

Case Study 1

ADB South Asia Subregional Economic Cooperation Tourism Development Project

Location: Nepal, Bhutan, Bangladesh, Sri Lanka, North-East India¹

Timeframe: 2001-2012



Summary

ADB has been involved in developing South Asia's tourism enabling environment for more than a decade. It has carried out 3 in-depth Technical Assistance (TA) studies on developing frameworks and projects along key Buddhist and ecotourism circuits in South Asia, as well as one complementary Tourism Infrastructure Development Project (SATIDP) of US\$89.5 million from 2009-2014. The World Bank's program will build on ADB's successes while addressing key implementation shortcomings.

Background

The South Asia Subregional Economic Cooperation (SASEC) initiative was established by ADB to support the South Asia Growth Quadrangle (formed in 1996), a group of four South Asia Association for Regional Cooperation (SAARC)² nations (India, Bangladesh, Bhutan & Nepal) looking to accelerate sustainable economic development between them in a more effective manner than SAARC could provide. In 2002, the SASEC Tourism Working Group (TWG)³—a high-level subregional tourism coordinative body—identified the need for a subregional tourism development plan⁴.

From 2002-2004 the ADB provided the TWG with Technical Assistance to prepare a framework for interventions, known as the Tourism Development Plan (TDP), building on the existing tourism plans of the individual SASEC countries.

The overarching objectives of this framework were to i) strengthen the platform for subregional cooperation in tourism and ii) maximize economic, social and environmental benefits from growth in the sector. The 2004 TDP outlined 23 subregional projects under the following seven strategic programs:

1. Coordinated marketing
2. Enhancing product quality
3. Facilitating travel
4. Developing human resources
5. Buddhist circuit development
6. Ecotourism development
7. Increasing private sector participation

¹ States of West Bengal, Bihar, Uttar Pradesh, Orissa, Jharkand, Assam, Meghalaya, Manipur, Tripura, Misoram, Nagaland, Arunchal Pradesh and Sikkim

² South Asia Association for Regional Cooperation, formed in 1985, dedicated to economic, technological, social, and cultural development emphasizing collective self-reliance.

³ SASEC comprises of six areas of work: energy and power, transport, trade, investment and private sector, ICT, environment and tourism, with the TWG established in 2001

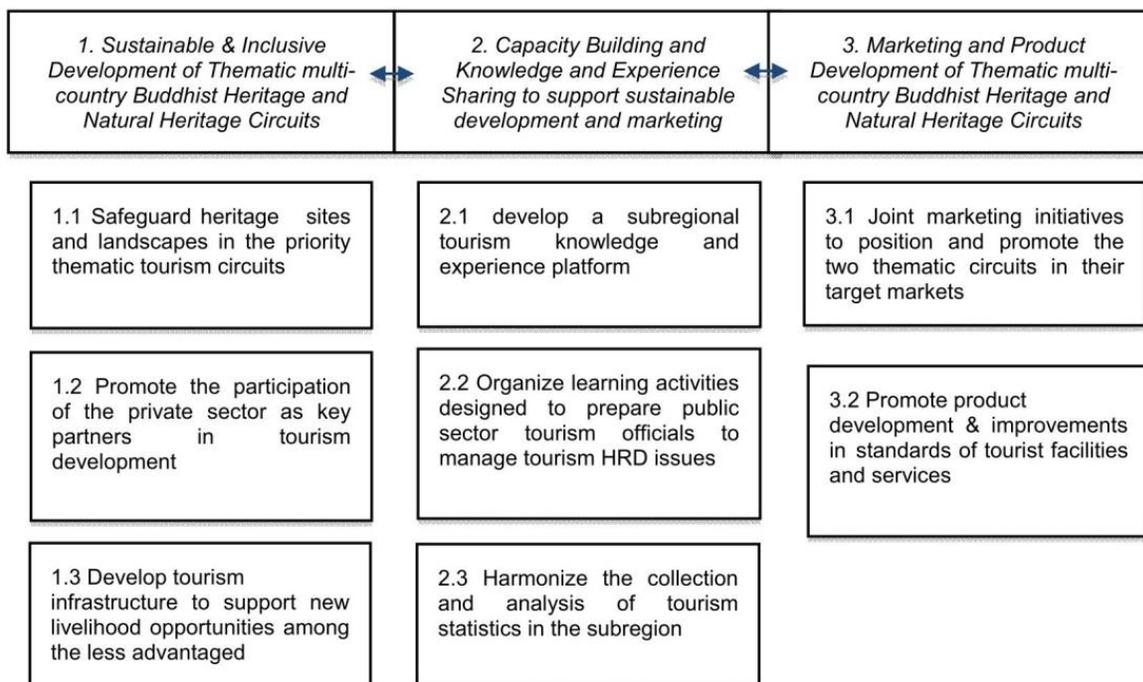
⁴ Sri Lanka has since been added to the SASEC TWG

The TWG approved this plan in 2004 and subsequently requested a subregional tourism investment project to help implement the priority areas outlined in the TDP. A second TA was carried out from 2006-2008, culminating in the design of the South Asia Tourism Infrastructure Development Plan (SATIDP)⁵, which would upgrade access and site infrastructure in Bangladesh, India and Nepal from 2009-2014. The components are as follows:

SATIDP Components (as of 2005)	Amount (US\$million)
1. Connectivity Infrastructure (Airport & Roads)	38.23
2. Destination Improvements (Lumbini site, nature and culture based tourism infrastructure and facilities in India, cultural heritage highway sites improvements in Bangladesh)	25.66
3. Support for capacity development, community participation and project management	9.97

In 2008 the TWG then requested a review and updating of the 2004 TDP into a more flexible, living document, for which the ADB undertook a third study resulting in the *Strategy and Road Map for Improving Tourism Connectivity and Destination Management of Cultural and Natural Resources in the South Asia Subregion 2011-2015*.

The recently updated strategy focuses on simplifying and consolidating the framework, outlining a 5-year action plan and a 2-year implementation support program with a total estimated required budget of US\$452.3 million⁶. The programs and objectives were simplified into the following:



⁵ South Asia Tourism Infrastructure Development Plan is an investment of US\$ 89.5million

⁶ US\$ 418.5million for tourism infrastructure investments, US\$ 2.2million in joint marketing, US\$ 0.5million for product quality, US\$ 30million for safeguarding heritage sites, with the remaining US\$1.5million for travel facilitation, knowledge sharing, private sector participation and financing sub-regional coordination activities

Outputs and Effectiveness

The initial TDP **project design** lacked focus and tangible goals and was mismatched to local capacities, leading to few concrete results. It did, however provide a framework and vision for the TWG to concentrate its attention on. This has since improved, with the more robust SATIDP design and the revised 2008 strategy being simplified and well-packaged.

Institutional arrangements and mechanisms have been the weakest link, with the failure to integrate ADB's plans into National Tourism Organizations (NTOs) planning cycles leading to the peripheral interest and involvement of national governments. Co-financing of the SATIDP has somewhat increased national involvement; however more needs to be done in order for this initiative to be run by the TWG and their respective governments.

Implementation has suffered due to the project design as well as local authorities' lack of experience in large-scale project management and implementation. However, key components of institutional strengthening and increased cooperation have been achieved, with a long-term view on project sustainability being proactively worked towards.

TDP (2001-2004)

Outputs	Success Factors	Issues and Challenges
<ul style="list-style-type: none"> ▪ Improved human capacities with 12 successful subregional <i>train the trainer</i> workshops, teaching 271 tourism trainers. National Tourism Organizations (NTOs) adopted methodology and followed up the further expansion of training workshops. 	<ul style="list-style-type: none"> ▪ The two thematic circuits created tangible, spatial frameworks within which to apply projects. They were well accepted by the TWG and its implementers for investments priority setting. ▪ Sound positioning and branding under the two themes. 	<ul style="list-style-type: none"> ▪ Ambitions, lacked focus and clear, tangible outputs at entry. ▪ Not integrated into national and local tourism plans, resulting in a parallel initiative without NTOs devoting sufficient time and resources.

SATIDP (2009-2014)

Outputs	Success Factors	Issues and Challenges
<ul style="list-style-type: none"> ▪ On-going expansion and upgrading of the airport for Lumbini, Nepal ▪ Tourism infrastructure, connectivity enhancements in Sikkim, India ▪ Site improvements at Paharpur 	<ul style="list-style-type: none"> ▪ Implementation focused on a range of small to large-scale projects in the TDP 	<ul style="list-style-type: none"> ▪ Slow progress due to a lack of local ownership (communities) and implementing capacity. ▪ TA teams and donors-led process, rather than NTOs, resulted, for example, in under-utilized promotional products. ▪ Involvement of only 3 of the 5 TWG member countries

⁷ SASEC TDP, ADB, 2011

Revised Strategy & Road Map (2011-2015)

Outputs	Success Factors	Issues and Challenges
<ul style="list-style-type: none"> ▪ Establishment of a permanent SASEC Tourism Coordinating Office in Colombo, Sri Lanka as TWG Secretariat and coordinative body for the execution of the 2011-2015 strategy ▪ Development of a regional tourism promotion website 	<ul style="list-style-type: none"> ▪ Clear road-map with targets and implementation arrangements 	<ul style="list-style-type: none"> ▪ India is hesitant to commit to the strategy. The strategy will not succeed without India's the involvement and support. ▪ The phasing out of ADB support prior to anchoring regional implementing capacity jeopardizes the likelihood of the strategy's implementation

Key Lessons Learned from TDP Implementation⁸

Resourcing Subregional Initiatives

- Subregional cooperation initiatives need to balance regional issues and countries-level institutional, human and financial resources available.
- Pragmatic approaches, concise communications and active coordination are needed to maintain momentum.
- Initiatives' scope should be focused on achievable range of targets at regional and country level.

Institutional Ownership, Partnering & Capacities

- Subregional initiatives need to generate strong support and ownership from other public sector agencies, the private sector and development partners
- Key decisions made at the TWG Meetings require high-level representation and ownership across key stakeholders that should be represented at TWG meetings
- Greater levels of partnering in the implementation of initiatives between the public and private sector and development partners in key areas such as quality standards and marketing will be critical to the success of these cooperation initiatives
- Enhanced institutional capacity and commitment to sustain program implementation are vital for success

Sustaining Implementation

- The inclusion of an effective monitoring and evaluation process with indicators would make it easier for the NTOs to monitor and evaluate the value added of subregional cooperation initiatives
- Subregional initiatives such as human resource development, marketing, travel facilitation, safeguarding heritage sites, need to be mainstreamed into national and state/provincial programs with strong private sector participation/involvement if their implementation is to be sustained
- An effective financing mechanism to sustain subregional cooperation initiatives such as a marketing and coordinating office needs to be developed
- The logical sequencing and linkages between the overall goal, objectives and outputs need to be well integrated into the spatial organizing context and mechanisms for periodic review and adjustment are necessary
- A clearly defined institutional and well-structured arrangement for implementing and communicating tourism cooperation initiatives is essential, requiring:
 - User-friendly communication and regular working meetings

⁸ ADB, 2011

- An effective communication platform
- Web-based solutions to knowledge and experience sharing
- The provision of equipment and training to develop IT capabilities of ministries and NTOs

Opportunities for World Bank Possible Engagement

The ADB is currently winding down its 10-year regional support program, including TA for regional integration and country-specific tourism infrastructure investment projects to be completed by end 2012 and 2013 respectively; and has established a permanent SASEC Tourism Coordinating Office in Colombo, Sri Lanka in order to sustain regional cooperation in tourism. This allows for the opportunity of a transition for the World Bank to support and scale-up TWG efforts with an increased focus on inclusive growth and community empowerment. Although the ADB has put in place necessary measures to allow for initiatives to continue after its exit there remains a need for assistance and strengthening of these mechanisms while emphasizing a pro-poor, sustainability agenda.

The World Bank would build upon and expand the existing institutional arrangements of the TWG and its current reenergized commitment to strengthen its established planning, coordinative and implementation mechanisms in order to ensure higher impact on the poor.