



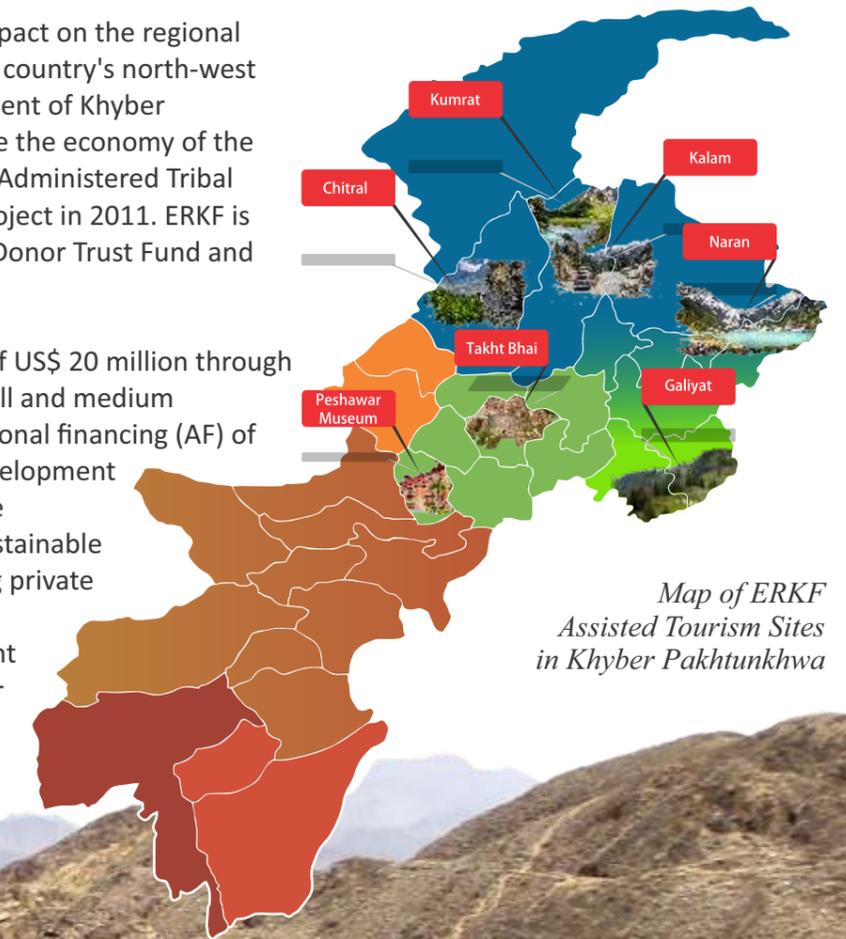
Economic Revitalization of Khyber Pakhtunkhwa and (erstwhile) FATA (ERKF)

# SUPPORTING THE TOURISM INDUSTRY and Destination Management in Khyber Pakhtunkhwa

## OUR GOAL

In the aftermath of the detrimental impact on the regional economy triggered by the crises in the country's north-west between 2008 and 2010, the Government of Khyber Pakhtunkhwa (GoKP) resolved to revive the economy of the province including erstwhile Federally Administered Tribal Areas (FATA) by approving the ERKF project in 2011. ERKF is sponsored entirely through the Multi-Donor Trust Fund and administered by the World Bank.

ERKF disbursed its original allocation of US\$ 20 million through matching grants for crisis-affected small and medium enterprises (SMEs) and received additional financing (AF) of US\$ 19 million in March 2017. The development objective of ERKF (AF) is to support the Government of Pakistan in creating sustainable employment opportunities, generating private sector investment, and laying the foundations for the future development of selected economic sectors in Khyber Pakhtunkhwa (KP). The project is also supporting competitive sectors of the province including tourism.



Map of ERKF Assisted Tourism Sites in Khyber Pakhtunkhwa

# TOURISM

## Research and Analytical Support

### KP'S TOURISM SECTOR ANALYSIS 2018

An estimated US\$ 300 million per annum revenue is generated from Galiyat, Naran, Kaghan, and Kumrat alone. Accordingly, reliable data on the tourism value chain in KP's four major tourist destinations was urgently required to facilitate policy-making and to attract investment from the private sector. Subsequently, what followed was an ERKF supported the comprehensive study of specialized sectors: households, tourist influx, and local economy which paved the way for securing US\$ 70 million financings from the World Bank under the Khyber Pakhtunkhwa Integrated Tourism and Enterprise Development (KITE) Project. The availability of accurate and specific data is further expected to draw interest from foreign investors, help forge public-private sector partnerships, and improve institutional capacity.



### DESTINATION PLANNING

Destination Investment and Management Plans (DIMPs)  
& Visitors' Management Plans (VMPs)

The GoKP has set out to establish an internationally competitive tourism sector based on sustainable development and wider involvement of the private sector. In response, ERKF has initiated the process for hiring services of internationally renowned firms for developing DIMPs and VMPs for better planning and management of three tourist sites in KP i.e. Kumrat, Kalam and Chitral. The final plans will have information on the available and required tourist facilities, traffic and solid waste management, information signage and training, and equipment needs of local authorities and communities.

Kalam



Courtesy: TCKP

Kumrat



Courtesy: TCKP

Chitral



Courtesy: TCKP

### ENGINEERING DESIGNS AND ENVIRONMENTAL & SOCIAL SAFEGUARDS FRAMEWORK FOR MAKHNIYAL- CHANGLA GALI ROAD

The road between Islamabad and Galiyat will serve as a gateway to commercial development in the region and serve additional connectivity options between two frequented destinations. Therefore, in the year 2018, ERKF piloted a comprehensive economic feasibility study together with environmental and social safeguards assessment of the road. These assessments and engineering designs can be utilized at a later stage by GoKP for the up-gradation of this 50-kilometer road.

## Facilitation, Capacity Building and Strengthening of Resources

### TOURIST FACILITIES

Three tourist coaches costing PKR 33.6 million were procured for Tourism Corporation Khyber Pakhtunkhwa (TCKP) along with two sightseeing carts costing PKR 4.5 million deployed in Nathiagali to facilitate the travel of tourists in KP. The coaches will help in the revival of tourism in KP through the provision of affordable and quality transport to popular sites such as Peshawar Heritage Trail, Swat, Takhtbhai, and the newly merged area of Landi Kotal, thereby replacing the famous Safari train.



### TRAINING OF TOUR OPERATORS AND GUIDES

ERKF invested PKR 2 million to train 25 tour guides and operators in professional hospitality and tour management in districts Chitral and Mansehra to meet the demand for services of trained tour operators at tourist destinations in KP. The initiative generated local employment and created a network of professional tour operators at par with international standards; offering visitors the opportunity to explore these areas while familiarizing with local people and culture.

### RENOVATION OF GUESTHOUSES AND TOURIST INFORMATION CENTERS

Government-run guesthouses in Galiyat region were depleted with time; as a result, tourists often stayed at private hotels, paying higher rents during peak season. Addressing the need for affordable and quality lodging, ERKF assisted the GoKP's initiative of renovating 15 guesthouses in Galiyat region. Consequently, the turnover has increased by 100%, generating additional revenue of PKR 30 million.

Further, the GoKP established Tourist Information Centers to facilitate tourists in Nathiagali, Abbottabad, Chitral & Dir Upper regions required up-gradation over time. These centers serve to train tourist guides and tour operators in hospitality and enterprise skills. ERKF supported the renovation of these centers along with the design and printing of promotional material including tour guides, maps, etc. The initiative has added to the value of these tourist centers, while also capturing and disseminating data for the Tourist Management Information System.



### FURNISHING OF YOUTH HOSTEL BATAKUNDI

With more than 70 million people under the age of 30 in Pakistan, affordable boarding and lodging facilities are pertinent to facilitate the visiting youth and promote tourism. Recognizing the dearth of quality accommodation, ERKF contributed PKR 4 million for renovating the youth hostel at Batakundi. The revamped facility was inaugurated in July 2019 ensuring additional revenue in the Naran region. In peak season, it now attracts young tourists from universities, colleges and schools with reservation coming under the purview of the Directorate of Youth, GoKP.

## FINANCIAL SUPPORT TO SMEs IN TOURISM

Reflecting the objective of ERKF, the project is extensively supporting small businesses and local entrepreneurs for the economic uplift of KP and erstwhile FATA. It has unequivocally developed both tourism with a distinctive focus on supporting its SMEs which make up the tourism value chain. Under this component, PKR 143.5 million has been distributed among 173 SMEs with the following break-down:

Type	No. of SMEs	Amount (PKR)
Hotels & Guesthouses	105	103,000,000
Restaurants	47	27,000,000
Tour Operators	4	4,000,000
Handicrafts	17	9,500,000
<b>Total</b>	<b>173</b>	<b>143,500,000</b>

Break-down of supported SMEs

## SUPPORTING ECO- TOURISM IN GALIYAT, KAGHAN AND KALAM

Inadequate measures for controlling excessive littering along with weak mechanisms for waste collection and disposal, altogether pose a significant threat to the pristine ecosystem of tourist destinations, wildlife and aquaculture. Given the GoKP's vision to create an eco-friendly visitor experience, ERKF supported several initiatives as per industry best practices to safeguard the environment. This includes the provision of four garbage waste compactors to Galiyat Development Authority (GDA) at a cost of PKR 20.8 million; waste recycling bins costing PKR 1.5 million and one snow clearing machine/wheel loader costing PKR 23.55 million. In addition, Surface Mounted Diode (SMD) screens are also being installed at a cost of PKR 7.5

million to share updated information on facilities with tourists.

The dearth of public restrooms at tourist destinations was a major inconvenience for visitors besides a challenge to effective waste management. The ERKF addressed this dilemma with installation of six portable toilets as a pilot project in Galiyat region, at a cost of PKR 2.7 million.

Likewise, ERKF has also abetted the Kaghan Development Authority (KgDA) with the procurement of a snow clearing machine/wheel loader, a garbage compactor, a dumper truck and two excavators; in addition to 300 waste bins, with a total outlay of PKR 81.84 million. Similarly, in Kalam, the project has funded the procurement of a garbage compactor and a dumper truck along with 50 containers, valuing PKR 12.75 million.



Activity	Qty.	Amount (PKR)	Amount (US\$)
<b>Eco-Tourism Initiatives</b>			
Public toilets in Galiyat	6	2,700,000	17,257
Garbage compactors for GDA, KgDA & Kalam	4	22,400,000	143,169
Dumper trucks	2	11,400,000	73,000
Dustbins for KgDA	300	2,850,000	18,000
Sight-seeing carts	2	4,500,000	29,300
Wheel excavators	2	42,800,000	273,000
Garbage containers for GDA & Kalam	100	3,000,000	19,200
Wheel loaders (Snow blowers) for GDA & KgDA	2	47,000,000	300,000
Portable toilets for GDA	10	2,900,000	19,000
20 KVA generator for GDA	1	1,600,000	10,000
Furnishing of youth hostel in Naran	1	2,000,000	12,700
Tourist coaches	3	33,600,000	215,000

### Branding & Marketing

Promotion materials for TICs	150K	3,400,000	21,700
Vlogs covering popular tourist sites	5	2,965,000	18,950

### Digital Platform

Tourism Management Information System (TMIS) and Mobile App		13,000,000	83,000
Traffic Counting System at Galiyat	2	8,500,000	54,300
SMD screens at Galiyat	3	7,500,000	47,900

### Heritage Tourism Development

Solar-system for Kalash Museum	1	5,000,000	31,900
Audio tour guide systems for museums	100	7,000,000	44,700
SMD screens for Peshawar & Kalash Museums	2	11,000,000	70,300
Showcasing of Peshawar & Kalash Museums	—	10,000,000	63,900
<b>Total</b>		<b>245,140,000</b>	<b>1,624,000</b>

Break-down of ERKF Assisted Projects in KP

These initiatives of better waste and resource management will upturn winter tourism resulting in better revenue flow of the local economy besides build institutional capacity and eco-friendly tourist experience.

## Digital Platforms

### TOURIST MANAGEMENT INFORMATION SYSTEM (TMIS) AND MOBILE APPLICATION

ERKF assisted in the development and launch of 'KP tourism' mobile application with an estimated value of PKR 13 million. The app provides information about tourist sites across KP besides an event calendar, coordinates of tour operators, picture galleries, and links to blogs and vlogs. Also, TMIS has been installed at the Department of Tourism-KP replacing manual systems.



### INSTALLATION OF TRAFFIC COUNTING SYSTEM AT BARIANYA AND NATHIAGALI

In Galiyat, precise data of travel patterns and traffic count was critical to address the dilemma of traffic clogging during peak tourist seasons. So, ERKF provided PKR 5.5 million for the installation of a Traffic Counting System aided by CCTV cameras and scanners. The newfound data serves to identify potential tourist destinations which in turn generates significant investment interest from the private sector besides facilitating evidence-based decision making in the Government.



## Communication and Promotional Activities

### PRINTING OF PROMOTIONAL MATERIAL

ERKF provided PKR 3.4 million for the design and publication of 130,000 copies of promotional material: tourist-friendly maps and booklet guides for tourist sites. The initiative has improved the capacity of Tourism Information Centers in Galiyat, Chitral, Naran and Abbottabad. Besides local circulation, it was also showcased at major tourism events around the world including the World Travel Mart in London, Berlin and Spain. Likewise, Pakistani embassies and consulates abroad also used this material for showcasing Pakistan and KP's tourism potential. This endeavor has been acknowledged by both renowned travel vloggers and local visitors.

ERKF sponsored international training and trips for tourism officials to improve their understanding of international best practices and innovations. These events included the World Travel Mart in London, Khyber Pakhtunkhwa Integrated Tourism Zone readiness mission to USA, Youth Conference in Russia, Waste Management Workshop in Korea and study of religious tourism model in Thailand.

### VLOGS ON KP'S FAMOUS DESTINATIONS

ERKF developed and launched four vlogs of popular social media influencers to promote responsible tourism which covered the Broghal Festival in Upper Chitral, Uchal Festival in Kalash, Kumrat Festival in Upper Dir, and the KP Heritage Trail (Peshawar Museum, Takht Bhai and Julian). The activity resulted in an overwhelming viewership of more than 5 million within three months.



## Heritage Tourism Development

The Gandhara civilization trail across the province has immense potential for attracting international tourists with 6,000 explored sites and artifacts. Eyeing its potential, ERKF is supporting the efforts of KP's Archaeology Directorate to offer a world-class experience to visitors. The support includes installation of showcases as per international standards in Peshawar and Kalash museums worth PKR 10 million; procurement of 100 tourist audio guides for heritage sites in Peshawar, Kalash, Khanpur and Takht Bhai worth PKR 8.7 million; and Surface Mounted Diode (SMD) screens for Peshawar and Kalash museums costing PKR 5 million. Moreover, solar panel systems valued at PKR 10 million are being installed at Peshawar and Kalash museums for constant power supply.

Museum



Solar Panel



SMD Screen

