

ASIAN DEVELOPMENT BANK

TAR: STU 37626

**TECHNICAL ASSISTANCE
FOR THE
GREATER MEKONG SUBREGION
TOURISM SECTOR STRATEGY**

July 2004

ABBREVIATIONS

ADB	–	Asian Development Bank
AMTA	–	Agency for Coordinating Mekong Tourism Activities
GMS	–	Greater Mekong Subregion
HRD	–	human resource development
MTF	–	Mekong Tourism Forum
NGO	–	nongovernment organization
NTO	–	national tourism organization
PATA	–	Pacific Asia Travel Association
PRC	–	People's Republic of China
SME	–	small and medium-sized enterprises
TA	–	technical assistance
TSS&AP	–	tourism sector strategy and action plan
TWG	–	tourism sector working group
UNESCAP	–	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	–	United Nations Education Scientific and Cultural Organization
WTO	–	World Tourism Organization

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. Tourism has been included as the 11th Flagship program under the Greater Mekong Subregion (GMS) program strategic framework approved by the GMS governments in November 2002. A tourism sector working group (TWG) comprising senior representatives of the national tourism organizations (NTOs) was established in 1993 to guide the implementation of projects to promote the GMS as a unique tourism destination. The TWG is supported by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the Pacific Asia Travel Association (PATA), the United Nations Education Scientific and Cultural Organization (UNESCO), the World Tourism Organization (WTO), and the Asian Development Bank (ADB). The Agency for Coordinating Mekong Tourism Activities (AMTA) was established in 1997 in Bangkok as a permanent secretariat of the TWG. This regional technical assistance (TA)¹ is included in the GMS Regional Cooperation Strategy and Program for 2004. On the basis of initial discussions with stakeholders, the TA Fact-Finding Mission prepared an outline of the TA, which was discussed at the 15th TWG meeting in Chiang Mai, Thailand, on 26 March 2004. Participants at the meeting requested TA to prepare a GMS tourism sector strategy and action plan (TSS&AP) and endorsed the concept, objectives, and components of the TA.

II. ISSUES

2. GMS leaders have recognized that a subregional approach to sustainable tourism development is necessary to promote the subregion as a single destination and increase its attractiveness. The TWG, which has promoted several successful subregional projects in the last 10 years,² has also recognized that there is need for a more holistic approach based on focused programs to continue the sustainable expansion of the sector, while protecting the natural, historical, and cultural heritage. It is also necessary to develop policies and mechanisms to ensure that the economic impact of tourism is fairly distributed and significantly reduce poverty. Greater coordination and more focused strategies to promote the sustainable development of the tourism sector will enhance economic opportunities, increase tax revenues and foreign exchange revenues, create direct and indirect employment opportunities, and reduce poverty across the subregion. Many private sector operators in the tourism industry are already implementing subregional strategies when approaching the GMS tourism market. Nongovernment organizations (NGOs) and local communities in the GMS also recognize the need to strengthen subregional cooperation and strategies to ensure the protection of natural and cultural resources and mitigate potential negative effects of unguided tourism development on vulnerable local populations. A GMS TSS&AP is necessary to provide a subregional vision for the sector and prioritize objectives, programs, and projects. The strategy will include comprehensive programs with concrete projects for each program. The TA will build on previous subregional TAs and projects in the tourism sector in the GMS.³

3. The GMS countries⁴ possess a wide range of highly attractive and relatively undeveloped natural, cultural, and historical heritage tourism resources. In 2003, GMS tourism resources attracted about 17 million international tourists and around \$10 billion in receipts. Estimates based on the WTO 2020 Vision forecasts indicate that if a subregional approach to develop and promote the tourism sector is adopted, the GMS countries could attract about 29.2 million international

¹ The TA first appeared in *ADB Business Opportunities* (Internet edition) on 10 February 2004.

² Samples of this success are the Mekong Tourism Forum, which has become a key meeting in the annual tourism agenda in the subregion; and the project *Jewels of the Mekong*, which substantially contributed to attract tourists to the subregion as a single destination.

³ ADB. 1997. *Technical Assistance to the Greater Mekong Subregion for the Mekong-Lancang River Tourism Planning Study*. Manila; and ADB. 2002. *Report and Recommendation of the President to the Board Directors on a Proposed Loan to the Greater Mekong Subregion for the Mekong Tourism Development Project*. Manila.

⁴ Cambodia, Lao People's Democratic Republic, Myanmar, People's Republic of China (Yunnan Province), Thailand, and Viet Nam

tourists by 2010 and about 61.3 million by 2020. If the forecast is realized, by 2010 there could be an additional \$7.56 billion expenditure; an additional 194,000 hotel rooms and related services and facilities with investment requirements of about \$14.5 billion; a substantial increase in the demand for and supply of transportation equipment and services; and about 194,000 new jobs in the hotel sector. The contribution to household incomes can be significant, especially in the rural areas with tourism potential and among disadvantaged groups such as the youth, women, and ethnic minorities, who will be able to get better paying jobs, or new jobs, or create their own small business. The volume of taxes accruing to national and local governments in the GMS will also increase and boost local economies and overall trade activity. However, these benefits will not occur, or may not be equitably distributed unless a subregional TSS&AP is adopted.

4. To deal with the challenges ahead, the TWG recently renovated its agenda and the tourism flagship matrix to approach the sector in a holistic way. The TWG reorganized its activities around thematic programs, instead of the previous project-based approach. The programs include (i) promoting the subregion as a single tourism destination; (ii) developing tourism-related infrastructure; (iii) improving human resources in the tourism sector; (iv) improving standards for managing natural, historical, and cultural resources for conservation and tourism; (v) promoting pro-poor community-based tourism; (vi) promoting greater participation of the private sector and partnerships with the public sector; and (vii) facilitating the movement of tourists to and within the GMS. The TSS&AP will be based on this new approach and thematic programs of the TWG. It will include strategic guidelines and action plans for each thematic area.

5. The common need for effective destination marketing is one of the strongest reasons for cooperation among the NTOs of the GMS. Joint-destination marketing activities organized by AMTA under the umbrella of the TWG have been effective. However, several problems remain – lack of a general direction and coordination of activities, insufficient financing, and lack of human resources in AMTA and other relevant stakeholders to implement the activities. A coherent and focused GMS tourism positioning and marketing strategy is a key requirement in developing the subregion as a single destination. The strategy should cover (i) identification of the appropriate type, range, and location of products including tour circuits based on the priority areas that should be developed; (ii) a target market segmentation strategy and the forecast tourism volumes between 2006 and 2015 broken down by product and activity interest, by source markets, and by socioeconomic profile; (iii) a brand image and market positioning strategy that individual GMS countries will use as a marketing umbrella for their own individual activities and to organize marketing and promotional activities at the subregional level; (iv) a plan for establishing and financing an appropriate institutional structure to implement subregional marketing activities; and (v) the respective roles of the public and private sectors.

6. Under the leadership of the TWG, NTOs of the GMS are cooperating in joint projects to plan and develop tourism-related infrastructure. Six NTOs agreed on conceptual plans for developing tourism infrastructure on the Mekong River. ADB supported this initiative through the GMS Mekong Tourism Development Project, approved in December 2002. However, to ensure the development of appropriate tourism-related infrastructure, it is necessary to prepare an overall strategy for the subregion that identifies (i) priority geographic areas where tourism-related infrastructure is required (with special attention to economic corridors and development triangles including several countries); (ii) priority tourism-related infrastructure subsectors that require improvement; (iii) financial mechanisms to develop and operate tourism-related infrastructure; (iv) institutional arrangements required to coordinate tourism-related infrastructure development at national and subregional levels; and (v) a list of high-priority tourism-related infrastructure projects, description of its profile, and prefeasibility.

7. The TWG has supported human resource development (HRD) for more than a decade. A key emphasis has been on upgrading the skills of the GMS trainers in the basic craft skills of the tourism industry, and training courses for NTO's personnel on issues relevant to GMS tourism

development. UNESCAP has been a major supporter of these initiatives. However, there has been lack of coordination in identifying priorities and organizing activities supported by various stakeholders. It is necessary to develop a comprehensive subregional approach to tourism HRD covering both private and public sectors at national, provincial, and local tourism offices, and natural and cultural heritage resource managers.

8. National parks, other protected areas, historic places and cultural sites, together with the people living within and adjacent to these areas, are the primary resources of the tourism industry. The ability to manage these resources wisely will largely determine whether growth in tourism is sustainable. Since 1995, the TWG has sought opportunities to improve standards of natural and cultural resource management in the GMS. UNESCO has been a major advocate of these initiatives. However, a common approach in the GMS to manage these resources to ensure an appropriate balance between conservation objectives and poverty reduction through improved tourism is still lacking. A subregional approach to the sustainable management and development of natural and cultural heritage resources linked to tourism is necessary. Special attention must be given to increasing the level of cooperation and coordination between the NTOs and the resource management agencies responsible for the natural and cultural heritage, and between those and local communities.

9. Tourism policies and regulations that are pro-poor and which lead to genuine social, economic, cultural and environmental benefits should be promoted by private and public sectors in the GMS. In the past, certain policies and projects set tourism off on an anti-poor course characterized by uneven distribution of benefits, poor planning, economic leakages, environmental destruction, unguided development, and lack of concern with the local population's needs and cultures. To improve the sustainability and poverty reduction impact of the GMS tourism sector, it is necessary to focus attention on expanding business and job opportunities for the poor, retaining and distributing benefits at the local level, promoting local products, ensuring sustainable development of tourism infrastructure at the community level, promoting partnerships between public and private sectors and local communities, and expanding local participation in planning and managing tourism destinations. The TWG included support for village-based tourism into its agenda in 1995 and UNESCO has been an advocate of this project. However, GMS governments do not yet have a common approach to pro-poor tourism. It is necessary to prepare a subregional approach to achieving a more pro-poor and equitable distribution of the benefits of tourism development and to develop community-based and ecotourism projects that benefit the poor, women, and indigenous people in the subregion. The strategy will be based on an in-depth analysis of the causes that keep the poor from benefiting from tourism.

10. The TWG has established the Mekong Tourism Forum (MTF) as a vehicle to encourage private sector participation in GMS tourism and promote dialogue between private and public sectors in the GMS. PATA has supported the organization of nine MTFs. However, a coherent subregional approach to increase private sector participation in tourism still needs to be developed. It is necessary to prepare a strategy to (i) increase cooperation and develop partnerships between the private and public sectors at local, national, and subregional levels; (ii) increase private sector investment in the tourism sector; (iii) facilitate the development of small and medium-sized enterprises (SMEs) in the tourism sector; and (iv) assess measures to increase industry competitiveness.

11. Easing restrictions on cross-border travel within GMS has been a priority of the TWG. To date, outcomes have been significant. It is, however, necessary to develop a comprehensive road map to facilitate the movement of tourists to and within the subregion, while minimizing the potential negative effects, such as increased illegal criminal activities, trafficking in people, and HIV-AIDS. The road map should cover: (i) facilitation of cross-border movement and improved processing procedures at border checkpoints, (ii) development of overland and river-based tours

and tour circuits, (iii) provision of improved transportation services information, and (iv) liberalizing air transport policies.

12. Governments need to continue developing standards, plans, and regulations for pro-poor tourism interventions, and strengthening institutional frameworks and standards for monitoring impact in a coordinated way. A strategy and flexible institutional mechanisms are also necessary to enhance cooperation and coordination among the GMS governments in developing policies, regulations, plans, standards, and monitoring mechanisms.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

13. The TA will contribute to the goal of increased tourism cooperation in the GMS to promote the development and sustainability of the tourism sector and to reduce poverty. The TA will assist the GMS countries to prepare a 10-year subregional strategy and a 5-year action plan for a sustainable tourism sector, and to provide a framework for the development and implementation of the GMS tourism flagship program. The strategy will have a comprehensive framework of programs for the period 2006–2015, and the action plan will include a detailed schedule of activities and projects to be implemented during the first 5 years. The TA will also recommend ADB interventions to support the TSS&AP. The TA framework is in Appendix 1.

14. The two main TA outputs are the 10-year strategy and the 5-year action plan. Secondary outputs are as follows: (i) a GMS positioning and marketing plan to promote the subregion as a single destination; (ii) identification and prioritization of infrastructure requirements and projects for sustainable tourism development in the GMS; (iii) assessment of human resources needs and constraints in the tourism sector and preparation of a strategy to develop those resources, including a program for joint GMS training activities; (iv) a GMS approach to sustainable management of the cultural and natural heritage for tourism development and identification of pilot projects; (v) identification of constraints, opportunities, and best practices, and recommended mechanisms and pilot projects to increase the distribution of tourism benefits, minimize negative impacts, and reduce poverty through ecotourism and community- and village-based projects; (vi) a strategy to develop coordinated policies and regulations in the GMS to increase private sector participation and investment in the tourism sector, particularly from SMEs; (vii) a long-term road map and action plan to facilitate the movement of tourists to and within the GMS; (viii) recommendations for the establishment of a regular and flexible mechanism to coordinate national laws, regulations, plans, and strategies for the tourism sector at the subregional level; and (ix) a GMS institutional framework for coordinating, financing and implementing the strategy, which reinforces and expands the powers and responsibilities of AMTA and the GMS TWG and enhances NTOs' sense of ownership.

B. Methodology and Key Activities

15. The TA will be in two parts: Part A will produce a 10-year tourism strategy, and part B will prepare a detailed 5-year action plan. The TA will include concept papers for priority tourism projects and recommendations for ADB interventions to support the TSS&AP. Partnerships with bilateral and multilateral government and NGOs will be assessed.

16. Following a participatory approach, the TA will consult with government departments, tourism industry, bilateral and international funding agencies, local communities, NGOs, and universities in the GMS. At the end of the inception period, the consultants will visit each participating country, as necessary, to collect information, meet relevant stakeholders, and support

the NTO to organize national workshops to discuss the initial conclusions of the study. A draft GMS tourism sector strategy and preliminary ideas for an action plan will be presented at a regional workshop to be organized in Bangkok by AMTA and the consultants in January 2005. A second round of discussions with national stakeholders during January-February 2005 will refine the contents of the strategy, agree on a detailed action plan, and identify and prepare concept papers for potential tourism projects. The refined strategy, action plan, and concept papers of priority projects will be presented at a second regional workshop in Siem Reap, Cambodia at the end of March 2005 to coincide with the meeting of the 16th TWG. The final TSS&AP will be submitted to the NTOs by the end of May 2005 and, after its approval by the chairpersons of the NTOs, will be presented to the GMS leaders for endorsement during the 2nd GMS Summit tentatively scheduled for July 2005 in the PRC.

C. Cost and Financing

17. The total cost of the TA is estimated at \$800,000. It will be financed on a grant basis by ADB's TA funding program. Details of the costs estimates are in Appendix 2.

D. Implementation Arrangements

18. The TWG acts as a project steering committee for the TA. AMTA will be the Executing Agency for the TA with close collaboration from the NTOs. The NTOs will coordinate with other central and provincial government agencies to provide necessary support to the TA consultants, including access to information and potential project sites. Each NTO will appoint a TA coordinator, who will be supported by two professional counterpart and support staff. To ensure full participation of the relevant ministries and coordinate inputs from the government agencies concerned, the appointed TA coordinators will invite senior staff of those agencies to the workshops and keep them fully informed of the progress and results of the study.

19. The TA will be implemented over 9 months from October 2004 to June 2005. Consultants will submit an inception report within 2 weeks of the start of the study, an interim report within 10 weeks, a draft final report within 21 weeks, and a final report 4 weeks after the governments and ADB have commented on the draft final report.

20. Consulting services will be undertaken by a firm. ADB will engage a combination of domestic and international consultants, using simplified technical proposals and the quality- and cost-based selection method, in accordance with the *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants. The TA will require approximately 51 person-months of consulting services: 21 person-months of international expertise comprising tourism planning and strategic development (4.5), tourism marketing and product development (3), tourism-related infrastructure (3), pro-poor tourism (3), natural and cultural resource management for tourism (3), tourism economics (1.5), human resource development (3); and 30 person-months of domestic expertise (six tourism sector specialists, one from each participating country). Outline terms of reference are in Appendix 3. Expected project outputs will be widely disseminated after approval by the GMS governments.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$800,000 on a grant basis for the Greater Mekong Subregion Tourism Sector Strategy, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions /Risks
<p>Goal Increased tourism cooperation in the Greater Mekong Subregion (GMS) to promote the development and sustainability of the tourism sector so as to increase economic benefits and employment and reduce poverty</p>	<p>Greater coordination and integration of tourism activities in the GMS</p> <p>Increase by 44.3 million of annual tourist arrivals within the GMS by 2020</p> <p>Increase by \$7.56 billion of economic expenditure from tourism in the GMS by 2020</p> <p>194,000 jobs created in the hotel sector by 2020</p>	<p>Central and local government tourism, social and poverty statistics of GMS countries</p> <p>Studies or reports from bilateral and multilateral agencies such as the World Tourism Organization (WTO) and United Nations Development Programme</p>	<p>Commitment of the GMS stakeholders, especially the national tourism organizations (NTOs), is strong and sustained. Implementation of agreed-upon subregional programs is timely.</p> <p>Overall tourism growth at a global and regional level continues.</p> <p>GMS development partners (multi-lateral and bilateral organizations) extend continued support.</p>
<p>Purpose Assist GMS countries to prepare a 10-year subregional strategy and a 5-year action plan for the development of a sustainable tourism sector and to provide a framework for developing and implementing the GMS tourism flagship program</p>	<p>A 10-year GMS tourism sector strategy and a 5-year action plan, including a list of priority projects approved by the NTOs by the end of May 2005 and ratified by the leaders of the GMS countries by the end of July 2005</p>	<p>Technical assistance (TA) consultants report</p> <p>Feedback from the national and regional workshops</p> <p>Asian Development Bank (ADB) review missions</p>	<p>NTOs and governments of the GMS agree and reach compromises on a common strategy and action plan for the sector.</p> <p>NTOs and other stakeholders in the GMS will cooperate and provide prompt support and data to the consultants.</p> <p>A consultative and participatory approach will be followed.</p>
<p>Outputs A 10-year tourism strategy and a 5-year action plan with these specific components:</p> <ol style="list-style-type: none"> 1. A GMS positioning and marketing plan to promote the subregion as a single destination 2. Identification and prioritization of infrastructure requirements and projects for sustainable tourism development in the GMS 3. An assessment of human resources needs and constraints in the tourism sector and preparation of a strategy to develop those resources, including a program for joint GMS 	<p>By the end of week 2, an inception report, including a detailed work program, methodology, organizations to be contacted, and structure of final report.</p> <p>By the end of week 10, an interim report including the results of data gathering and national workshops, with analysis and recommendations, a draft strategy for 2015, and initial ideas for an action plan for the first 5 years</p> <p>By week 20, a draft final report including a refined strategy for 2015, a detailed action plan till 2010, concept papers and prefeasibility studies for priority projects and</p>	<p>TA consultants' report</p> <p>Feedback from the national and regional workshops</p> <p>ADB review missions</p>	<p>The NTOs and other stakeholders in the GMS will cooperate and provide prompt support and data to the consultants.</p> <p>A consultative and participatory approach will be followed.</p> <p>The consultants are experienced and qualified to undertake the study</p>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions /Risks
<p>training activities</p> <p>4. A GMS approach to sustainable management of cultural and natural heritage for tourism development and identification of pilot projects</p> <p>5. Identification of constraints, opportunities, and best practices, particularly in ecotourism and community- and village-based tourism, and recommendation of mechanisms and pilot projects to increase the distribution of tourism benefits and reduce poverty</p> <p>6. A strategy to develop coordinated policies, and regulations in the GMS to increase private sector participation and investment in the tourism sector, particularly from small and medium -sized enterprises</p> <p>7. A long-term road map and action plan to facilitate the movement of tourists to and within the GMS</p> <p>8. Recommendations for establishing a regular mechanism to coordinate national laws, regulations, plans and strategies for the tourism sector at the subregional level</p> <p>9. A GMS institutional framework for coordinating, financing, and implementing the strategy, which reinforces and expand the roles, powers, and responsibilities of the Agency for Coordinating Mekong Tourism Activities (AMTA) and the GMS tourism sector working</p>	<p>recommendations for ADB interventions</p> <p>A final report 4 weeks after the governments and ADB have commented on the draft final report</p> <p>4 weeks after NTOs approve the strategy, high-quality printed publication, CDs, a video, and brochures summarizing the main aspects of the strategy and action plan</p>		

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions /Risks
group and enhances NTOs ownership			
<p>Activities</p> <p>Prepare a detailed work plan, identify key stakeholders for consultation</p> <p>Collect, review, and analyze local, national, and subregional regulations, plans, institutions, and marketing strategies</p> <p>Collect, review, and analyze data on tourism statistics, flow of tourists, human resources, and infrastructure</p> <p>Make a market research with tour operators in main resource markets and an exit survey of international tourists in the GMS</p> <p>Consult with NTOs, tourism industry, universities, nongovernment and development partners</p> <p>Prepare national workshops in each participating country, as necessary</p> <p>Prepare two subregional workshops</p> <p>Prepare a CD, publication, and video</p>	<p>Work plan ready and stakeholders identified and presented in an inception seminar 2 weeks after the TA begins</p> <p>Information collected, classified, and assessed 7 weeks after the TA begins</p> <p>Data collected and analyzed</p> <p>Market research and exit survey completed 7 weeks after the TA begins</p> <p>About 80 stakeholders interviewed in each country</p> <p>One national workshop organized in each participating country in October and November 2004, as necessary</p> <p>Two subregional workshops organized, the first in Bangkok in January 2005 and a second in Siem Reap in March 2005</p>	Consultants reports	
<p>Inputs</p> <p>Consultants International Domestic Workshops</p> <p>Discussions with stakeholders</p> <p>Total ADB contribution</p>	<p>21 person-months 20 person-months national workshops, 2 subregional workshops 400 interviews</p> <p>\$800,000</p>		

COST ESTIMATES AND FINANCING PLAN
(**\$**)

Item	Total Cost
Asian Development Bank Financing^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	420,000
ii. Domestic Consultants	90,000
b. International and Local Travel	95,000
c. Reports and Communications	10,000
2. Workshops and Seminars ^b	
a. Facilitators and Experts	10,000
b. Other Costs and Facilities	40,000
3. Survey, Data Collection, Video, and Publications	45,000
4. Miscellaneous Administration and Support Costs ^c	10,000
5. Contingencies	80,000
Total	800,000

^a Financed by the Asian Development Bank's Technical Assistance funding program.

^b Includes the preparation of national workshops, one subregional inception seminar, and two subregional workshops.

^c Includes vehicle rental, visas, and other miscellaneous costs.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The technical assistance will be undertaken in two parts:

A. Part A

2. The consultants will formulate a 10-year tourism sector strategy for the Greater Mekong Subregion (GMS) from 2006 to 2015 that will determine the long-term vision, principles, objectives, targets, and programs to develop the GMS as a sustainable, single tourism destination so as to contribute to economic growth and poverty reduction. The specific tasks are as follows:

- (i) Hold a wide range of consultations with national tourism organizations (NTOs), government agencies responsible for conservation of the natural and cultural heritage, immigration, security and economy; tourism industry; international and bilateral development agencies; nongovernment organizations and local communities.
- (ii) Review past and existing subregional tourism cooperation initiatives, programs, projects, and studies; assess their failures and successes. Pay particular attention to the initiatives implemented under the umbrella of the GMS tourism sector working group (TWG).
- (iii) Review all existing national policies, plans, strategies, and main regulations for the tourism sector and other sectors that may affect or be affected by tourism development. Summarize the national tourism development agenda in each country. Assess similarities and discrepancies between the agendas of GMS countries and implications for the preparation of a subregional tourism sector strategy.
- (iv) Analyze the existing institutional framework for tourism policy-making, planning, programming at national and subregional levels. Assess the division of responsibilities between national and provincial agencies in each country, and the institutional arrangements for subregional cooperation in the sector including bilateral agreements and cooperation frameworks under the GMS program, Association of Southeast Asian Nations, Economic Cooperation Strategy, and other relevant subregional initiatives.
- (v) Collect and review data on existing tourism flows and forecasts to and within the subregion, length of stays, and expenditures. Prepare a 10-year forecast of international tourism benefits to the GMS for the period 2006–2015 based on two different situations: one with and the other without subregional cooperation.
- (vi) Describe and illustrate existing and likely future tourism patterns in the subregion, including subregional tourist markets and product demand and supply. Review current product development and marketing activities within the subregion and assess their effectiveness, particularly subregional marketing. Implement a quick market research program with tour operators in the main GMS source markets, and an exit survey of international tourists in the GMS to establish the basic parameters of the international markets potentially available and the products that can be marketed.

- (vii) In close coordination with the Agency for Coordinating Mekong Tourism Activities, NTOs, and tourism industry representatives such as Pacific Asia Travel Association, prepare a GMS positioning and marketing plan to promote the subregion as a single destination. Include: (a) identification of the appropriate type, range, and location of products including tour circuits in the priority areas that should be developed; (b) a target market segmentation strategy and forecast of tourism volumes between 2006 and 2015 broken down by product and activity interest, by source market, and by socioeconomic profile; (c) a brand image and market positioning strategy for the subregion, carefully specifying the roles of public and private sector stakeholders in practical, collaborative, and cost-effective ways to promote the GMS as a single destination to both intra- and inter-regional markets; (d) specific strategies for the evolution of structures and arrangements for subregional marketing; and (e) a plan for establishing and financing an appropriate institutional structure to implement subregional marketing activities.
- (viii) Prepare a tourism-related infrastructure development strategy that identifies (a) priority geographic areas where tourism-related infrastructure is required, with special attention to subregional economic corridors¹ and development triangles including at least three GMS countries; (b) priority tourism-related infrastructure that require improvement in particular sectors necessary for tourism development and sustainability, such as access and transportation, water supply and sanitation, power supply and telecommunications; (c) financial mechanisms to develop and operate tourism-related infrastructure; and (d) institutional arrangements for coordinating tourism-related infrastructure development at national and subregional levels.
- (ix) Prepare a comprehensive subregional approach to tourism human resource development (HRD) covering both private and public sectors and including national, provincial, and local tourism offices, and natural and cultural heritage resource managers. The task will involve (a) reviewing the work already undertaken under the TWG; (b) assessing subregional training needs and recommending improvement; (c) preparing a forecast of subregional training needs based on the forecast tourism volumes to 2015 and their likely requirements of tourist facilities and services; (d) reviewing occupational standards and certification procedures together with recommendations for harmonizing these in the subregion; (e) assessing tourism education and training institutions, their course structures, curriculum in use, trainers, facilities and equipment, and future plans; and recommending improvements in training programs, equipment, manuals, trainers, and materials based on the assessed needs; and (f) recommending a subregional approach to tourism education and training in the GMS.
- (x) Prepare a subregional strategy for the sustainable management and development of natural and cultural heritage resources linked to tourism. The task will involve (a) reviewing the work already undertaken under this program in the TWG; (b) holding meetings with natural and cultural heritage resource managers in each GMS country and at the regional level with international organizations such as United National Environment Programme, UNESCO,

¹ This includes the Mekong River, East-West Corridor, and North-South and Northern Corridors.

UNESCAP, and nongovernment organizations to discuss the constraints and issues relating to coordination and cooperation with the tourism sector, notably NTOs as far as tourism development is concerned; (c) identify good and bad practices in the GMS; and (iv) recommend a subregional approach to increase the level of coordination and cooperation at national and regional levels between the natural and cultural heritage resource managers, NTOs, the tourism industry, and local communities.

- (xi) Prepare a subregional strategy for a more pro-poor and equitable distribution of the benefits of tourism development. The task will involve (a) assessing the current and likely future macroeconomic impact of tourism in the subregion till 2015, including tourism expenditure and receipts, economic growth, direct and indirect employment, investment, economic leakage, and the existing and potential forward and backward linkages with other sectors of the economy; (b) assessing the current distribution of economic benefits of tourism in the subregion and making recommendations for widening their distribution by promoting community, village, rural, and ecotourism; support to micro, small, and tourism enterprises; use of local products; and local ownership of tourism assets; and (c) identifying and reviewing best practice in enhancing the distribution of economic benefits and reducing poverty through tourism development.
- (xii) Prepare a strategy to develop coordinated policies and regulations in the GMS to increase private sector participation and investment in the tourism sector, particularly from small and medium-sized enterprises by (a) assessing the current participation of the private sector in policies, plans, regulations, and marketing in the subregion, and identifying and analyzing the constraints to greater cooperation and participation at national and subregional levels; (b) reviewing the main policies and regulations at national and subregional level and the constraints in establishing private-public partnerships, investment facilitation and promotion, and development of SMEs in the tourism sector; in particular, analyze initiatives developed under the GMS Business Forum, and assess their implications for the tourism sector; and (c) reviewing existing proposals to establish tourism promotion and marketing boards in GMS countries and recommending ways to enhance this process and promote subregional networks.
- (xiii) Develop a long-term road map to facilitate the movement of tourists to and within the GMS. The map will (a) facilitate cross-border movements and improved processing procedures at border checkpoints, (b) develop overland and river-based tours and tour circuits, (c) provide information on improved transportation services, and (d) liberalize air transport policies.
- (xiv) Recommend the establishment of a regular mechanism to coordinate national laws, regulations, plans, and strategies for the tourism sector at the subregional level.

B. Part B

3. The consultants will prepare a detailed action plan to implement during the first 5 years the subregional strategy for tourism development in the GMS. Specific projects, programs, and

activities that need to be undertaken within the period 2006–2010 will be identified. The tasks follow:

- (i) Prepare a detailed marketing plan based on the agreed-upon product development and marketing objectives, policies, strategies for the GMS including (a) a product development program to encourage the private sector to develop and promote subregional tourist products of different types;² (b) brand image and market positioning execution plan; (c) detailed subregional promotion program covering trade, consumer, travel media, and electronic-based promotion activities with annual budget requirements; (d) detailed institutional arrangements, human resource requirements, and terms of reference for executing the tourism marketing plan; (e) specific recommendations for financing the product development and marketing plan; and (f) a monitoring mechanism with specific indicators and targets to measure the results of the marketing plan.
- (ii) Develop a detailed tourism-related infrastructure plan for the GMS based on the agreed-upon objectives, policies, and strategies by (a) identifying priority projects for development in the first 5 years of the strategy; (b) profiling each project in terms of rationale, location, proponent, description and scope, timing, and indicative budget; (c) preparing brief prefeasibility studies for 15 highest priority projects of a cost between \$1 million and \$5 million each, indicating project demand, economic rationale, project alternatives annual estimated number of tourist arrivals, and indicative revenue streams and operating costs; and (d) preparing recommendations for financing the priority projects.
- (iii) Prepare an action plan to implement in the first 5 years the tourism HRD strategy. The specific tasks follow: (a) develop a standard approach to tourism occupational standards and certification procedures in the subregion; (b) set out a detailed program to develop common standards and to upgrade tourism education and training curriculum, facilities, equipment, and trainers; (c) lay out a program to establish a subregional tourism education and training institutional system; (d) design a fellowship program to train those responsible for tourism HRD in NTOs in HRD research, forecasting, planning, and implementation techniques and best practices; and (e) suggest joint training activities for the GMS tourism sectors and financing mechanisms.
- (iv) Prepare an action plan for policy and institutional changes to improve cultural, natural, and historical heritage management in relation to tourism. Include recommendations for (a) management of monuments and historical towns with tourism potential; (b) management of natural parks with tourism potential, particularly parks that cover more than one country; (c) protection of cultural and ethnic minorities affected by tourism development, taking into consideration ADB's policy on indigenous peoples; (d) a gender action plan to protect women from potential negative impacts from tourism development; (e) priority areas and activities for training in tourism, resources required, and institutions which could implement such training; and (f) reduction of health risks and illegal traffic of people due to tourism development.

² Includes sightseeing, resorts, meeting-conference-exhibition, adventure, ecotourism, village-rural-community, health-wellness, retirement, and other special interest tourist products.

- (v) Develop an action plan to implement medium-term strategies for the equitable distribution and pro-poor effects of the benefits of tourism development; specifically, (a) develop guidelines for GMS practitioners in enhancing the equitable distribution of the benefits of tourism development; (b) identify pilot projects in each country to test different approaches to pro-poor tourism; (c) develop a mechanism for exchanging experiences in pro-poor tourism in the GMS; and (d) develop targets and indicators to measure distribution and pro-poor effects at local, national, and subregional levels.
- (vi) Prepare an action plan to implement the strategy to increase cooperation and participation of the private sector in tourism planning, development, operation, and investment. The specific tasks follow: (a) set out specific proposals for developing a conducive and harmonized legal framework for private sector participation and cooperation; (b) develop a mechanism to establish a network of tourism promotion and marketing boards based on strong private sector participation; (c) recommend specific policies and programs to enhance private sector investment in the tourism sector, including assistance to tourism SMEs, and to provide standardized and transparent fiscal and nonfiscal incentives in the subregion; and (d) in coordination with PATA, prepare a plan to revitalize the Mekong Tourism Forum.
- (vii) Prepare a detailed action plan to increase the movement of tourists to and within the GMS. Provide recommendations to: (a) open new international border checkpoints; (b) create visa facilitation procedures, e.g., visa duration, cost, extension, visa on arrival, and potential establishment of a GMS visa for tourists; (c) develop subregional and international airports and flights; (d) facilitate subregional bus and boat routes; (e) facilitate cross-border movement of private vehicles; and (f) set out a program to harmonize and improve the efficiency and effectiveness of immigration, customs, and security processing systems and procedures at external border points by training related staff, and providing tourist assistance.
- (viii) Recommend an action plan identifying priority areas and the rationale for uniform national tourism plans and regulations across the GMS.
- (ix) Prepare at least five project concept papers for each program identified under the strategy and action plan.
- (x) Prepare a high quality printed document and a CD-ROM (1,000 copies at least), with photographs from the subregion that includes the strategy, action plan, and concept papers. Prepare also a video explaining the main aspects of the strategy and action plan.