotel	Understand concept of responsible tourism, understand hospitality standards and training. Already providing training to youth i.e. guides and jam making. Have been trained in responsible purchasing policies. Although they can do a lot more to create linkages they are the only lead enterprise in Shigar.
Khaplu	Khaplu Palace & Residence (Abbas Ali Khan)	Hotel	Existing relationship with TMDS, understand concept of responsible tourism, understand hospitality standards and training. Already providing training to young women and men in jam making, cooking, guiding and transportation.
Skardu	Dr Shujaat Hussain	Youth Mobilizer, Dr and entrepreneur	Has experience in tourism as a mountain guide. Dynamic and already working with youth.
Shimshal	Shimshal Nature Trust (SNT)	Community Tourism Association	Has developed the most successful community tourism model in Pakistan.
Chitral	Hindu Kush Heights (Siraj Ul mulk)	Hotel	Has extensive experience of tourism development in Chitral and Mastuj. Was the ex President of CAMAT.

Table 17: Lead organisations and Lead Individuals that the research identified in the domestic tourism value chain

LEAD ORGANISATIONS AND SUPPORT ORGANISATIONS MISSING FROM DOMESTIC TOURISM VALUE CHAIN
• Community Support Organisations who understand tourism and who have tourism sub committees e.g. LSO, WOs, TMDS • Proactive and effective private sector tourism associations (hotel, tour operators, transport, guides etc..) • GBC or local Tourism Standards Association / organisation • Effective Tourism Marketing Association / Co-operative (PPP with govt.) • Tourism BDS Organisations • Tourism Business incubator / mentoring organisations • Tourism Training Institutions or training service providers • Tourism focused community youth organisations that can mobilize the youth on tourism • Chamber of Commerce

Table 18: Lead organisations and support organisations missing from domestic tourism value chain

ANNEX 6: PROMOTIONAL AND MARKETING ACTIVITIES

There are very few organisations or individuals who are proactively marketing embedded services in GBC or who are marketing the destination or any individual destinations within GBC.

The following table summarises the promotional and marketing activities that are carried out to strengthen the provision of embedded services in the domestic tourism value chain and to promote the destination.

ORGANISATION / INDIVIDUAL	PROMOTIONAL & MARKETING ACTIVITY
Tourism Promotion Services: Serena Hotels	Promotes the destination of GB as part of its Serena Hotels Gilgit-Baltistan Collection www.serenagilgitbaltistan.com. In 2012 launched Spellbinding Escapes promotional campaign to domestic tourists shifting their focus from selling hotel rooms to selling experiences in the destinaton. As part of this campaign its promotes a range of activities for GBC (day excursions, holiday packages, individual activities and experiences outside of their hotels and not only in the immediate locations of their hotels. Focus on cultural heritage and adventure. The campaign included brochures, press adds in magazines that target upmarket domestic tourists, blogs, PR in up market magazines and newspaper inserts and posters dotted around their city hotels. They also have sent many tour operators, airlines and journalists to GB for familiarisation trips.
Aga Khan Cultural Services, Pakistan (AKCSP)	Development of Cultural Heritage Tourism Guide Book. Focusses on Baltistan and Hunza-Nagar areas. Currently in draft form to be published in 2013/14. For use by tourists, guides, hotels, students, researchers etc. visiting GBC.
Tourism Corporate KP	Have previously placed advertisements in newspapers about Chitral and KP as a tourism destination. The impact to the destination was neglible. Other than this most of its marketing activities focus on other areas of KP and not Chitral except for the promotion of Shandur and Kalash festivals. http://kptourism.com/
GB Tourism Development	Does very little to support the promotion of GB to domestic tourists. In 2013 it spent a large percentage of their marketing budget on promoting GB internationally at ITB trade fair, attending the annual conference in Kashgar promoting cross border tourism, redesigning their website which still remains incomplete and fails to list hotels, tour operators and other market based services in the area. www.visitgilgitbaltistan.gov.pk They have also developed a printed brochure of calender of events which includes sports and festivals. Other than these being placed on the website, the brochures produced have not been distributed to domestic tourists.
PTDC	Does not do any promotional activity except it has developed summer vacation holiday packages for domestic tourists to Gilgit-Baltistan (not Chitral) and has placed these on their website. For example: http://www.tourism.gov.pk/gilgit_hunza.htm
Hotels	Most hotels in GBC verbally promote activities and excursions in their area however none do any form of printed or electronic marketing materials. 50% have websites.
Tour Operators	Some city based tour operators develop packages and send via email to their corporate clients. Most tour operators within GBC and outside have website promoting the destination.
Other	There are some individuals who are promoting the destinations via social media. The effectiveness of these facebook pages is questionable given that most people who LIKE or support these pages are from GB. Examples of these include: Northern Areas Page: http://www.facebook.com/northernareasofpakistan?fref=ts Gojal Valley Page: http://www.facebook.com/TheGojalValley?fref=ts Shimshal Page: http://www.facebook.com/pages/Shimshal-Valley/372659932811257?fref=ts

Table 19: Promotional and marketing activities in GBC

WISH LIST OF MARKETING ACTIVITIES

Research highlighted that the following priority marketing activities that private sector would like implemented for domestic tourism are:

Priority items:

- GBC Tourism presence at lifestyle shows and trade fairs in Islamabad, Karachi, Lahore (and funds permitting Faisalabad and Multan)
  - Trade fair stand design
  - Banners, posters, brochures, images etc.
- Develop a travelling road show in three cities that targets schools, universities, Corporates, private clubs, platinum credit card users and tour operators (outbound and inbound) giving presentations and showing documentaries, cultural shows and handicrafts and products from the region.
- Development of Visiting Journalist Programme to generate PR. Programme to be a subcommittee / division of the GBC marketing co-operative PPP.
- Development of festivals and the packaging and promotion around these. At the moment a calender of events is on the website
- GBC Website: Although higher value domestic tourists do not book their holidays on the internet they do surf the internet looking for information about where they are going. The current website for GB is not complete and is not as market orientated as it should be when comparing it to other domestic tourism destinations around the world. Marketing the website is also key using SEO and other web marketing techniques. We need to drive people to the website as well as ensure that its exposure is being maximized on the web.
- Development of information technology to provide essential market information to the industry.

Wish list:

- Bill boards at domestic and international airports in Karachi, Islamabad and Lahore
- Advertising on the outside of buses in key bus routes in the cities
- Adverts in weekend newspapers and inserts.

ANNEX 7: POTENTIAL FOR ENGAGING THE YOUTH IN THE DOMESTIC TOURISM VALUE CHAIN

The following table summarizes the potential for engaging the youth in the domestic tourism value chain in the immediate and medium terms. The estimated number of youth engaged will depend on the approach AKRSP takes i.e. focusing on two to three destinations or focusing on two to three interventions across many destinations.

TYPE OF YOUTH ENGAGEMENT	SUMMARY OF ENGAGEMENT	IMMEDIATE TERM (2013 – 2015) Guesstimated numbers of youth across GBC	MEDIUM TERM (2016 – 2019) Guesstimated number of youth across GBC
ENTREPRENEURSHIP (micro enterprises / informal sector)	• Predominantly in the informal sector of market based services such as food & beverage outlets, cultural heritage guiding / tours, cultural shows, etc. • Youth Entrepreneurship Incubator Competitions in local destinations • Motivate every hotel in GBC to outsource two activities to engage youth and develop enterprises E.g. staff meals, plastic recycling, chapatti making, procurement, cleaning, jam making etc.	40	100

DIRECT EMPLOYMENT (Hotels, transport, guides etc.)	• Cultural Heritage Guides
	• Chauffer guides
	• Mountain Guides (Pinelli Project)
	• Hospitality:
	  • Chefs / Cooks (women and men)
	  • Housekeeping (women)
	  • Reception (women)
		40	100

A ROLE IN THE SUPPLY CHAIN (vegetables, jams, dairy, furniture, handicrafts etc.)	• Women in the Supply Chain (vegetables, fruit, handicrafts, dairy products, poultry, honey etc)	50 - 100	500
CAPACITY BUILDING (awareness raising, community development, skill development etc.)	• Tourism awareness raising • Community development: • Development of youth groups for tourism either as adventure clubs, cultural heritage clubs or as community tourism associations or use existing LSO, WO, TMDS structures to create youth groups. • Introduction of tourism into school extracurricular activities • Develop internships with private sector organisations in Pakistan • Develop association with international tourism schools and create scholarship programmes e.g. with International Centre for Responsible Tourism • Develop international exposure internship programmes for 1 to 3 month trips.	100 - 500	1,000

	• Explore the possibility of conducting distant learning modules with international tourism courses.
	• Skill development workshops:
	  • Hospitality industry (all aspects of hotel) raising standards, ensuring professionalism
	  • Understanding Tourism Market Analysis (basic analysis)
	  • Market Access – how to access tourism
	  • Communication and marketing in tourism
	  • Tourism Business Management		

Table 20: Potential for engaging the youth in the domestic tourism value chain

ANNEX 8: SKILLS & TECHNOLOGY GAPS

Table 21 below highlights the many skills that both the youth and existing tourism stakeholders are missing. Without a training institution in GBC overcoming these skills will require innovative solution with the private and public sectors working closely together. Refer to recommendations section.

In terms of technology gaps the two major gaps in the value chain that inhibit the enabling environment are

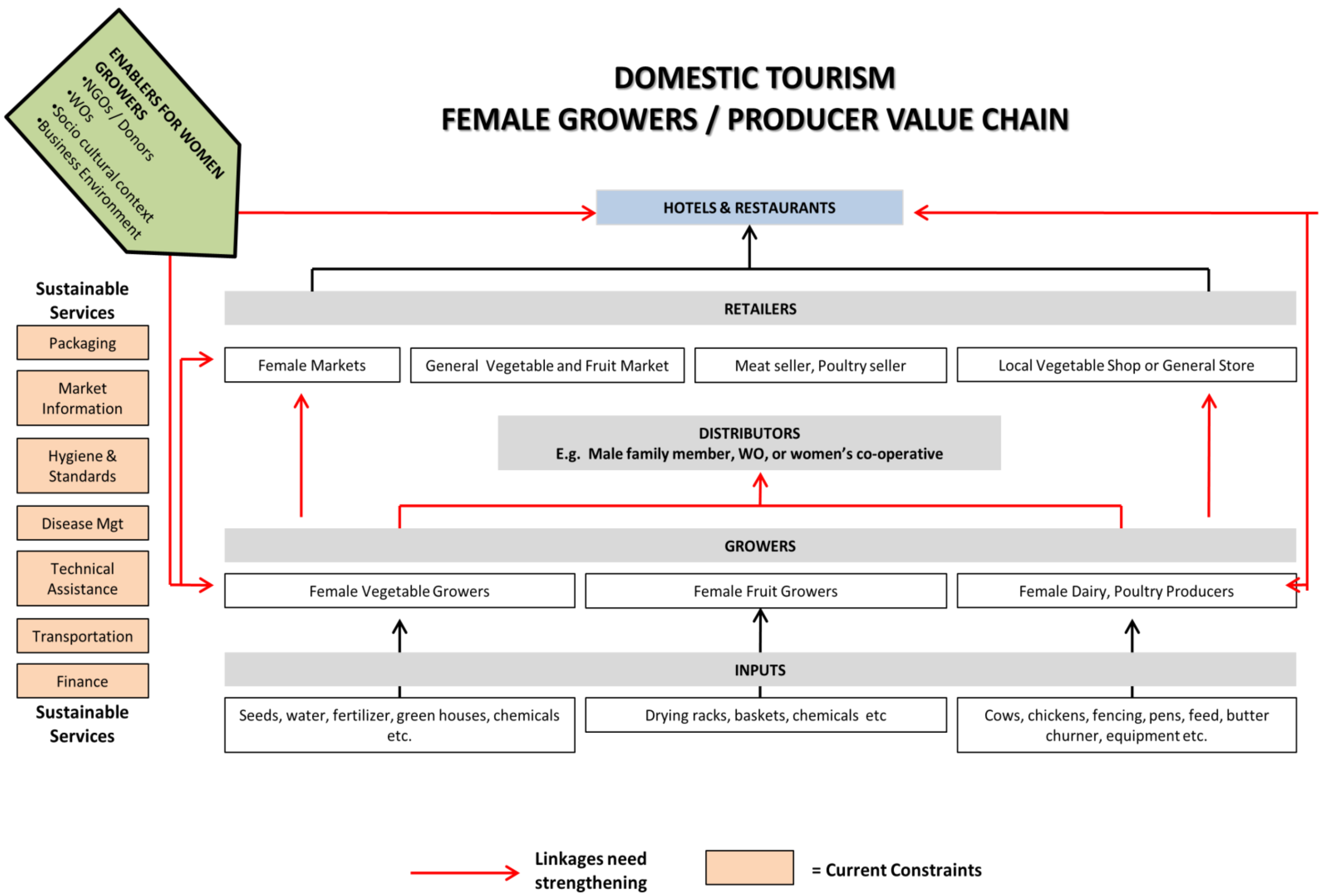
- Information technology: Lack of effective tourism data collection methods e.g. visitor surveys - PRIORITY
- Internet access in some areas of GBC e.g. Hopar, Gulmit, Ghizar valley, Khaplu, Shigar, Mastuj etc…

SKILL GAPS IN THE DOMESTIC LEISURE TOURISM VALUE CHAIN
YOUTH & EXISTING TOURISM STAKEHOLDERS

YOUTH	EXISTING TOURISM STAKEHOLDERS
- Basic Communication skills – Language (Urdu and English) and customer service - All aspects of professional hospitality (waitering, cooking, housekeeping, hygiene, customer service) - Tourism micro and small enterprise business enterprise development (access, market analysis, finance, marketing etc.) - Cultural heritage knowledge / general knowledge of their destinations - Cultural Heritage Guiding - Chauffer Guiding - Responsible / Sustainable Tourism / Community Tourism - Professional mountaineering - Basic safety and first aid (Boat owners, transport drivers, trekking / mountaineer guides, hotel staff)	- Customer service - Product development and Marketing (destination, products, activities, excursions etc.) - Professional hospitality (waitering, cooking, hygiene) - Tourism micro and small enterprise business enterprise development (access, market analysis, finance, marketing etc.) - Cultural heritage knowledge / general knowledge of their destinations - Cultural Heritage Guiding - Chauffer Guiding - Responsible / Sustainable Tourism / Community Tourism - Professional mountaineering - Basic safety and first aid (Boat owners, transport drivers, trekking / mountaineer guides, hotel staff) - Destination planning and development (local and GBC)

Table 21: Skill gaps in the domestic leisure tourism value chain youth & existing tourism stakeholders

ANNEX 9: FEMALE GROWER / PRODUCER DOMESTIC TOURISM VALUE CHAIN



ANNEX 10: DETAILED SUSTAINABLE RECOMMENDATIONS FOR THE SHORT AND LONG TERM

4.4.1 Build capacity of BDS Providers
In order to ensure that the AKRSP EELY interventions are sustainable for the long term it is absolutely essential to build the capacity of BDS Providers or if possible actually provide youth with the opportunity to develop their own BDS organisations / skills.
AKRSP will need to develop ToT programmes to ensure that skill development and capacity building activities can be rolled out across GBC.

4.4.2 Conduct tourism awareness raising workshops at an individual destination level (youth focus)
Right across the entire value chain and in almost all destinations actors and enablers lack effective communication and co-ordination and lack the knowledge and understanding of what the challenges and opportunities for domestic tourism are. To begin to overcome these constraints it is recommended that AKRSP conduct tourism awareness workshops. The workshops should take place in two steps:

- Conduct workshops with groups of youth, individual actors and enablers in the value chain separately. E.g. youth members of CSOs, market based services, input suppliers, govt (where applicable), lead enterprises
- Conduct workshops with key groups of actors and enablers together

A product of these tourism awareness raising workshops should be the development of Community Tourism Associations[9]. These could be a subcommittee of an existing organisation or an entirely new association. The key is to have at least 70% youth representation (including female representatives). The Community Tourism Associations should be responsible for mobilizing the different sectors within the community based on priority activities planned in the workshops and be responsible for the development of community based responsible tourism policies and action plans (see 4.4.3 below).

The objective of this intervention is to:

- Reactivate and motivate the community to focus on tourism development
- To increase their understanding of what domestic tourism is and individual products relating to their destination e.g. cultural heritage tourism, adventure tourism etc.
- Identify the problems and opportunities that exist within the destination (obtain their buy in)
- Clarify the realistic roles and responsibilities of each group of actors and enablers within the destination.
- Develop realistic action plans
- Involvement of youth via tourism associations
- Ensure community ownership of tourism

4.4.3 Capacity building for the development and implementation of community based responsible Tourism Policies and Action Plans
At a provincial (GBC) level there are no tourism policies or plans that are currently being implemented other than activities from a few NGO interventions and the work of WWF and EvK2-CNR on eco tourism. Without policies and plans communities are unable to prioritise the key issues and opportunities and are unable to take ownership of tourism leaving the responsibility of tourism to fall on a few lead organisations.

In many destinations tourism only benefits a few individuals; economically, socially and environmentally. One of the key reasons for this is that most communities, including CSOs, lack the knowhow, skills and capacity to be able to access the opportunities.

At a provincial level a Responsible Tourism Partnership (RTP) should be developed based on successful international models in Sri Lanka, Kerala and The Gambia. The RTP provides an opportunity for all tourism stakeholders (including the community) to play an active role in the responsible development of tourism in their destination. More specifically they:

[9] Could also be called Responsible Tourism Partnerships or Tourism Working Groups to avoid the term "association" which at present do not provide positive outcomes. i.e. most are currently inactive.

- can develop (with assistance) and take ownership of a responsible tourism policy and a responsible tourism plan for their destination
- act as a lobby group for the government at a local, provincial and central government level
- act as a beacon of best practice for tourism
- encourage responsible tourism enterprise development
- can assist give access to potential micro enterprises to the tourism value chain
- work together to understand the dynamics of the tourism market ensuring that development is demand driven rather than supply driven.

At a local level Community Tourism Associations (or local level RTPs / Tourism Working Groups) should have their capacity built so that they can develop and implement community based responsible tourism policies and action plans with support from the provincial RTP. Without these structures in place and without the capacity and implementation mechanisms individual destinations will never be able to minimize the negative triple bottom line[10] impacts and maximise the positive triple bottom line impacts of tourism.

Capacity building activities should include:

- Information on what is community based responsible tourism, what is domestic tourism, what is the current picture of domestic tourism in their destination.
- Identifying the positive and negative triple bottom line impacts of tourism and developing action plans to minimize the negative and maximise the positive
- Tourism planning and policy – development of a responsible tourism policy and action plan (short, medium and long term)
- How to write funding proposals and attract funding / investment
- Monitoring and evaluation
- Marketing (refer to 5.3.6)

The outcome of these modules will be:

- Community and co-ordination between all tourism stakeholders is improved
- Involvement of youth in tourism
- Community take ownership of tourism in their individual areas
- The economic benefits of tourism begin to impact a broader section of the community.

4.4.4 Strengthen linkages between female input suppliers and hotels, restaurants & shop owners

The provision of input supplies is the number one opportunity for women to become involved in the domestic tourism value chain whilst cultural and social constraints limit their access for direct employment. It is also the area that has the greatest synergy with the EELY agricultural value chain. Currently there are very few linkages between hotels / restaurants and female producers whether it is for vegetables, dairy products, local food items, fruit, dried fruits and nuts or handicrafts, stitching etc. Those linkages that exist are weak and are not nurtured.

In order to strengthen these linkages and provide opportunities for women in tourism the following interventions are recommended:

EELY Specific:

- Conduct tourism awareness workshops with women involving WOs, Women Business Associations and LSOs. As part of these workshop details what the opportunities are and how they can access the market.
- Facilitate linkages between hotels and restaurants and female input suppliers using WOs and Women Business Associations where needed (include private sector as part of the workshops).

Recommendations beyond the EELY Mandate:

- AKRSP via their agricultural value chain fund trainings for female youth on improving quality, yield and crop planning for the tourism industry
- Conduct training programmes for the product of hygienic dairy products.

[10] Economic, Socio Economic and Environmental Impacts

- Using Serena as a Lead Enterprise conduct workshops with hotels and restaurants on how to implement responsible purchasing policies. As part of training hotels to identify all products currently purchased (or not) that can be outsourced to women to substitute imports.
-
- Handicraft and gift shops to identify products that local female youth can supply that are currently imported from outside their local areas. BDS organisations to conduct training women where necessary on local handicrafts.
- Beyond GBC there are also opportunities for women in agriculture / horticulture and handicrafts to improve their linkages with national and international business development programmes. The intervention should research and explore options beyond GBC. For example: http://www.intracen.org/projects/women-trade/events/wvef-III/

4.4.5 Tourism micro enterprise development and product development

Despite the prediction that domestic tourism is not expected to grow in the next 1 to 2 years there are a number of opportunities for the development of market based services (micro enterprises in the informal sector) either as new enterprises entering the value chain or the development of existing market based services. Numerous constraints are preventing youth and current value chain market based services from taking full advantage of these opportunities and ensuring that communities are able to maximise the local economic benefits of tourism.
It is recommended that ARKSP intervene to ensure the youth in communities have the skills and capacity to take advantage of these opportunities.

- Develop two variations of tourism business development modules and manuals:
    - How to start and grow your tourism business? (Based on IFC model but adapted to tourism. Include subject's business planning, finance, marketing, product development, market research, sales etc.)
    - How to adapt your tourism products and services for domestic tourism? (Product development, marketing, sales market research).
- Pilot programmes in one location before modules are finalised training (include master trainers from BDS organisations in the pilot).
- Develop ToT modules for BDS organisations ensuring inclusion from all parts of GBC to maximise replication beyond the EELY project.
- Engage micro financing institutions to develop competitive tourism specific financing products: loans, matching grants etc.
- Develop enterprise incubator competitions to encourage the youth with financial rewards.
    - Look into linking in with existing international business incubator programmes particularly for handicrafts and agriculture such as http://www.bpwbusinessincubator.com/ and the joint UN and International Trade Centre value chain linkage programme that includes Women's Vendor Exhibitions and Forum (WEVEF). http://www.intracen.org/projects/women-trade/events/wvef-III/
- Develop specific workshop for tour operators on product development
- Develop Business Development Mentoring Services and Business Incubators in GBC in the long term. Commence with the development of a feasible framework based on international models. This will increase the chances of success for new enterprises beyond the initial start up months. Develop synergies with other value chains in other sectors to ensure the investment is leveraged and benefits more than just tourism enterprises.

4.4.6 Destination marketing

There is an absence of effective destination marketing in GBC at a provincial and local level. In times of low demand competition is much more intense as each destination tries to attract domestic tourists from the small pool.
The private sector think that it is the role of the government and the government are reluctant to invest in marketing due to concerns of attracting irresponsible mass domestic tourism to the destination.
In order to overcome these issues it is recommended that a two tier approach is taken to assist marketing GBC as a domestic leisure tourism destination.

i) **Provincial Level**

There are three options for different mechanisms to develop a collective brand for GBC.

1. Develop a GBC tourism marketing co-operative or association PPP
2. Build capacity within GBC Government Marketing Department
3. Develop private sector marketing co-operatives at a regional level that are endorsed by the government.

The recommended option for the long term benefit of GBC is option 1) to develop a provincial marketing co-operative / association that is a PPP and focuses on marketing as well as PR activities via a Visiting Journalist Programme (VJP). In addition to promoting GBC as a tourism destination this option will provide a vehicle to ensure communication and co-ordination between the private sector and government is improved as well as providing an opportunity to improve relationships and define roles and responsibilities relating to marketing.

AKRSP will play a key facilitation role in the development of the PPP and also provide capacity building workshops to ensure the long term sustainability of the PPP.

Research conducted with tourism value chain actors and enablers identified a wish list of GBC marketing activities that they would like to see take place. Refer to Annex 6 for full list.

ii) Local Level

It is equally important to get local communities to start thinking about developing and implementing marketing and PR activities. The Community Tourism Associations will also need their capacity built to ensure they have the confidence to develop and implement marketing activities, however big or small, for their individual destination.

It is recommended that AKRSP develop a tourism destination marketing manual and workshop for individual destinations "How to market your destination?"

BDS organisations will need to be trained to implement these workshops across GBC for the long term.

The outcome of these workshops should be that each destination has their own marketing activity plans identifying short, medium and long term marketing activities that they can realistically achieve leveraging the provincial level activities.

This is a key opportunity for youth to have their capacity built and be involved in tourism via marketing their individual destinations.

4.4.7 Development of codes of conduct and tourism standards for market based services

Almost all market based services in the value chain require some degree of improvement in terms of quality yet they lack the knowledge and skills of how to go about it. Currently there are no regulated standards or codes of conducts to keep market based services at an acceptable level for domestic tourism. Additionally there are no training institutions available to the youth where they can gain professional skill training.

It is recommended that a framework of tourism standards and codes of conducts be developed at a local level in 2 to 3 destinations for three different market based services (Hotels, transport providers and cultural heritage guides).

Models should be piloted, reviewed and then replicated in other destinations of GBC finally feeding into a provincial level system when the government has the capacity implement the programme.

Programme to involve government (they could provide some of the funding), community tourism associations and the hotels, guest houses, transporters and cultural heritage guides. Note: Cultural heritage guides do currently not exist in GBC however are a major gap in the guest experience and in as part of cultural heritage product development.

As part of the framework a number of training modules need to be developed and run in conjunction with the implementation of standards.

Some of these training modules will require class room work and others practical training sessions. As GBC does not have any training institution it is recommended that AKRSP develop training modules and manuals training BDS organisations to implement along with lead enterprises. Also refer to section 4.4.8 regarding the development and facilitation of skill development programmes for the short, medium and long term.

International case studies from Sri Lanka and Tanzania on the implementation of codes of conducts and standards for hotels & guests houses has shown two key benefits:

1. **Revenue Generation & Enabling Business Environment:** Guest houses and hotels experienced an increase in the volume and value of their business as a result of the standards / grading systems being implemented.
2. **Job Creation:** In the case of Sri Lanka as hotel volume and value of business increased they needed to employ more people providing opportunities for youth in the hospitality sector.

4.4.8 Facilitate the implementation of Skill Development Programmes

GBC has no tourism training institution for either professional vocational training or academic studies.
Currently the lead enterprise, Serena Hotels, is the main provider of training for youth (both men and women) in GBC conducting small numbers of cooking classes, jam making classes, transport standards training and cultural heritage guide training. They also have a range of training programmes for their own staff (predominantly youth from GBC) sending them to other Serena hotels within Pakistan and abroad to gain cross departmental exposure.
Serena alone does not have the capacity, skills or funds to remain the sole training provider for the tourism industry highlighting the urgent need to develop short and a long term alternative solutions.

It is recommended that AKRSP facilitate a workshop with the government, lead enterprises, and tourism associations to brainstorm possible short and long term solutions. Action plans should be developed to commence implementation of the chosen solution.
Examples of solutions could include:

Short Term Solutions:

- BDS to have their capacity built and provide a range of tourism training courses based on modules and manuals developed by AKRSP.
- Lead enterprises to work with tourism associations, BDS organisations to provide practical short courses (weekend and weeklong) skill training to youth and existing tourism employees.
- Lead enterprises provide internships

Medium Term Solutions:

- PPP mobile training units funded by the government and run by the private sector youth
    - Private sector to provide skills, knowledge and human resources.
- Partnership initiative with private sector (Serena and Marriott Hotels), govt and international tourism training institutes to provide short certificate courses during the winter season.
- Leverage the availability of the Pakistan Austria Institute of Tourism and Hotel Management, SWAT valley
- Pakistan and International scholarship programmes developed with AKEF. AKRSP to develop a short document on what scholarship opportunities are available youth who want to study tourism abroad / in Pakistan.

Long term Solutions

- PPP to develop permanent training institution using international tourism model. AKRSP to initiate discussions.

Note: The research did not highlight if this had been tried before, if a feasibility study had been developed and what challenges may exist to progressing the development of this.

4.4.9 Strengthening Lead Enterprises within Domestic Tourism

Working with lead enterprises in a value chain can help leverage results of any intervention.

In GBC there are very few lead enterprises. Given the dearth of lead enterprises the value chain analysis also identified lead individuals.

In order to strengthen the very few existing lead enterprises and individuals and create new lead enterprises the following activities are suggested:

1) **Strengthening existing lead enterprises:**
    - Ensure their involvement in most aspects of the intervention
    - Ensure key lead enterprises are represented on the GBTDB and regional and local level tourism associations.
    - Conduct a lead enterprise seminar to understand their expectations of their roles and responsibilities and what they can contribute to the implementation of domestic tourism. Important to ensure that their roles are not abused.
      Ascertain how they can pool their resources for mutual business advantage and EELY project advantage
    - Provide them with capacity training where necessary so that they too can increase their knowledge gaps and receive some benefit from the project.
    - Facilitate communication between all lead enterprises via a tourism lead enterprise forum in GBC / Islamabad. The objective of the forum would be:
        - Refocus their contribution on tourism development. They are profit making businesses that often need a forum to take them away from their everyday work and to refocus on what they can actually do to contribute to tourism development.
        - Developing priorities areas to lobby the governments on
        - Conduct a tourism development workshop inviting all key donors, INGOs, NGOs to make them aware of the opportunities and benefits of investing in tourism in GBC. E.g. the potential positive impact on the security dynamics in the area from enhanced economic well being via investment in key sectors such as tourism. Many donors conduct anti-terrorism activities across different sectors. Tourism could be included in these.
        - Sharing of knowledge, experiences and market information
        - Problem solving
        - Increasing communication and co-ordination between individual lead enterprises

2) **Creation of new lead enterprises**
    - New lead enterprises can only be developed via exposure and hands on experience.
      If most of the recommendations listed in this document are implemented by default new lead enterprises should immerge post capacity building activities.
      Existing lead enterprises should identify who these potential organisations are and involve them in the lead enterprise forum.

4.4.10 Reactivate the GBTDB and ensure GB tourism policy is approved

The entire GB tourism industry, both domestic and international sectors, cannot move forward in an effective way without the activation of the GB Tourism Development Board and without an approved tourism policy. If these two elements of the industry are in place then many of the constraints currently experienced can begin to be addressed and assist improve the overall enabling environment of the domestic truism value chain. As AKRSP are a private sector member of the GBTDB they should facilitate the reactivation of the board and push for the approval of the draft 2011 policy.

ANNEX 11: SUSTAINABLE SOLUTION AND INTERVENTION TABLE

SHORT LISTED CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
ENABLING ENVIRONMENT CONSTRAINTS **A lot of supporting services lack knowledge and the capacity to assist plan and develop domestic tourism e.g. CSOs, tourism associations, NGOs etc**			
1. Almost all **community support organisations (CSOs)** do not understand tourism and its opportunities for local economic development. They also do not think that it is their responsibility to be involved in tourism.	1a. CSOs clearly understand what role they can / do play in tourism. 1b. CSOs become proactive key stakeholders in the domestic tourism industry understanding the opportunities and issues for tourism in their individual destinations and ensuring local economic development.	1a. BDS organisations conduct awareness raising and capacity building workshops. 1b. CSOs undergo a range of tourism workshops to build awareness and capacity. 1c. CSOs develop tourism sub committees with high representation of youth who are able to mobilize other youth from the community to address the opportunities and issues in their destination. 1d. CSOs work with other tourism associations to develop community based responsible tourism policies & action plans in each destination. 1e. Serena Hotels and BDS organisations conduct workshops with CSOs.	1a. AKRSP to develop a comprehensive tourism awareness training programme with CSOs (including the development of training modules for capacity building of CSOs) 1b. AKRSP to build capacity of BDS organisations (including themselves) 1c. AKRSP links LSOs, WOs and TMSs etc. with other tourism stakeholders 1e. AKRSP / BDS conduct responsible tourism / community tourism workshops and facilitates the development of individual destination policies.
2. All current private sector / civil society **tourism related associations** are inactive and/or ineffective due to lack of skills, capacity, funding and motivation.	2a. Tourism associations understand that domestic tourism is important for their destination. 2b.Tourism associations are proactive and effective in planning and implementing tourism strategies and activities for their individual destinations and work. 2c. Tourism association members are represented at a provincial level and have excellent communication & co-ordination horizontally and vertically in the value	2a. AKRSP tourism teams conduct tourism awareness raising and development sessions to key associations 2b. Lead enterprises to work with AKRSP in delivering workshop sessions. 2c. CSOs and Tourism associations to develop community based responsible tourism policies & action plans in each destination.	2a. AKRSP to develop and conduct a initial workshops for tourism associations to assist reactive these key networks 2b. AKRSP to facilitate communication between civil society, tourism association, stakeholders and government.

	chain and with other supporting services. 2d. Relationships between all value chain actors and enablers are strengthened.	2d. Lead enterprises to play a key co-ordination role.	
3. There are few if any at all Business Development Service Organisations (BDS) providers who understand and have experiene in working in tourism in GBC.	3a. BDS providers have knowledge and skills to work in the domestic tourism sector.	3a. IFC qualified master trainers to train a specified number of educated youth already involved in tourism to become trainers. 3b. BDS organisations provide domestic tourism workshops to identified MSMEs and support services	3a. AKRSP / consultant develops comprehensive and modular training workshop and package (both ToT and training) using IFC model 3b. AKRSP identify BDS organisations and conduct ToT training programmes. 4c. AKRSP to facilitate rolling out training workshops across GBC for the long term.
4. Gaps in BDS providers business models impacts the success / failure of MSMEs in the first three years of business.	4a. BDS providers provide a full service to tourism MSMEs in their first three years 4b. MSMEs have a greater chance of surviving the first three years of business.	4a. Consultants conduct training workshops to BDS organisations.	4a. AKRSP fund consultants to develop business models, modules and ToT training to fulfill the gaps in BDS services (synergies with other value chains).
5. Absence of tourism training institutions and tourism training service providers in GBC (except Serena Hotels). Also refer to Skills points 1)	Refer to Skills points 1)	Refer to Skills points 1)	Refer to Skills points 1)
6. Lack of tourism focused community youth organisations that can mobilize the youth on tourism in some destinations	6a. Develop active and effective tourism youth committees or associations (within school system and in civil society) 6b. Youth have great awareness of what tourism is and the opportunities that exist.	6a. CSOs and tourism associations involved in selection of youth 6b.	6a. AKRSP to develop awareness raising programmes with teachers / schools / civil society. 6b. AKRSP to link youth with tourism stakeholders. 6c. AKRSP to facilitate initial capacity building of youth tourism associations.

SHORT LISTED CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
ENABLING ENVIRONMENT Continued…			
GB 2011 draft tourism policy is not approved or implemented due to GBTDB being inactive.	a. Reactivate GBTDB and approve policy. b. Obtain GB Council approval (administrative process only)	a. GBTDB meets to discuss and resolve issues. b. Private sector board members to pressurize / lobby public sector members of GBTDB and negotiate a resolution. c. GBTDB Chairman to send policy for approval.	a. AKRSP to initiate and facilitate three meetings; i) with private sector to develop arguments for reactivation. ii) With government board members to prepare them for final meeting and iii) with ALL board members.
Lack of effective communication and co-ordination between government and private sector at a local and provincial level	a. Ensure private sector representation on tourism boards b. Government to involve the private sector in key decisions c. Refer to all other sustainable solutions – most encourage communication and co-ordination between the government and private sector.	3a. Private sector to be proactive and conduct monthly industry meetings with government. 3b. Private sector elected representatives to pressurize / lobby public sector members of GBTDB and TCKP to ensure involvement.	3a. AKRSP to initiate discussions with both government and private sector 3b. AKRSP to ensure all other interventions includes govt and private sector communication and co-ordination
Lack of effective community based responsible tourism policy and planning at a community level	a. Communities understand the concept of community based responsible tourism (RT) b. Communities have a dedicated association who have the capacity to develop and implement responsible tourism policies and activities.	a. CSOs, tourism associations and market based services to select / develop tourism committee. b. BDS providers to conduct capacity building and awareness raising workshops on community based RT and to assist develop RT Policies and action plans for each destination. c. Community tourism committee to implement RT policies and action plans.	a. AKRSP to facilitate the development of local tourism committee ensuring at least 50% youth representation. b. AKRSP to develop the training modules and workshop frameworks. c. AKRSP to conduct ToT for BDS providers on RT policy d. AKRSP to facilitate all actors and enablers (including other AKDN agencies and TPS for their contribution.
INFRASTRUCTURE 1. Limited air access by PIA impacts tourism demand (PIA planes do not have all weather instruments to be able to fly in varying weather conditions contributing to flight cancellations.)	1a. PIA planes obtain weather instruments and improve schedules. 1b.Alternative cost competitive air line with weather instruments to be available for domestic tourists.	1a. AKFED to pursue feasibility study. 1b. Donors to consider funding weather instruments	1a. AKRSP / AKF to lobby AKFED to develop an alternative airline. 1b. AKFP to lobby donors to provide weather instruments to PIA

PRIORITY CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
FINANCE 1. Lack of tourism specific financing products or matching grant programmes (particularly micro financing).	1a. MSMEs have access to tourism specific financial products encouraging entrepreneurship within the informal sector to upgrade and improve their products and services for the high value domestic tourists. 1b. Matching grants schemes are available	1a. Micro financing institutions attend tourism awareness workshops 1b. Micro financing institutions develop tourism specific financing 1b. Donors and the government consider developing matching grant schemes.	1a. AKRSP supports micro financing institutions to develop products via tourism awareness workshops / presentations. 1b. AKF works with other NGOs/donors and the govt. to develop matching grant schemes for market based service providers.

PRIORITY CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
MARKETING & PR 1. Lack of destination marketing & PR (overall GBC and individual destinations). Negative perception of GBC (Taliban area) and low awareness.	**Provincial Level** 1a. Marketing capacity of GBC govt departments is improved 1b. Marketing capacity of private sector PPP members is improved. 1c. Effective PR & marketing activities are planned and implemented via a PPP for GBC targeting high end domestic tourists at a provincial and individual local destination level 1d. Awareness levels of GBC are raised and negative perception reduced. 1e. Working relationships trust levels and communication between GBC govt's and tourism private sector is strengthened (transparency, flow of information and regular contact). **Local Level** 1f. Tourism associations and groups at a local level have access to marketing training 1g. Marketing capacity of individual destinations communities (tourism associations, CSOs etc.) is improved. 1h. Individual communities become proactive in developing marketing activities.	**Provincial level:** 1a. GBC marketing PPP sign MOU and commence operation. (made up of govt, lead enterprises and tourism associations) 1b. GBC marketing PPP attend capacity building workshops 1b. Marketing plans and budgets are developed 1c. Implementation teams attend capacity building workshops and commence implementing plans. 1d. Visiting Journalist Programme (VJP) unit is set up by private sector with financial support from government (and PIA) **Local level:** 1e. Tourism associations and CSOs to develop local / destination marketing co-operatives. Identifying roles and responsibilities and resources all members can contribute. Ensure youth have 50% representation. 1f. Lead enterprises (if they exist) at local level to play a leadership role. 1g. Tourism skilled BDS organisations with tourism consultant to deliver marketing workshops for local marketing co-operatives 1h. Local marketing co-operatives develop and implement marketing plans / activity schedules for their destinations 1i. Government to provide funding for marketing activities of individual destinations.	**Provincial level:** 1a. AKRSP to conduct meeting with government to shift their mindsets towards the importance of conducting marketing to priority domestic tourism target markets. 1b. AKRSP to initiate Public-Private Sector Dialogue (PPD) between govt and tourism stakeholders via associations. Ascertain roles and responsibilities of each party and what they are prepared to contribute. 1c. AKRSP to facilitate development of GBC marketing PPP 1d. AKRSP to build capacity of the PPP to ensure its sustainability. (Develop PPP team building, risk management and marketing planning & implementation workshops) 1e. AKRSP to facilitate development of Visiting Journalist Programme (VJP) as a sub sector of the GBC Marketing PPP. **Local level:** 1f. AKRSP to build capacity via workshops at a local level with tourism stakeholders on how market your destination (include proposal writing for future funding from govt). Develop a tourism marketing manual and capacity building workshops for destinations. 1g. AKRSP to facilitate development of local marketing co-operatives 1h. AKRSP to facilitate linkages between different enablers and value chain actors to encourage facilitation and funding.

PRIORITY CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
INPUT SUPPLY **Very few linkages between female producers (vegetable, dairy, handicrafts etc.) and hotels, restaurants and shops.** **Female Vegetable Growers**	**Linkages developed are sustainable and beneficial for both actors.**	**Refer below for details.** **CSOs, WOs, Hotels, Restaurants, Handicraft / Curio shop owners, BDS organisations, Serena Hotels**	**AKRSP to initiate all linkages and to fund workshops plus the development of responsible tourism purchasing training module.**
1. A lot of initial linkages between growers and hotels fail as relationships are not nurtured	1a. Linkages developed are sustainable and beneficial for both actors. 1b. Relationships between hotels and growers are strengthened. 1c. Women earn additional income from supplying hotels	1a. WOs and Womens Business Associations act as an intermediary where required for growers. 1b. Hotels to reduce reliance on vegetable retailers and own supply and develop linkages direct with female growers.	1a. AKRSP initiate linkages between hotels / restaurants and female youth vegetable growers and other producers using WOs and Women Business Associations where needed.
2. Reliable supply: a lot of women are unable to provide a reliable supply of vegetables. (Short growing season)	2a. Female vegetable growers improve their knowledge on effective & quality vegetable growing to improve yields and crop planning. 2b. Female vegetable growers learn how to grow other vegetables to reduce hotel imports from other areas. 2c. Female vegetable growers have access to green houses to extend growing period.	2a. CSOs identify females to participate in vegetable growing training. 2b. Agricultural trainers conduct training programmes 2c. If required micro financing organisations provide female youth with access to funding for additional inputs. 2d. Hotels work with growers and reduce reliance on imported vegetables (other parts of GBC or outside of GBC)	2a. AKRSP via their agricultural value chain fund trainings for female youth on improving quality, yield and crop planning.
3. Almost all women have no means of private transport and therefore rely on public transport inhibiting delivery to hotels and restaurants.	3a. Women have alternative transport solutions to get their produce to hotels and restaurants. 3b. Relationships between hotels and growers are strengthened.	3a. WOs and Womens Business Associations and grower with hotels / restaurants brainstorm and agree on alternative transport options. 3b. Hotels in most cases can provide transport of produce.	Refer to 1a) above.
4. Women perceive they are being paid unfair prices by hotels in almost all locations. E.g.Retail rate for pototoes is 14/- per kg and hotels will pay ladies 10/- per kg. Hotels deny the claim.	4a. Women are paid fair prices for their vegetables. 4b. Relationships between hotels and growers are strengthened.	Refer to point 1) above re sustainable linkages.	Refer to point 1) above re sustainable linkages.

5. Most hotels grow their own vegetables during the summer season and therefore demand less from growers	5a. Hotels engage with women to grow vegetables for them or subcontract them to use the hotels land to grow the vegetables. 5b. Relationships between hotels and growers are strengthened.	Refer to point 1) & 2) above re sustainable linkages.	Refer to point 1) above re sustainable linkages.
6. Hotels purchase imported vegetables (from outside of GBC) as they are currently not grown in GBC.	6a. Hotels work closely with female vegetable growers to asses what new varieties of vegetables, salads and herbs can be grown locally. Refer to 1) & 2) above	Refer to1) & 2) above	Refer to1) & 2) above
Dairy Products: 7. Hotels reluctant to purchase dairy products because of hygiene levels and ability of women to produce a reliable supply on demand.	7a. Female dairy producers learn how to produce hygenic products for hotels. 7b. Relationships and linkages between hotels and dairy product producers is strengthened 7c. Women earn additional income from supplying hotels and restaurants hygeinic dairy products.	7a. CSOs and Hotels identify females to participate in dairy training. 7b. Dairy trainers conduct training programmes	7a. AKRSP fund workshops in dairy produce.
Other Input Supplies e.g. Handicrafts, dried fruits, fresh fruit and nuts, local foods, jams etc 8. Linkages between female producers of above products and the tourism and hospitality sector are weak in certain destinations.	8a. Linkages developed are sustainable and beneficial for both actors. 8b. Relationships between tourism shops, restaurants, hotels and female youth producers are strengthened. 8c. Hotels / restaurants implement responsible tourism purchasing policies 8d. Micro enterprise opportunities are fulfilled by female youth. 8e. Tourists have easier access to local produced products.	8a. CSOs to be involved in selection of women to participate. 8b. Hotels / Restaurants to be trained on responsible toursim purchasing (with input from Serena Hotels). As part of training hotels to identify all products currently purchased (or not) that can be outsourced to women to substitute imports 8c. Handicraft and gift shops to identify products that local female youth can supply that are currently imported from outside areas. 8d. BDS organisations conduct tourism training e.g. BEDAR or KADO 8e. Lead enterprises such as Serena can provide training to women on jam making and cooking of local foods. 8f. Serena hotels and BDS organisation can deliver responsible purchasing workshops.	8a. AKRSP to initiate linkages between 8b. AKRSP to fund workshops. include tourist handicraft and gift shops and other female producers. 8c. AKRSP to develop a responsible toursim purchasing workshop for hotels and train trainers to deliver the workshops.

PRIORITY CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
MARKET BASED SERVICES **Most market based services need to improve the quality of their product and services yet lack the skills and capacity to be able to do this**			
1. Lack of product development and effective marketing of products minimising local economic benefits to communities	1a. Market based services have access to product development & marketing training programmes. 1b. Market based service providers have the knowledge and skills to upgrade their products and services. 1c. Market based service providers understand product development. 1d. Market based service providers develop products and services that benefit the local economy. 1e. Market based services begin to effectively market their products and services	1a. Refer to Skills point 1) 1b. BDS organisations provide capacity building workshops on product development "How to develop my products and services for domestic tourism" 1c. CSOs and tourism association to select participants. 1e. Engage lead enterprises (tour operators and hotels) in some sessions of the workshops to ensure products are developed to meet their needs.	1a. Refer to Skills point 1) 1b. AKRSP to fund the development of a business development module and manual on product development for the domestic tourism market (including packaging, marketing and sales) 1c. AKRSP to develop ToT training programme to ensure long term sustainability of training module. 1d. AKRSP to develop workshop for Tour Operator Associations (local and city based) to assist develop a range of products domestic tourists. 1e. Develop entrepreneur competitions and tourism award programme with government funding to provide incentives.
2. Absence of training institutions	Refer to Skills point 1)		Refer to Skills point 1)
3. Absence of regulated codes of conducts / sector tourism standards	3a. Market based services are regulated (self or semi) at a local level. 3b. Market based services have a baseline of standards and service levels from which to base their businesses on.	Refer to Skills point 1) 3a. Tourism associations and private sector market based service providers to provide input / feedback into the framework development 3b. Where possible private sector and government to work together in development and implement phases. 3c. Private sector to develop an award scheme	3a. AKRSP to conduct workshops to ensure private sector buy in at a local level and establish their level of contribution. 3b. AKRSP to facilitate govt. engagement in programme and establish what they can contribute. 3c. AKRSP to develop framework (standards, codes of conducts and mechanism to implement) for individual subsectors (Guides, Hotels, Transport providers) with input from private sector / tourism associations. E.g. this could be a self regulating body or an external regulating body. 3d. AKRSP to part fund implementation trials in select destination.

SHORT LISTED CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
MARKET BASED SERVICES Continued…			3e. AKRSP to monitor and evaluate success of individual interventions, re-design where necessary based on lesson learned and roll out across GBC (or take it to a provincial level)

SKILLS
1. Lack of training institutions
	1a. Youth have access to professional training to improve and upgrade their skills, both vocational and academic	1a. Lead enterprises, tourism associations and government to develop short and long term solutions with action and implementation plans.	1a. AKRSP to facilitate a workshop with government, lead enterprises, tourism associations to brainstorm possible short and long term solutions.
			
			For example:
			- AKRSP to fund training and development of training modules and materials.
			- Development of Training of Trainers programmes using youth currently employed.
			- AKRSP to facilitate collaboration between international tourism institutes and local training institutions (AKEF – Karakoram University)
			    - Spring / Autumn training schools
			    -
			- AKEF and AKF to look at funding proposals for development of training institution.
			- AKRSP with AKEF to develop list of all scholarships available to youth for tourism related studies and distribute through tourism associations, CSOs etc. Youth are no aware of what is available to them.

2. Youth lack relevant skills for employment or entrepreneurship	2a. Youth skills are improved over the short and long term	2a. CSOs, Cultural associations, AKCSP, Serena Hotels, BDS, youth groups, AKEF, schools and government all to play a role depending on the prioritized skill area. 2b. Roles & commitment levels to be identified for individual areas. **For example:** **Cultural Heritage Tourism / Guiding** - Cultural associations, AKCSP, Serena Hotels and youth groups to conduct workshops and activities around cultural heritage. - Schools to include history as an extracurricular activity **Enterprise Development & Marketing** - BDS organisation to conduct "How to start and grow my domestic tourism business" workshops. - Tourism associations, financial institutions and lead enterprises to also play a role in enterprise development training.	2a. AKRSP to prioritise skills and fund development of modules, materials and training programmes where necessary. 2b. AKRSP and AKEF to identify synergies for skill development. 2c. AKRSP to incorporate those relevant skills into Agricultural value chain activities. 2d. AKRSP to involve government, lead enterprises and tourism associations develop short and long term solutions. 2e. AKRSP to co-ordinate with AKCSP on publishing the heritage tourism guide book recently written and further input into training. 2f. AKRSP to fund ToT training sessions.

SHORT LISTED CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
YOUTH – GENERAL			
1. Youth lack of knowledge of what tourism is all about and what the opportunities are. Those that know about tourism only think of it as trekking or mountaineering and have been told by their families not to enter the industry.	1a. Youth are aware of what tourism is 1b. You know what the career / business opportunities that exist 1c. Youth are proactive and key actors in tourism 1d. Youth Tourism associations & clubs exist (e.g. cultural clubs, adventure clubs, travel clubs etc.)	1a. School teachers integrate tourism as part of extracurricular activities 1b. Privates sector tourism stakeholders & CSOs to do a series of presentations and workshops to youth in schools about what tourism is, what it means for their community and how they can play a positive role. 1c. CSOs and tourism associations to include youth on their committees. 1d. CSOs to identify and empower youth mobilizors.	1a. AKRSP to develop tourism awareness workshops and modules for different sectors of youth: students at schools, students at university, unemployed, employed. 1b. AKRSP to build capacity of young members of CSOs and tourism associations so they can conduct workshops / presentations to other youth. 1c. AKRSP to facilitate mobilization of youth.
2. Lack of relevant skills to increase chances of employment or entrepreneurship Refer to SKILLS section.	Refer to Skills section		
3. For those currently employed in tourism (except for Serena) they lack the facility / mechanism to improve and upgrade their skills. Most organisations do not fund or initiative staff training programmes and there are no training institutions.	Refer to Skills section point 1)		

SHORT LISTED CONSTRAINT CATEGORY	SUSTAINABLE SOLUTION	SUSTAINABLE PROVIDER / MARKET ACTIVITY	AKRSP/EELY INTERVENTION / FACILITATION ACTIVTIY
YOUTH – WOMEN (In addition to those list in YOUTH – GENERAL section) 1. A Socio cultural belief that tourism is no place for women limits opportunities for women's direct and indirect engagement involvement in tourism 2. Minimal linkages between female producers and the tourism private sector (hotels, restaurants and tourism shops) – REFER TO INPUT SUPPLY.	1a. More and more women have linkages with hotels, restaurants, tourism shops and markets supplying local products increasing exposure of women to the tourism industry. 1b. Women hold positions as chefs, housekeepers, gardeners, laundry and as receptionists in hotels	1a. WOs and Women Business Associations to identify role models who can speak to family's, young women & men, civil society groups (LSOs, TMDSs) and hotels. 1b. WOs / Women Business Associations and Hotels to meet to discuss the opportunities / linkages for women. 1c. Hotels to consider internships for women in different departments (women work in pairs) 1d. Selected hotels to conduct training programs for women and follow up with long term linkages e.g. supplying local foods, dairy products, butter etc.	1a. AKRSP to facilitate linkages between hotels and WOs / Women Business Associations and individual female producers. 1b. AKRSP to develop training material and conduct tourism awareness workshops for young women (what is tourism? what are the opportunities?) in selected locations. 1c. AKRSP to consider funding internships (where private sector refusing to pay).

ANNEX 12: WHO DOES? WHO PAYS? MATRIX

	PROJECT STRATEGY		FUTURE	
INTERVENTION	**WHO DOES**	**WHO PAYS**	**WHO DOES**	**WHO PAYS**
Tourism awareness raising workshops	Consultant develops presentations & materials AKRSP project staff facilitate and deliver in partnership with CSOs and tourism associations	Project pays for development of modules, manuals and workshop implementation costs	Community Tourism Associations Responsible Tourism Partnerships Tourism Associations	Self funded
Capacity building for Community based responsible Tourism Policies and Action Plans	**Provincial level** Consultant develops modules & materials. Project team & consultant conduct meetings / workshops RTP takes ownership and develops plans and policies **Local Level** Consultant develops modules & materials. Project team (or project BDS partner) conduct meetings / workshops If BDS partner consultant to build their capacity.	**Provincial level** Project pays for development of modules, manuals and workshop implementation costs **Local Level** Project pays for development of modules, manuals and workshop implementation costs	**Provincial level** Responsible Tourism Partnership **Local Level** Community Tourism Association	**Provincial level** Government RTP Potential for receiving grants from INGOs. **Local Level** Community Tourism Association Potential for some government or RTP funding
Codes of conduct and tourism standards	Consultant develops presentations & materials. Project team facilitate entire process Consultant and project team train subsector standard committees Tour Operators provide essential input	Project pays for modules, manuals and workshop implementation of pilot programme Project pays for 1 to 2 other areas e.g. tourism information centers for guides (yet TBC)	Standards Committees Subsector groups: Guest houses and hotels, transporters and guides Tour Operators Government (local and/or provincial)	Subsector groups: Guest houses and hotels, transporters and guides Tour Operators with subsidy from government
Tourism micro enterprise development and product development (Target audience: Youth from local communities and Tour Operators at local, provincial and national level)	Consultant develops modules & materials. Consultant and project team train BDS organisations BDS organisations deliver workshops with private sector involvement and assistance from project team CSOs, Community Tourism Associations identify participants	Project pays for modules, manuals and workshop implementation of pilot programme (participants and BDS).	BDS organisations Community Tourism Associations Vocational Training Centers	Potential participants pay with subsidies from government / NGO (matching funds)

	PROJECT STRATEGY		FUTURE	
INTERVENTION	**WHO DOES**	**WHO PAYS**	**WHO DOES**	**WHO PAYS**
Destination marketing	**Provincial level** Consultant develops presentations & materials and assists conduct capacity building workshops. AKRSP project staff facilitates PPD and PPP. **Local Level** Consultant develops presentations & manuals and assists conduct capacity building workshops. AKRSP project staff facilitates marketing subcommittee and assist conduct capacity building workshops. Community Tourism Associations identify sub committee	**Provincial level** Project pays for marketing modules, manuals and workshop implementation Tourism private sector & government funded PPP Project select 1 or 2 marketing activities and contribute funds on matching basis to kick start. **Local Level** Project pays for development of marketing modules, manuals and implementation costs of initial workshops Project select 1 or 2 marketing activities and contribute funds on matching basis to kick start.	**Provincial level** Tourism private sector & government **Local Level** Marketing subcommittees or co-operatives work with other tourism stakeholders where necessary to plan and implement marketing activities	**Provincial level** Tourism private sector & government **Local Level** Marketing subcommittees or co-operatives are self funded with some support from regional PPP and other donors / NGOs.
Strengthen linkages between female input suppliers and hotels, restaurants & shop owners	Project team facilitates linkages Project team develops training modules CSOs and hotels assist create linkages Hotels (lead enterprises) provide some training	Project pays for development of training modules Hotels (lead enterprises) provide some training	Hotels, restaurants and tourism shop owners Female input suppliers	Hotels, restaurants and tourism shop owners
Building capacity of BDS Providers	Consultant develops presentations, materials and builds capacity of AKRSP project staff AKRSP project staff and consultant deliver ToT	Project pays for development of modules, manuals and ToT BDS charged a fee for upgrading skills	Master trainers (individuals or belong to organisation) conduct ToT	Potential participants pay Possible funding from government / NGO grants

	PROJECT STRATEGY		FUTURE	
INTERVENTION	**WHO DOES**	**WHO PAYS**	**WHO DOES**	**WHO PAYS**
Skill Development	Project team facilitate brain storming session with tourism stakeholders and action plans Project team oversee implementation of action plans and assist in obtaining further funding.	Project pays for facilitation and possible seed funding for finalised project solution. Project pays for capacity building workshops for youth.	Government and private sector PPP TBC once solution agreed on.	Government and private sector. Some scholarships provided by AKRSP.
Lead Enterprises	Project team facilitate lead enterprise forum Project team works with AKF to invite donors, NGOs and INGOs to tourism development presentation Project team facilitates action plans and provides capacity building to lead enterprises where necessary	Project pays for facilitation and initial costs of lead enterprise forum and donor meetings.	Lead Enterprises	Lead enterprises
Reactivate the GBTDB and ensure GB tourism policy is approved	Project team and AKRSP GBTDB board members facilitate process Tourism associations and other private sector GBTDB board members lobby government and provide support to project team	Project pays for facilitation	GBTDB	Government

ANNEX 13: SELECTION CRITERIA FOR INTERVENTION LOCATIONS

The following is the selection criteria recommended for short listing destinations to participate in the AKRSP/EELY domestic tourism value chain programme.

LOCATION CRITERIA	YES /NO	COMMENTS
Tourist Demand: Evidence of domestic tourist demand		
Potential to upgrade the value chain: Products and services need upgrading to improve guest experience		
Potential to increase economic benefits for local community: currently tourism benefits a few stakeholders in the local area or those stakeholders not from the local area.		
Potential for youth employment generation		
Potential for youth entrepreneurship		
Product Development: Potential to add value to existing products and services		
Opportunities for young females exist		
Potential forward/backward linkages between tourism service providers and input suppliers.		
Synergies with other AKRSP/EELY value chains		
Synergies with other AKDN agencies		
Indirect positive impact for international tourism value chain		

ANNEX 14: RECOMMENDED DESTINATIONS FOR INTERVENTIONS

The following are some recommended destinations for the AKRSP/EELY interventions with rationale for inclusion.

PROPOSED DESTINATIONS FOR INTERVENTION	RATIONALE
BALTISTAN	
Shigar	- Significant numbers of domestic tourist visiting Shigar who are both middle class and high end tourists - Only a few members of the community are involved in tourism. Most of the economic benefits in Shigar reach Shigar Fort and the surrounding service providers such as transport and shop owners. There is potential for further engagement in product development, capacity building and other activities. - There is currently no community ownership of tourism. The TMS, LSO, WOs do not understand tourism and nor do they currently believe it is their responsibility: not in their bi laws. Yes the TMS are a key stakeholder in Shigar Fort. - The major lead enterprise Serena Hotels is located here and can assist play key role in the intervention activities to ensure their success. - Numerous products and services are currently missing from tourism system does not offer e.g. food and beverage outlets, cultural heritage guides, village tours, handicrafts, local food, dried fruit and nut sellers etc. - There is no tourism plan or policy in place – no vision for tourism. - Opportunities to create and strengthen linkages between female producers and hotels
Khaplu	- As above plus. - A relatively new tourism destination with great potential. Fewer tourists than Shigar but growing each year as awareness of Khaplu Palace grows.
HUNZA-NAGAR	
Hopar	- Receives many domestic tourists each season on day excursions (includes all three priority target market segments) - The entire tourism system in Hopar lacks any form of co-ordination and communication to ensure the community benefits. Community do not have the capacity to take ownership of tourism. - Only 12 to 13% of the total excursion costs benefit the local community - Many community members who once relied on international tourism are unemployed. - Visitor experience needs improving - Numerous products and services are currently missing from tourism system does not offer e.g. food and beverage outlets, cultural heritage guides, village tours, handicrafts, local food, dried fruit and nut sellers, camping experiences etc - Some domestic tourists that come to Hopar are insensitive to cultural needs causing demise of guest–host relationships - All existing services need upgrading e.g. quality and service of hotels - Currently community focus on the glacier as their key tourism asset however the valley has a rich cultural heritage that can also become a tourism asset. - Poor communication & coordination between Karimabad hotels / tour operators to ensure improved visitor experience and increase local economic benefits to local community. - Significant environmental impacts from visitors: erosion (lack of controlled paths to glacier) and waste management from visitors - There is no tourism plan or policy in place – no vision for tourism.

PROPOSED DESTINATIONS FOR INTERVENTION	RATIONALE
Gulmit, Upper Hunza	- Attabad Lake offers huge domestic tourism potential and no one has developed products and services around the lake - Only 13% and 20% of the total excursion costs to Gulmit benefit the local community - All existing services need upgrading e.g. quality and service of hotels - Numerous products and services are currently missing from tourism system does not offer e.g. food and beverage outlets, cultural heritage guides, village tours, handicrafts, local food, dried fruit and nut sellers - Many community members who once relied on international tourism are unemployed. - Poor communication & coordination between Karimabad hotels / tour operators to ensure improved visitor experience and increase local economic benefits to local community. - Receives domestic tourists each season on day excursions (includes all three priority target market segments) yet does not have any products developed to ensure the visitor experience is maximised. E.g. cultural heritage products have not been developed. - Community currently coming to terms with Attabad Lake disaster – need to focus on positive developments. - Long term potential as on the KKH: synergies with international tourism and cross border tourism in the long term. - Lead enterprise Serena Hotels has a vested interest in Gulmit (owns land)
GILGIT	
Garkuch	- Currently many domestic tourists pass through Garkuch yet very few stop. Most go directly to Khalti or Phander. - The destination is in a key location to act as the tourism gateway to the Ghizer valley. To date this opportunity has not been capitalised. - Poor communication & coordination between existing tourism stakeholders improved visitor experience and increase local economic benefits to local community. - Opportunities to create and strengthen linkages between female producers and hotels - AKCSP will be working in this area in the next 5 years. The community should have their capacity built in order to capitalise on the opportunities. - There is no tourism plan or policy in place – no vision for tourism.
CHITRAL	
Locations TBC once further research has been completed.	- Further research is needed in Chitral, Garam Chasma and Mastuj. - Mastuj receives small numbers of domestic tourists yet with the work of AKCSP starting and its connection to Gilgit and Hunza over Shandur the destination offers huge potential. There is an argument to start work here to ensure that when tourist numbers do increase the community has the capacity to own tourism and ensure economic benefits are spread evenly.