BHUTAN LOW CARBON TOURISM PROJECT
Overview of Activities, challenges & Future
8th October 2014

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Overview of Presentation

1. Brief on Bhutan
2. Tourism History
3. Tourism Policy & Policy tools supporting Sustainable Tourism
4. Low Carbon Tourism Objectives
5. Project Activities
6. Challenges
7. Sustaining Project objectives and activities beyond Project completion
Brief Insight on Bhutan

- **Population:** Just a little over 650,000
- **Size:** about half of Sri Lanka (38,394 sqkm)
- **Geography:** Mostly Mountainous landscape (ranging 100 – 7,500 meters)
- **Forest cover:** 72% (constitutional mandate 60% for all time)
- **Modern Economic Plans:** began only from 1961 (currently 11th FYP)
- **Government:** Democratic Constitutional Monarchy – shift from monarchy in 2008.
- **Major Sources of foreign revenue** – Hydro Power & Tourism

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Tourism History

• **Tourism operations began only in 1974**
  
  Fully operated by government with 287 arrivals.

• **Opened to private operations in 1991**
  
  33 operators licensed – arrivals 5000 plus.

• **Tourism licenses freed in 1999**
  
  1000+ Tour operators currently – annual arrivals more than 100,000 reg. & Int. (approx 1/6 of the country’s population)

• **Main Tourism Products**
  
  Culture and Nature based

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Tourism Policy & Sustainable Tourism

Tourism Policy

• “High Value - Low Impact” Tourism policy

Policy tools supporting Sustainable Tourism

• Tariff Structure
• Mandatory involvement of Local Tour Operator
• Strong National Environmental Policies
• Development guided by GNH

LC Tourism - timely intervention for the industry
Low Carbon Tourism - Objectives

Overall Objective:
- Reduce environmental impact from GHG emissions and wastes
- Overall reduction in resource utilization by tourism sector
- Increase tourism Sector income (through optimal resource utilization)
- Improve opportunities for rural communities (capacity building & platforms)

Specific Objective:
- EIS : Environmental Information System for the tourism industry
- Reduce GHG emissions from operation of tourism business
- Low Carbon Tourism Products & Packages
- Promote and adopt Low Carbon & SCP measures in tourism business operations
- PPPs and Policy interventions to facilitate LC & SCP practices
- Improve rural tourism earnings from LC tourism and SCP
Project – Target groups

Include all sectors in the Tourism Value Chain:

TOURISM VALUE CHAIN: BHUTAN

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Project Activities – Outline

1. Strengthen PPP, Policy dialogue, LC & Sustainable Tourism development
2. EIS and environmental database development
3. Capacity Building of the Industry and key stakeholders
4. Awareness Programme
5. Promotion of Low Carbon Tourism & SCP measures

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Activity 1: PPP, Policy dialogue, Low Carbon & Sustainable Tourism Dev.

Targets

• Strengthen PPPs in tourism development & policy interventions
• Package 20 Low Carbon tourism products and services
• At least 50 tourism enterprises should champion LC and ST

Outputs

• Dialogues and collaboration happening with Govt. stakeholders on Sustainable products & packages
• Inputs to the Hotel Classification system of Tourism Council of Bhutan – on LC and SCP credits (currently not factored for credits)
• LC & SCP proposed to be included in the RITH training modules & Guide Training Programmes
• Framework is being developed for LC products & services.
• 20 LC products/packages to be developed by Dec. 2014
• More than 50 tourism enterprises have assured commitment to champion LC & ST
Activity 1: Snap Shots

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Activity 2: EIS and Database

1. Targets
   - Environmental Baseline Survey, database, analysis & reports
   - EIS, Exchange platform and Carbon calculator development
   - Benchmarks for LC products & services

2. Outputs
   - Baseline survey conducted covering 8 tourism sub-sector and 710 industry entities
   - 21 Industry Case Studies completed & 84 1-1 industry consultations/trainings (target 50) carried out
   - EIS, database & Carbon calculator development in progress
   - Create benchmark -25th percentile proposed as benchmarks but need further consideration once the products and packages are developed

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**Activity 2: Baseline sampling**

**Baseline Data:**
- Sample size: 710 industry entities (against the target of 150)

**Baseline Survey Sample size profile**

<table>
<thead>
<tr>
<th>Sample Category</th>
<th>Sample size</th>
<th>Total entities in Bhutan</th>
<th>% sampled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2 &amp; 3 Star Hotels</td>
<td>48</td>
<td>106</td>
<td>45%</td>
</tr>
<tr>
<td>4 Star Hotels</td>
<td>8</td>
<td>8</td>
<td>100%</td>
</tr>
<tr>
<td>5 Star Hotels</td>
<td>8</td>
<td>9</td>
<td>89%</td>
</tr>
<tr>
<td>Restaurants for Tourists</td>
<td>41</td>
<td>52</td>
<td>79%</td>
</tr>
<tr>
<td>Tour Operators</td>
<td>160</td>
<td>318 (operating 2012)</td>
<td>50%</td>
</tr>
<tr>
<td>Guides</td>
<td>221</td>
<td>1113 (2012)</td>
<td></td>
</tr>
<tr>
<td>Tourist shops/suppliers</td>
<td>45</td>
<td>Master list NA</td>
<td>-</td>
</tr>
<tr>
<td>Eco-lodges &amp; campsites</td>
<td>5</td>
<td>Master list not compiled</td>
<td>-</td>
</tr>
</tbody>
</table>
Activity 2: Baseline key sector emissions snapshot

Baseline data output - benchmarks via statistical percentiles:

Hotel Sector – high impact sector (sample size 100+)
Carbon Indicator in kgCO2 equivalent/guest night

European average = 27.0  American average = 33  Bhutan average = 2.5

<table>
<thead>
<tr>
<th></th>
<th>Good Environmental performance</th>
<th>Typical Environmental performance</th>
<th>Poor Environmental Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentile</td>
<td>25th Percentile</td>
<td>50th Percentile</td>
<td>75th percentile</td>
</tr>
<tr>
<td>KgCO2 eq./guest night</td>
<td>1.2</td>
<td>2.4</td>
<td>9.0</td>
</tr>
<tr>
<td>No of Hotels*</td>
<td>28</td>
<td>8</td>
<td>28</td>
</tr>
</tbody>
</table>

* Total do not add up to 100 because entities reflected for only given computed percentiles

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Activity 2: Bhutan status Snap Shot

Industry Carbon emission Status for **High impact sector - Hotels**

- **Singapore Hotel**, average, 55
- **Sri Lanka**
  - typical 4 star, 39
- **American Hotel**
  - average, 33
- **European Hotel**
  - average, 27
- **Bhutan Hotel**
  - av 3 star, 2.5

Source: www.bhutanlowcarbon.org
## Activity 2: Snap Shot Case Studies

### TYPICAL CARBON FOOTPRINT PROFILE FOR A HOTEL IN BHUTAN

<table>
<thead>
<tr>
<th>Source of GHG emissions</th>
<th>kgCO2eq/year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Scope 1 (stationary – boilers, cookers etc)</td>
<td>6,262.2</td>
<td>63</td>
</tr>
<tr>
<td>2. Scope 1 (mobile - vehicles)</td>
<td>3,650.4</td>
<td>37</td>
</tr>
<tr>
<td>3. Scope 2 (grid electricity use)</td>
<td>1.76</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total Carbon Footprint in kgCO2eq/year**: 9914

**Carbon Index in kgCO2eq/guest/night**: 2.5
Activity 2: Snap Shots
Activity 3: Capacity Building

Targets

– Training of intermediaries – staff from tourism associations and stakeholders – 15 Local Trainers

– Training of Industry - 500 tourism industry staff

– Consultations and technical support & tools
### Activity 3: Capacity building outputs

**Outputs: Target numbers exceeded**

<table>
<thead>
<tr>
<th>Trainings</th>
<th>Total trainings</th>
<th>Participants</th>
<th>Total Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> TOT – Local Trainers</td>
<td>3</td>
<td>Govt. , Associations, Hotels, Stakeholders, individuals</td>
<td>26 (target 15)</td>
</tr>
<tr>
<td><strong>TOIs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> ICT</td>
<td>3</td>
<td>Hotels, TOs, Guides</td>
<td>122</td>
</tr>
<tr>
<td><strong>3</strong> Management Trainings</td>
<td>3</td>
<td>Industry</td>
<td>80</td>
</tr>
<tr>
<td><strong>4</strong> Energy, Water &amp; waste, Environment</td>
<td>12</td>
<td>Industry</td>
<td>297</td>
</tr>
<tr>
<td><strong>5</strong> Product Dev &amp; Branding</td>
<td>1</td>
<td>Industry Managers</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22</td>
<td></td>
<td>517 (Target 500)</td>
</tr>
</tbody>
</table>
Activity 4: Awareness Programme

1. Target
   - Awareness programme & communication for 1000 Industry entities

2. Output
   - More than 1250 entities have already attended 12 workshops, 3 lecture sessions and participated in the baseline survey and received awareness on GHG, wastes, SCP concepts and project objectives including 200 rural people.
   - Awareness campaigns continuing and to be pursued throughout the project and beyond.
Activity 4: Snap shots
Activity 5: Promotion of LC Tourism & SCP

1. Targets
   - Min of 20,000 domestic consumers & 5000 tourists to receive exposure to project communication materials/campaigns
   - Min 2000 units of LC packages to be promoted and sold

2. Outputs
   - More than 30,000 domestic consumers and close to 18,000 tourists estimated to have received project communication/campaign through various media – publications, website, social media etc.
   - Promotional materials for LC tourism packages
   - Domestic launch of the packages for Industry stakeholders planned by the end of 2014.
   - Launch at an International tourism event (ITB 2015)
Activity 5: Snap shots
Challenges – Internal Factors

1. Survey & Data collection
2. Consistency and commitment from respondents
3. Resistance to change & apathy
4. Pool of relevant local technical experts
5. Seasonality & window for scheduling Industry activities
6. Target Groups expectations
7. Economic situation – PPPs & Industry support (financial)
8. Policy, policy dialogues & interventions
9. External Experts’ missions
Challenges – External Factors

1. Nature of Project assistance

2. Reporting System & other processes

3. Financial System

4. Delays in Payment releases

5. Limited Flexibility
Sustaining Low Carbon activities beyond Project

- Dialogue and Policy interventions
- Incorporation of LC & SCP components in training programmes for Schools & tourism training Institutes
- PPPs
- Champions
- Low Carbon Tourism Products

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Tashi Delek!

Thank You