

IMPACT SHEET • SWITCH-ASIA PROJECT
**SUSTAINABLE TOURISM IN BHUTAN: AN INTEGRATED
APPROACH TO PRODUCTION, CONSUMPTION AND
LIVELIHOOD DEVELOPMENT**

Moving towards a low carbon tourism destination in Bhutan



Cutting greenhouse gas emissions from the tourism sector by 26% through the adoption of low carbon tourism packages



The Challenge

The tourism industry in Bhutan is the second largest revenue earner and the highest foreign exchange earner. Its sustainability, however, depends on its greater participation and responsible business practices. In a bid to maximise profits, tourism beneficiaries have increased their consumption, thus intensifying the negative impacts from tourism. It is crucial to infuse responsible practices and low carbon tourism products to sustain the benefits of tourism. This requires partnership and cooperation within the tourism industry, and between the industry, government, tourists and local people. The main hurdle is a lack of awareness of the overall impacts of tourism sector and the behavioural changes required to stimulate responsible practices. The lack of crucial data, tools and knowledge on green practices and the absence of benchmarks are identified barriers to encourage behaviour change and responsible tourism.

Objective

The project sought to contribute to economic prosperity, poverty reduction and climate change mitigation in Bhutan by promoting sustainable tourism development through the encouragement of sustainable production and consumption (SCP) practices across the tourism value chain of Bhutan coupled with sustainable livelihood development.



TARGET GROUPS

- More than 600 registered tour operators
- More than 100 registered hotels and guest houses
- Registered tour guides (including rural communities)
- Restaurants
- Enterprises and cottage industries providing crafts and agro produce to the tourism sector
- Key government agencies (Tourism Council of Bhutan, National Environment Commission, Nature Recreation and Eco-Tourism Division of Ministry of Agriculture and Forests)
- Selected companies providing environmental services, environmental technologies and construction services
- Selected banks and financial institutions

Activities / Strategy



Creating a Low Carbon Tourism Packages

A low carbon tourism programme was developed for the sector with a commitment to reduce greenhouse gas (GHG) emission. By the end of the project the tourism sector has reduced its GHG emission by 26% and this commitment will continue into the future. Low carbon products and services (eco-lodge offers, trekking and walking excursion, eco-adventure) were developed and benchmarks established across the tourism value chain.



Developing EIS Database and Benchmarks

An environmental information system (EIS) database was created following a comprehensive environmental baseline survey, to support decision making by all stakeholders. Based on data analysis, national benchmarks were set for key indicators (e.g. energy usage, waste production, carbon footprint) and sectors.



Building Capacity and Industry Support Mechanisms

Local trainers from business intermediaries were trained on sustainability concepts to facilitate technology transfer and other support to industry both during and post project. Training manuals were developed on five themes (energy management, water management, solid waste, environment, and carbon footprinting) by international experts in co-operation with local trainers. Support centres were established within industry associations having 1 375 members (600 tour operators, 75 tourist class registered hotels, 700 guides). The project also conducted workshop on low carbon and sustainable tourism to raise awareness among governmental staff.



Promoting SCP Adoption in the Industry

The project developed awareness-raising materials on SCP concept including carbon footprint and benefits of low carbon tourism. It reached out to tourism enterprises (including micro and cottage enterprises) via workshops organised across Bhutan, including citizens and international travellers (with estimation of 40 000 international tourists per year). It also organised workshops for tourism practitioners, offering training on business improvement and sustainability themes.

Scaling-up Strategy



Promoting Information Exchange

The first Environmental Information System (EIS) for both the industry and country was established with resources and information on service and technology providers and experts, which acts as a platform for exchange and knowledge/information resource.



Establishing Low Carbon Centres and Training Programmes

Support centres were established within industry associations to service industry needs with EIS data and enabling sustainable products and packages to be developed as well as providing support to improve business operations. Local trainers were trained and five manuals developed, including training materials, toolkits, reference materials, educational video, exemplary waste and water management solutions for the hotel industry as well as case studies and reports.



Fostering SCP Promotion through Public Private Partnerships (PPP)

With an endorsement from the Department of Agricultural Marketing and Cooperatives of the Ministry of Agriculture, a networking and exchange platform was established linking farmers' groups and cooperatives in five key districts with the hotel industry to promote the use of sustainable local resources. The hotel classification system used to assess and accredit tourist class hotels was amended to include SCP and low carbon aspects in collaboration with the Tourism Council of Bhutan. A Green Hotel Guideline was developed in partnership with the National Environment Commission (NEC) and the Tourism Council. A partnership was also established with the Nature Recreation and Ecotourism Division (NRED) of the Ministry of Agriculture and Forests, in developing eco-products. Supporting this, NEC revised its list of environment friendly materials to be used by the tourism industry for tax waivers and exemptions in order to promote sustainable green initiatives.



The project has infused a lot of skills, capacity and knowledge on sustainable consumption and production concepts and practices in the tourism industry, one of the major contributors to GHG emissions. Persuading stakeholders to invest for a greener future was difficult, but some crucial steps to facilitate green initiatives and also to sustain the objective of promoting SCP long after the project ends are in place. Some of the impacts and results are already significant and apparent while others will bear noteworthy results long into the future.



Mr. Sonam Dorji,
Project Director,
Association of Bhutanese
Tour Operators



Motivating Behaviour Change Supporting Tourism Industry

Changes in behaviour were stimulated through advocacy, awareness and educational campaigns, skills and capacity development of key stakeholders, 1-1 consultations and facilitating actual changes. The hotel industry made significant low and medium investment in their operations and management with support from the project, improving their savings and resource use. In creating more sustainable products, the project trained women weavers / handicraft suppliers to use locally produced, natural dyes instead of chemical dyes. It also contributed to an initiative launched by the Prime Minister of Bhutan, "Clean Bhutan," by changing the common practice of plastic use at temples. Now offerings are wrapped using biodegradable materials, reducing solid waste significantly in a country with huge number of religious institutions and events.



Results



Bolstered Tourism Industry's Capacity

A series of 17 awareness workshops, 35 trainings, a dedicated project web portal, press and media coverage, and publications on low-carbon, green tourism services and SCP created awareness amongst tourism entities and various stakeholders. 70 government and business intermediaries staff, 827 participants (411 from rural areas and 416 from tourism industry, among which 370 were women), more than 32 000 citizens, and 18 000 tourists (surpassing the projected 20 000 and 18 000 targets) participated in workshops and trainings covering more than 20 themes. The Royal Institute for Tourism and Hospitality, a premier government tourism training institute, adapted its modules to include SCP and low carbon elements.



Established Environmental Information System

An EIS database was created after a comprehensive environmental baseline survey covering 160 tour operators, 221 guides, 134 hotels, 41 restaurants, 45 shops, 4 campsites and eco-lodges in the major tourist regions of the country (exceeding the project target of 150 entities), with more than 30 case studies developed to provide data to support decision making by all stakeholders. Based on data analysis, national benchmarks were set for key indicators. Sector reports can be generated using the EIS to facilitate strategic decision making. A carbon calculator specific and relevant to Bhutan is developed to measure the carbon footprint of tourism products and services.



Launched Three Support Centres with a Membership Scheme

More than 30 Champion members were identified for their significant commitment to the project objectives and as drivers of change; the project offered them special training and 1-1 technical consultation support. All partner association members were given access to the facilities, resources, tools and support through three support centres. Non-members can gain access to SCP basic resources and information.



Set up Carbon Label and Accreditation

Sectors and entities wishing to acquire a low carbon label are subject to carbon footprinting of their products and services using the carbon calculator developed for Bhutan. The benchmarks will determine their accreditation and carbon label. Entities with the carbon label will be included in the accredited Low Carbon products and services, receiving promotional benefits and low carbon branding.



Promoted Low Carbon Products and Services

20 low carbon products and services were developed and launched at a major international tourism fair, the Internationale Tourismus-Boerse (ITB) 2015 in Berlin, Germany. Following an initial conservative survey of three of them, the sales have already surpassed the project target of 5 000 sold units by the end of project.



We considered our activities as responsible, and tried to minimise our impact on the environment in line with the national efforts. Through the awareness raising and training events organised by the project, we see how our actions impact the environment and contribute to the climate change. The SCP concepts gained through the trainings and consultations had helped our businesses as well as instilled individual awareness of our contribution to environmental conservation.

Mr. Tshewang Rinchen,
Tour Operator, Himalayan Dragon Tours



Impact in Numbers

<p>Economic Impact</p> 	<ul style="list-style-type: none"> Established 20 new low carbon tourism products and services (eco-lodges, eco-adventure activities, etc.) Improved tourism industry's resource efficiency which resulted in 17% reduction in fossil fuel use, leading to lowered operating costs Facilitated the creation and demand of sustainable products such as local handicrafts (more than 80% are textiles) produced using organic dyes. This improved the earnings of rural (women) handicraft producers. Low carbon tourism allows premium pricing for sustainable products/services. Initiated changes in the supply chain by: <ul style="list-style-type: none"> establishing direct linkage between rural producers (farmers and handicraft suppliers) and industrial consumers (hotels and retailers) through a business networking platform; and widening green tourism offerings through the new low carbon packages 		<ul style="list-style-type: none"> low or no cost approaches to energy, water and waste management use of information technology (IT) to reduce paper use use of hydroelectricity and higher efficient/low emission equipment use of local resources which reduces carbon footprint Increased companies' awareness of climate change risks through: <ul style="list-style-type: none"> survey and reports on companies' environmental performance workshops for industry and business managers covering topics such as sustainable resource management and business efficiency
<p>Environmental Impact</p> 	<ul style="list-style-type: none"> Achieved reduction of fuel use by 17% and solid waste in 5-star hotels by 18% Improved hotel's efficiency. Despite the increased visits, hotels only saw 2% increase in water consumption and 7% increase in solid waste in 3-star hotels Facilitated more than 11% increase in use of renewable energy (hydropower) and electrical equipment due to a push by the project for tourism industry to switch from fossil fuel to renewable electrical energy system (zero emissions) Implemented SCP measures which reduce environmental damage: <ul style="list-style-type: none"> use of natural dyes which are produced locally rather than imported chemical dyes use of local produce by hotels resource efficiency in business operations ICT and paperless operations, recycling, refilling and e-waste reduction energy, water, and waste management. 	<p>Green Finance</p> 	<ul style="list-style-type: none"> Facilitated 41 linkages between SME and investors Improved access to finance for 17 SMEs
<p>Social Impact</p> 	<ul style="list-style-type: none"> Generated a growth in rural income: <ul style="list-style-type: none"> significant increase in production of handicrafts using natural dyes (from 10 products produced using local organic dyes before the project's intervention, to 127 products) 110% increase in rural income through handicrafts Built the capacity of 400 rural participants, including 200 women Benefited the local communities through increased awareness on SCP, skills development, and facilitation for rural produce suppliers 	<p>Target Group Engagement</p> 	<ul style="list-style-type: none"> Conducted 52 outreach activities to: <ul style="list-style-type: none"> engage with over 100 SMEs in project activities involve more than 1 000 stakeholders, including governmental institutions, industry associations, tour operators, hotel industry, rural suppliers, and financial institutions Type of involvements included: <ul style="list-style-type: none"> trainings for 827 industrial participants capacity building for 39 farmers' groups and co-operatives from 5 key districts training for 195 women weavers and handicrafts suppliers hospitality training for rural eco-lodge managers
<p>Climate Benefits</p> 	<ul style="list-style-type: none"> Achieved reduction of fossil fuel use (LPG) by 17%, GHG emissions by 26% from high impact sector; and 11% increase in renewable energy use Implemented GHG mitigation measures by SMEs: 	<p>Policy Development</p> 	<ul style="list-style-type: none"> Engaged in 21 dialogues with policymakers Submitted five policy recommendations on: <ul style="list-style-type: none"> inclusion of green aspects in tourism hotel accreditation system by Tourism Council of Bhutan (hotel classification for all tourist class hotels); green initiatives in hotel industry, where a Green Hotel Guideline was already developed with National Environment Commission; SCP and low carbon components in tourism training; promotion of local resources and products in tourism industry; eco-tourism and low carbon tourism products and packages.
<p>Europe-Asia Cooperation</p> 	<ul style="list-style-type: none"> Organised three study tours in the EU and three in Asia to promote knowledge exchange among Asian and European stakeholders Contributed to a publication made by the Global Sustainable Tourism Council (GSTC) on green hotel guidelines 		



Legend

- Eligible countries for the SWITCH-Asia Programme
- Non-eligible Asian countries for the SWITCH-Asia Programme

Project implementation area

- City
- Region
- Country

The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

OBJECTIVES

The project aimed at promoting sustainable production and consumption practices across the tourism value chain of Bhutan coupled with sustainable livelihood development.

DURATION



PROJECT TOTAL BUDGET

EUR 1 205 655
(EU contribution: 90%)

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