

# Executive Summary

Tourism is a priority sector in the South Asia Subregional Economic Cooperation (SASEC) program. At its second annual meeting, the SASEC Tourism Working Group (TWG) identified the preparation of a subregional tourism masterplan as a priority and requested support from the Asian Development Bank (ADB) to prepare the plan. TWG refined this request at its third meeting, agreeing that it should be a subregional Tourism Development Plan (TDP or “the Plan”), and that it should build upon existing tourism plans in each of the four SASEC countries: Bangladesh, Bhutan, India and Nepal. TWG also agreed that the Plan should establish a thematic framework for future tourism development, and that planning should start with two common themes: Ecotourism based on Natural and Cultural Heritage, and Buddhist Circuits.

This TDP is the result of ADB technical assistance (TA) implemented through an internationally recruited planning team working in close cooperation with the tourism ministries and national tourism organizations (NTOs) of the four SASEC countries. The Planning Team’s methodology emphasized in-country consultations with stakeholders at national workshops aimed at understanding individual tourism development agendas. Macro-level subregional analysis was also undertaken. The resulting ideas were consolidated, and then discussed with TWG and prospective development partners at a subregional workshop during the fourth meeting of TWG at Thimphu in Bhutan on 26 May 2004. TWG and development partners contributed to the programs and projects outlined in the TDP. The Thimphu workshop strongly endorsed the overall strategic directions and the specific projects in the Plan.

The TDP presents profiles of existing tourism patterns and the future tourism development agendas of the four countries. It then proposes core strategic directions for TWG that will build upon and add value to the national agendas. The core strategic directions include (i) tourism that is sustainable and contributes to the reduction of

poverty, (ii) branding that focuses on SASEC’s products and not on the SASEC subregion itself, (iii) initiation of joint marketing before the introduction of measures to ensure product quality, (iv) repositioning the subregion as a tourist-friendly destination, (v) facilitating the development of a more competitive tourism industry, and (vi) improving tourism links with neighboring countries. With these strategic directions in mind, TWG will embark on its own agenda of subregional activities. In the future, TWG will be open to the introduction by any interested stakeholder of new activities into the agenda.

As a framework for the initial activities of TWG, the TDP presents seven subregional programs and 23 projects. The programs begin with long-term, generic issues of concern to all countries: Coordinated Marketing, Enhancing Product Quality, Facilitating Travel, and Developing Human Resources. Two product-focused programs pick up the previously agreed product themes: Developing Ecotourism Based on Nature and Culture, and Developing Buddhist Circuits. The seventh program is aimed at the private sector: Enabling the Private Sector.

An eighth program is focused on the future role of TWG in fostering national projects in Key Areas. Conceived as focal areas for tourism sector development arising from TWG subregional programs, each of the 11 proposed Key Areas encompass portions of at least two countries and have growth potential of subregional significance. TWG will maintain a general strategic interest in tourism planning in the Key Areas, leaving the actual development projects to individual governments. The 23 subregional projects are presented under program headings. Financing and implementation arrangements are stipulated and potential development partners are identified. The Key Area program presents 33 projects for implementation at the national level.

These programs and projects will set the future agenda for TWG. A summary Development Matrix and Action Plan is included for use by TWG

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to track progress. Implementation strategies are outlined and roles are summarized. The aggregate cost of the 23 subregional projects is approximately \$25 million, while the aggregate cost of national projects in Key Areas is estimated at \$50 million. The total cost of the Plan is thus about \$75 million.

An economic and financial analysis of the subregional programs and projects yielded an estimate of their economic return of 35%. At the fourth TWG meeting, the four NTOs requested ADB's ongoing assistance to help coordinate and mobilize resources for implementation of the TDP.