

**PPT Working Paper No. 3**



**Practical strategies for pro-poor tourism:  
case study of pro-poor tourism and SNV in Humla  
District, West Nepal**

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## Preface

This case study was written as a contribution to a project on 'pro-poor tourism strategies.' The pro-poor tourism project is collaborative research involving the Overseas Development Institute (ODI), the International Institute for Environment and Development (IIED), the Centre for Responsible Tourism at the University of Greenwich (CRT), together with in-country case study collaborators. It is funded by the Economic and Social Research Unit (ESCOR) of the UK Department for International Development (DFID).

The project reviewed the experience of pro-poor tourism strategies based on six commissioned case studies. These studies used a common methodology developed within this project. The case study work was undertaken mainly between September and December 2000. Findings have been synthesised into a research report and a policy briefing, while the 6 case studies are all available as Working Papers. The outputs of the project are:

*Pro-poor tourism strategies: Making tourism work for the poor.* Pro-poor Tourism Report No 1. (60pp) by Caroline Ashley, Dilys Roe and Harold Goodwin, April 2001.

*Pro-poor tourism: Expanding opportunities for the poor.* PPT Policy Briefing No 1. (4pp). By Caroline Ashley, Harold Goodwin and Dilys Roe, April 2001.

### *Pro poor Tourism Working Papers:*

- No 1 *Practical strategies for pro-poor tourism, Wilderness Safaris South Africa: Rocktail Bay and Ndumu Lodge.* Clive Poultney and Anna Spenceley
- No 2 *Practical strategies for pro-poor tourism. Case studies of Makuleke and Manyeleti tourism initiatives: South Africa.* Karin Mahony and Jurgens Van Zyl
- No 3 *Practical strategies for pro-poor tourism. Case study of pro-poor tourism and SNV in Humla District, West Nepal.* Naomi M. Saville
- No 4 *Practical strategies for pro-poor tourism: NACOBTA the Namibian case study.* Nepeti Nicanor
- No 5 *UCOTA – The Uganda Community Tourism Association: a comparison with NACOBTA.* Elissa Williams, Alison White and Anna Spenceley
- No 6 *Practical strategies for pro-poor tourism. Tropic Ecological Adventures – Ecuador.* Scott Braman and Fundación Acción Amazonia
- No 7 *Practical strategies for pro-poor tourism: a case study of the St. Lucia Heritage Tourism Programme.* Yves Renard
- No 8 *Pro-poor tourism initiatives in developing countries: analysis of secondary case studies.* Xavier Cattarinich.

All of the reports are available on our website at:

**<http://www.propoortourism.org.uk>**

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## **Acronyms**

APPA	Appreciative Participatory Planning and Action
CBO	Community Based Organisation
DDC	District Development Committee
DPP	District Partners Programme
NGO	Non-Governmental Organisation
SNV	Netherlands Development Organisation
VDC	Village Development Committee

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# 1. Overview

## 1.1 The area and context

### 1.1.1 Humla

Humla is a very remote district of Mid-West Nepal in the north-west corner of the country bordering Tibet. It is the country's second largest district and ranges in altitude from 1,500-7,300 metres. The district centre is Simikot (2,950m), 10 days walk from the nearest motor road in Nepal and 6-7 days walk from the road head over the Tibetan border at Sera (near Hilsa). In a composite index of development, Humla district ranked 4<sup>th</sup> from worst off.<sup>1</sup> In recent years the area has suffered from severe food deficits and occasionally disease epidemics. Gender issues are a major concern - in a ranking of the 75 districts of Nepal, Humla scores lowest in terms of women's empowerment.<sup>2</sup>

Due to its lack of infrastructure, lack of communications, severe cold mountain climate and difficult walking conditions Humla is a very difficult and unpopular place to work, both for Nepali people and many development workers (whatever their origin). It is the most despised 'punishment post' for government workers who are being disciplined or demoted for any reason. Due to the mountainous terrain, only 1% of land is available for agriculture and the average land holding size is 0.52 hectares per household. More than 50% of the land is at a slope of more than 30 degrees. Much of north Humla is snow covered or extremely cold for 5 months of the year. 24% of land cover is high altitude pasture, which accounts for the importance of livestock in the farming system, particularly yaks and local yak-cow cross. Due to the formation of Community Forestry User Groups in the districts to the south, where sheep were traditionally over-wintered, Humli shepherds are unable to find pasture during winter migratory periods and sheep farming is in decline. Also the import of iodised salt from India has replaced Tibetan salt, though trade in smaller quantities still continues. To tackle development in this area is therefore an enormous challenge.

Being one of the remotest areas with very deep narrow valleys and high Himalayan peaks, trails in Humla used to be amongst the most treacherous in the country. Since 1993 when SNV carried out trail improvement, bridge building and other infrastructure development, conditions have improved. Prior to the improvement of the Hilsa-Simikot trail by SNV, sheep were the main pack animals used for transportation of salt from Tibet to the mid and lower hills south of Humla. Now the main trail between Simikot and Hilsa is trafficked by numerous mules, yaks, yak-cow crosses, horses, donkeys, as well as sheep and people. The trail is in good condition and suitable for trekking tourism.

In the context of the broad developmental changes in Humla district, tourism accounts for only a small proportion of economic and social growth. Due to the monopoly held by richer actors within Humla, benefits are concentrated amongst the better off rather than the very poor or poorest. Tourism development is concentrated along the Simikot – Hilsa trail, all of it above 2500m and subject to cold, snowy conditions for 5-6 months of the year. Low numbers of tourists (785 in 1999, 594 in 2000 and an average of 626 per year over four years 1996-2000) mean that the contribution of tourism is small relative to the more accessible areas of the country (e.g. Annapurna region etc). However, if tourism revenue could be captured within Humla, instead of with outside trekking agencies, the potential benefits to Humla people is great, especially in view of the lack of alternative to improve people's livelihoods in the region.

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<sup>1</sup> Banskota et al 1997

<sup>2</sup> *ibid*

Two distinct cultural groups (between whom there is little communication) dominate the area: Tibetan extraction (Bhotiya) Buddhists belonging to the Lama caste, and who speak a Tibetan dialect, are concentrated at the highest altitudes nearest the Tibetan border. This is the area most frequented by tourists en route to Tibet. Hindu caste Nepali-speaking people of the local 'Khas' ethnic subgroup belong to castes such as Bahun (Brahmin), Shahi Thakuri, Chhetri and occupational castes such as Damai, Sunaar, Kami and Sarki. The latter are treated as untouchable and are traditionally called 'low caste'. Nowadays they are more politely referred to as 'Biswa Karma', which is the name of the deity for machinery in the Hindu pantheon.

The population of Humla district as a whole according to the most recently available estimate is 50,212.<sup>3</sup> The population in target areas where the tourism development programme is being conducted (Simikot, Dandaphaya, Khagalgaun, and Muchu VDCs) amounts to approximately 7000 (using estimates from two baseline studies in 1996<sup>4</sup> and 1999<sup>5</sup>). This is approximately 14% of Humla's population. Of this SNV is attempting to reach 400 households near or in Simikot and along the trail. It is assumed that for one household member reached all members of that household will benefit. So if the average household size is 7 the number of people being reached by the DPP sustainable tourism programme totals 2,800 people (some 40% of the total population of the area). If this target can be reached within DPP's timeframe (September 2002) SNV will have made a significant contribution to the development of the area through only one sectoral programme.

### Challenges to pro-poor tourism in Humla

As Table 1 below illustrates, there are numerous challenges to the development of pro-poor tourism in Humla district (see Table 1 below), and SNV should be commended for attempting an already difficult approach in one of the most needy and difficult places.

**Table 1 Obstacles to pro-poor tourism**

Issue	Means of overcoming it
Location	Lack of roads and extremely difficult air access are perhaps the most important constraints to tourism development in the area. Lobbying the Ministry for Tourism and Civil Aviation and motivating the private sector airlines and RNAC to increase the quality and regularity of their services is required. DPP has so far not made any significant impact in this area since the prime focus is on communities.
Lack of 'product'	Apart from the natural scenery and 'wilderness' there are few tourism products on offer in Humla. Trekking tourists may not be seeking many additional organised attractions, since they have probably spent a lot of money especially to acquire the 'wilderness experience.' However there is some interest in e.g., hot springs, monastery tours, village tours and cultural shows. Social mobilisation and training provided to CBOs along the trail should facilitate the development and management of these products in the next 2 years. Consumer products (vegetables, eggs, meat, fruit, handicrafts) and improved teashop facilities will also be produced by CBO members along the trail as the result of Community Support Fund assistance and training.
Regulations & red tape	The very tight rules and excessive red tape for tourists entering the restricted area of Muchu on the border with Tibet certainly prevent larger numbers of tourists and different tourist market segments from visiting the area. Although the government generates revenue from trekking permits and liaison officer fees, revenues available to the poor of Humla are limited. The CBOs, VDCs and DDC, supported by the Chief District Officer of Humla (CDO) and the National Tourism Board in Kathmandu are lobbying central government for the removal of restricted area status in Muchu and Limi. However, estimates for this vary from anywhere between 1 to 5 years. .
Inadequate access to the tourism market	Long distances between the tourist arrival point (Simikot airport) and the communities or individual entrepreneurs along the trekking route influence access to the tourism market in Humla. Even if they hope to market labour and commodities to trekking companies, competition with influential people in

<sup>3</sup> Regmi 1999.

<sup>4</sup> KLDP 1996 Humla District Baseline Survey

<sup>5</sup> Regmi 1999.



	<p>or near Simikot prevents them from being able to participate. Transportation services, kerosene and most of the vegetables required for the trek need to be managed from Simikot by individuals who guarantee the required services and quality demanded by the trekking company. This has led to a very tight monopoly on the trekking service market in Humla. Those who have relationship with trekking agencies control the market and take commission from anyone who receives work or sales. However the formation of a multiple use visitor centre aims to help overcome this. By setting fixed prices for services and establishing quality guarantees it is hoped that new relationships of trust may form, which break down the current monopolies and allow more poor people to participate.</p>
Low capacity to meet tourist expectations	<p>Most poor people in Humla district, especially women and disadvantaged groups may have never travelled outside the vicinity of their own villages and have no understanding of who tourists are and what they expect. Toilet building and awareness raising programmes are addressing problems of poor sanitation and hygiene along the main trekking trail and in Simikot. Development of tourism 'products' such as camping facilities, hot-baths from natural hot springs, cultural shows and village or monastery tours by CBOs will be undertaken with expert advice and guidance from DPP. Local NGOs will provide tourism awareness raising training and orientation and a visit to a community tourism programme in Gorkha district of Nepal for NGO and CBO members has recently been made.</p>
Lack of linkages between formal and informal sectors/local suppliers	<p>Weak linkages between the roadless Humla district (with poor airline services and only one telephone in the whole area) and sectors in Kathmandu are a severe constraint. Poor people along the Simikot-Hilsa trail lack the capacity or the opportunity to form linkages with informal or formal sectors in the tourism industry. As mentioned above those people who control the market in Humla are able to do so through strong links with trekking agencies in Kathmandu. Having been educated in Kathmandu, the main mule owner and trek logistics organiser in Humla is friends with the various people in charge of Humla treks (sirdars) and is also related to trekking agents. He has formed an alliance with other mule owners and they control all the transportation services, kerosene supplies and even vegetable sales. It is necessary to allow other actors (potential competitors) to make their own linkages with trekking companies but it will be difficult to disrupt the strong connections that already exist. Formation of the MUCV, if managed well with creation of trekking trade associations or vegetable growers associations, may be able to provide a physical location for linkages to be made between the various sectors. However implementation of rules that favour poor competitors over monopoly holders will be difficult if not impossible to introduce. The MUCV, by communicating with local NGOs and CBOs along the trail should be able to assist commodity producers such as vegetable growers to inform trekking consumers of the availability of various vegetables etc. at different points along the trail. If transportation costs can be saved and supply and quality guaranteed, trekking companies are bound to choose to buy locally rather than bringing from Kathmandu or Simikot.</p> <p>Certain CBOs along the trail are applying for loans to install radio (VHF) phones for use by the community. This could substantially improve the potential for making linkages.</p>
Tourist market (segment) inappropriate	<p>The market segment of adventure/wilderness trekker tourists currently visiting Humla is most appropriate for the time being. However, as tourism products and local capacities to serve tourists develop in Humla, a shift from group tourism only to a mixture of group tourism and individual trekking tourism would be helpful to allow teashop owners, local guides and porters and community enterprises to benefit more directly. Backpackers prepared to 'rough it' by eating or staying in local hotels may spend more money in the district than those participating in pre-paid organised treks. However if appropriate appealing products can be developed, organised tourists may have more money to spend. Individual trekking tourism only becomes possible by relaxation of restricted area status.</p>

### Humla as a tourist destination

SNV Nepal describes the main tourist attraction in Humla, the trail to Mount Kailash, as follows 'the area has a beautiful landscape, natural beauty, different ecosystems, rivers and small lakes, diverse cultures and typical villages and ancient monasteries.'<sup>6</sup> The trekking trail between Simikot (the district headquarters and airstrip location) and Hilsa (the border of Humla and Tibet) forms one of the easiest means to reach Holy Mount Kailash and Lake Manasarovar in Tibet. This is one of the most important pilgrimage sites for Hindu and Buddhist people from India and Nepal. The tourists visiting the area are mainly organised groups of trekkers and a very small number of rafters.

<sup>6</sup> Sustainable Tourism in Nepal STN & ETPAN NTB 2000.

However the destination is far from ‘established’ in terms of products and services offered to tourists locally. Local people lack the skills, awareness, capital and linkages to provide what trekking companies and tourists require. Hence SNV’s DPP sustainable tourism development programme particularly focuses on skill development and capacity building among local institution in order to provide these products and services in the longer term.

While tourist numbers have been increasing between 1993-1999, 2000 shows a slight decrease (Appendix 6.1), which is reflected throughout the rest of the country (Nepal Tourism Board pers. comm.). Reduced numbers may be attributable to the very heavy rains this year or perhaps more pertinently to the Maoist unrest in the country (and especially the Karnali Zone) and a plane hijack on the Nepal – India route. If numbers continue to fall in coming years, it may be necessary to adapt the tourism programme substantially. However, for the time being the programme continues to assume that numbers will stay the same if not increase in years to come.

Data on tourist numbers and seasonality are given in Appendix 6.1. Most of the tourists visiting Humla come from Europe (c.79%) especially Germany (c.27%) and other German-speaking countries. A smaller proportion comes from USA (c.11%). Seasonality of tourism activity is marked. There are peaks between July and October (60% in 1999 and c.50% in 2000) and in May - June (30% and 42% in 1999 and 2000). In Sept – October 2000 there was a cancellation of around 50 groups, probably due to security problems.

### *1.1.2 Government attitude to tourism and pro-poor tourism policies*

Nepal’s Ninth 5-year plan provides information on the country’s general economic policy. The primary aim of this plan is poverty alleviation, with special focus on the following:

- agriculture;
- water resources - hydroelectricity, agriculture (irrigation, industry);
- human resource and social development - education, health, drinking water, local development, literacy, women’s development, empowerment, skill development, population, forestry, governance, development management;
- industrialisation, *tourism*, labour and employment and international trade;
- infrastructure - roads, bridges, air transport, communications, information technology etc.

Clearly, the Government of Nepal recognises tourism as an important sector for development. The long-term tourism objectives listed in the current ‘Ninth 5-year Plan’ are to:

- *Establish backward and forward linkages of the tourism sector with the national economy so as to develop it as an important sector for the overall economic development.*
- Establish Nepal as a premium destination in the world tourism market through effective publicity and promotion.
- *Enhance employment opportunities, income generation and foreign currency earning from the tourism sector and extend these benefits down to the village level.*

The first and third objectives relate specifically to initiatives which are likely to contribute towards pro-poor tourism.

In January 1999, a new Nepal Tourism Board was formed from the previous Department of Tourism to address these objectives and to take responsibility in particular for marketing.<sup>7</sup> The

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<sup>7</sup> NTB 1999, 2000 a, and c

Nepal Tourism Board plays a facilitating role for organisations involved in development of pro-poor tourism. To date the Nepal Tourism Board and His Majesty's Government of Nepal in general have not been able to make any significant impacts on the livelihoods of the poor through tourism. They are working with several international and national organisations that are trying to increase the benefits of tourism to the poor and in 2001 the Nepal Tourism Board plans to develop its activities further (Appendix 6.10).

At the macro or policy level, two SNV expatriate staff posted in the National Tourism Board (working on research and marketing respectively) and a national level sustainable tourism expatriate advisor in SNV-Kathmandu work more closely with central government and policy-level organisations in the tourism sector. They communicate the results of field level work through publications, meetings and workshops to influence pro-poor policy within tourism. One notable achievement at the macro-level has been the formation of a 'Sustainable Tourism Network' in December 1997, to exchange ideas and experiences, to develop strategies for tourism promotion and environment protection and especially to develop sustainable tourism. Additionally the Network aims to document new initiatives and produce or share publications. More recently, a new steering committee for the Tourism for Rural Poverty Alleviation programme and for the Asian Development Bank tourism programme has been formed. This involves representatives of various government ministries involved in tourism (Department of National Parks, Ministry of Tourism and Civil Aviation) and all the major donors now participating in tourism development in Nepal.

## **1.2 Background and details of the pro-poor tourism initiative**

### *1.2.1 SNV's ten-step process for sustainable tourism development*

SNV has defined a four phase, ten step process for working with local communities on tourism development (Box 1). The 'Identification' phase (steps 1-3) of potential areas, markers, stakeholders, villages etc. first began with pre-DPP surveys in 1997, but started in earnest in October 1999 and was completed during 2000. The 'Feasibility studies' phase (step 4) was completed during 2000 and now the 3<sup>rd</sup> phase of 'District level, village level and business planning' is well under way. Within this phase, Step 5 (formation of a Humla local sustainable tourism platform) should happen in 2001 with the formation of a multiple use visitor centre. SNV's involvement in development in Humla dates back to 1985 when previous programmes created infrastructure and social capital to enable tourism to develop; actual intervention through a tourism sector programme only started in field areas of DPP from February 2000. So, at the time of writing only one full season of social mobilisation and business planning had been undertaken.

### *1.2.2 SNV projects in Humla prior to DPP*

Details of the two SNV programmes that preceded DPP are given in Appendix 6.2. A 'Trail and Bridge Building Project' ran between 1985 and 1992 to improve infrastructure in the Karnali Zone, including Humla. This was followed by a 'Karnali Local Development Project' (KLDP) from 1993 to 1999 to build upon infrastructural development already completed. This took the form of a more integrated programme of infrastructure development complimented by capacity building of local NGOs and community development.

Prior to DPP between 1985 and 1999, substantial construction work on the Simikot – Hilsa trail was completed by SNV. This included widening it for mules, horses and yaks and making the most dangerous stretches substantially safer and easier to walk. Drinking water was developed in Kermi and Yari (on the trail) as well as elsewhere off the tourist trail and micro-hydro electricity in

Yalbang/Yanger village and associated Buddhist Monastery, Namkha Khyung Zong. Construction of two bridges on the main trekking trail at Dharapuri in Dandaphaya VDC and at Salli Khola in Khagalgaun VDC also served to improve the main trail for tourism and local business purposes. During the second phase of Karnali Local Development Project tourist numbers began to increase in the district of Humla and Dolpa and awareness of the potential of tourism to alleviate poverty in these areas began to be generated.

### *1.2.3 The District Partners Programme of SNV – objectives and approach*

The District Partners Programme (DPP) of SNV started in October 1999 and will continue until 30 September 2002. This programme differs significantly from previous SNV programmes in the district because of its focus on capacity building and its efforts to work through local government.

At the end of the Karnali Project, evaluators from The Hague suggested that, despite the high quality of infrastructural support provided, SNV should become a *facilitator* and cease to *implement* projects in new interventions. The new DPP focuses upon capacity building of local institutions at both government and NGO levels, as well on the Community Based Organisations that they serve. The programme is able to provide funding and advice to local organisations and for local infrastructural development but is no longer employing staff to provide these services themselves.

*“The overall goal of DPP is to contribute to an institutional environment, which stimulates sustainable economic development initiatives by women and men in five districts in the Karnali. Strengthening the capacity and linkages of district level institutions (DDCs, VDCs, NGOs and private sectors) is perceived as a pre condition for self-sustained development<sup>8</sup>.”*

The programme has three inter-linked components: Local Governance; Social Mobilisation; and Economic Opportunities

*The ‘local governance component aims at building capacities of government bodies and NGOs at village and district level in planning, co-ordination and monitoring of development activities. The component includes organisational analysis and development, establishment of information centres (databases), infrastructure management and support and the promotion of self help initiatives by establishing a local trust fund for infrastructure and other small scale self help initiatives.<sup>8</sup>’*

DPP’s local partner NGOs in Humla run the Social Mobilisation component, namely the Women’s Welfare Society, Humla Conservation and Development Association, Village Development Programme and Snowland Integrated Development Centre. *‘They encourage and assist Community Based Organisations (CBOs) in situational analysis, action planning, programme development, project monitoring and reporting. Furthermore assistance is provided to CBOs in establishing co-operation with internal and external service providers, so that they can propose, implement, operate and maintain projects independently towards the end of the programme, when direct NGO support is gradually phased out.<sup>8</sup>’*

The Economic Opportunities component was selected on the basis of local potential. Sustainable Tourism and Non-Timber Forest Products are economic sub-sectors promoted by the programme. *‘An increased level of organisation at community level, brought about by the social mobilisation component facilitates a process whereby especially disadvantaged groups and women can be offered a chance to make use of the identified economic opportunities.<sup>8</sup>’*

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<sup>8</sup> Source: SNV Nepal Information Folder 2000

## **Box 1 Ten steps for working with local communities on tourism**

### PHASE 1 IDENTIFICATION

- Step 1 High Tourism Potential Area Selection (District or Park area) – collection of secondary data on:
- unique and supportive tourism resource
  - available ‘markers’
  - number and types of tourists
  - market opportunities and constraints
- Step 2 Identification of potential tourism development areas and trekking trails – stakeholder analysis
- Step 3 Participatory sustainable tourism inventory on potential trails and tourism development areas
- village site selection
  - initial activities identified
  - hiring economical opportunity staff for process facilitation and local NGO for social mobilisation and skill development

### PHASE 2 FEASIBILITY STUDIES

- Step 4 Feasibility studies on:
- district level tourism product elements, trail packages, and nodal points (multiple-use visitor centres), district level activities
  - sites level – first identified activities
  - collection of market information for potential product elements and enterprises
  - cost/benefit analysis

### PHASE 3 DISTRICT LEVEL, VILLAGE LEVEL AND BUSINESS PLANNING

- Step 5 Establishment of Sustainable Tourism Platform
- stakeholder coordination and collaboration for district planning
  - training at district level to DDCs, district-based NGOs and SNV staff
- Step 6 District and trail development planning including
- land use planning and zoning, limits of acceptable change
  - multiple use visitor centres
  - village level/sites planning (Appreciative Participatory Planning and Action)
- Step 7 Training in business planning, organising entrepreneurs and CBOs, through district-based NGOs:
- resource management strategy
  - production strategy
  - marketing strategy
  - linkages with national trekking agencies, should result in agreements on tour itineraries, local services and products
- Step 8 Production and marketing skill training to entrepreneurs and groups (CBOs), entrepreneurship development
- Step 9 Entrepreneur development and assistance to explore financial options:
- implementation of business plans
  - marketing through business or nodal points

### PHASE 4 MONITORING AND EVALUATION

- Step 10 Monitoring at different levels through individual/CBOs, Sustainable Tourism Platform and SNV, and dealing with change

Activities of the Sustainable Tourism Development programme are located along the Simikot – Hilsa trail in Simikot, Dandaphaya, Khagalgaun and Muchu VDCs whereas the Non-Timber Forest Product activities are concentrated in South Humla in the VDCs of Melchham, Mimi and Darma. This case study considers only the sustainable tourism developments along the Simikot – Hilsa trail. A rough time-line showing the chronology of the activities completed so far in this sector is given in Appendix 6.3.

#### *1.2.4 Key actors in the DPP sustainable tourism programme in Humla*

Since sustainable tourism activities are focussing on the Simikot-Hilsa trail in Humla, local NGOs dealing with Simikot VDC and with Dandaphaya, Khagalgaun and Muchu VDCs are the key actors at the field level. These include the Women’s Welfare Society for Simikot and Snowland Integrated Development Centre for the other VDCs. Through funding assistance from DPP, they employ 5 and 13 staff respectively. These field-based local NGOs form linkages between DPP, government agencies and local authorities, and the CBOs that they serve in the various VDCs. Actors at the village level include men and women CBO members who on the whole are subsistence farmers belonging to Lama, Thakuri and Occupational castes.

Within DPP, an Economic Development Officer and an Organisational Development Officer offer direct support to local NGOs. A District Planning Advisor and an Infrastructure Development Officer support the District Development Committee (DDC) and Village Development Committees (VDCs) in skill development training and district level planning with respect to sustainable tourism and other initiatives. The District Programme Manager of DPP supervises and guides all the DPP staff and assists them in their roles of supporting both government and NGO bodies.

The other key actors are the private sector individuals involved in the tourism industry in Simikot. This sector comprises a few individuals who monopolise the supply of transportation, kerosene and vegetables, and owners of hotel and campsites for tourists in Simikot and along the trail.

#### *1.2.5 Level of intervention – micro to meso*

SNV-DPP primarily focuses on the micro- and meso- levels, working with local government, local NGOs and CBOs and undertaking and commissioning studies on the potential impacts on ‘the poor’ of developing tourism products in Humla. SNV is also providing support for pro-poor tourism implementation through supplementary staffing in the Nepal Tourism Board in Kathmandu.

#### *1.2.6 Funding for tourism development and related initiatives*

In order to enhance local capacities in accessing funding for sustainable development in Humla, DPP provides 3 funds which may be spent in the district on initiatives that are requested by communities and supported by local government. These are the Infrastructure Development Fund, the Community Support Fund and a loan scheme called the Venture Capital Fund.

A District Coordination Committee plays the major role in deciding on the allocation of funds for sustainable tourism development at all levels. The District Development Committee (DDC) chairman chairs the committee and membership comprises the Local Development Officer, VDC representatives, local NGO representatives, the DPP District Programme Manager and other representatives from local government and the private sector. The District Coordination Committee meets quarterly and decides on those funding proposals for the Infrastructure Development Fund

and Community Support Fund. Hence, all of DPP's funding at both the community and district levels is now channelled through a local multi-sector decision-making body, in an effort to coordinate NGO activities and approaches with governmental ones. The processes are designed to establish structures and procedures which will continue after the DPP finishes which will allow CBOs to approach local government for assistance with developing their own communities.

A summary of the DPP's overall budget for 3 years, and that for Humla district alone is given in Appendix 6.4, Tables A3 and A4). The tourism component of the SNV-DPP is small, amounting to approximately 5% of the total expenditure in Humla, Dolpa and Mugu districts some 316,850 NLG ( $\cong$  Rs9,822,350  $\cong$  £94,446), of which approximately one third is allocated to Humla amounting to around 105,617 NLG ( $\cong$  Rs3,274,127  $\cong$  £31,481).

Since tourism is only one sector in a broad programme, it is difficult to separate out the tourism costs. Personnel costs, the three funds, education and training costs and so on include both non-timber forest product and tourism related activities. Similarly social mobilisation and capacity building are integral to the entire programme as well as contributing to tourism development. The total budget of NLG 2,373,500 ( $\cong$  Rs73,578,500  $\cong$  £707,486) allocated to Humla amounts to 37.5% of the total DPP budget for 3 years. Note that the tourism component is only a small proportion of the total investment in development of the area.

### *1.2.7 Market segment being targeted by DPP-SNV in Humla*

Due to the restricted area status of Muchu VDC, all the tourists who travel to Humla to walk from Simikot to Holy Mount Kailash and Lake Manasarovar must, by law, be members of an approved trekking group of at least 5 members, and be accompanied by trekking company staff from approved agencies in Kathmandu. Individual foreigners cannot travel independently into Muchu VDC leading to the Tibetan border. Independent trekkers can walk from Simikot to Rara Lake in Mugu or as far as Jumla to the south as these areas require no special permits. However, current tourist numbers on these routes are so small as to be almost insignificant. Should the restricted area rules and regulations be changed it is possible that larger numbers of independent tourists would choose to walk the Simikot – Hilsa route, and they may be more willing to stay in local accommodation and eat local food. Domestic and regional tourists, especially pilgrims going to Kailash/Manasarovar, may use local teashop-style 'hotels' for food and lodging. They spend money more frequently than foreigners do (who buy only beer and coke in general), but tend to buy lower cost items with lower profit margins for the shopkeepers, such as tea, 'chow-chow' noodles, biscuits, Nepali food and local alcohol.

The staff of organised trekking groups is another market for small businesses in Humla. On average one tourist has two to three support staff (guides, cooks/kitchen staff, porters, pack-animal drivers)

### *1.2.8 Pro-poor focus of the DPP-SNV sustainable tourism programme in Humla*

Sustainable Tourism Development is a sector of SNV's development programme which aims to "generate optimal additional income and jobs emphasising target groups in the different programme areas of SNV Nepal, with minimum negative impacts on cultural and natural environments"<sup>9</sup>. SNV estimates that less than 1% of tourism revenues to Nepal reach remoter rural

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<sup>9</sup> Hummel J SNV Nepal and Sustainable Tourism Development Background Document (WIPS-2-99) p. xii

areas. SNV considers that there are opportunities to enlarge the tourism sector and to generate more income and employment in rural areas.<sup>10</sup>

SNV Nepal defines the sustainable development of tourism as “balanced target group oriented development” requiring

- local socio-economic development
- sustainable use of natural resources
- respect for local cultures and
- development and management of a nature and culture oriented tourism.

The objectives of the SNV sustainable tourism development programme are explicitly ‘pro-poor’ since they focus on the economic and social empowerment of the people of Humla. Since Humla is one of the poorest and most disadvantaged districts in Nepal, and almost all the people who live there rank as extremely poor in relation to the international poverty line, SNV’s work there may be considered as ‘pro-poor’. Tourism products will be developed which bring employment and other benefits to local people. Capacity building programmes in local government, CBOs and NGOs are designed to create linkages with the national tourism sector and to provide the required tourism services and products to tourists and trekking companies locally. This, if managed properly, should result in increased benefits of tourism to the people of Humla, who in general may be considered as ‘poor’ using the international poverty standard.

### 1.2.9 Types of poor people involved

A survey was conducted of 56 local people along the Simikot trail. They were interviewed individually about their comparative wealth and, on this basis people have been divided into the following categories for the purposes of this study (see Appendix 6.6 for resulting wealth ranks):

- Class F or ‘*landless poorest of the poor*’, who produce less than one month’s food, are often occupational caste and who work as casual labourers, porters and horsemen;
- Class E or ‘*almost landless*’, who produce food sufficient for less than 6 months, may work as casual labourers or run very small businesses;
- Class D or ‘*very small marginal landholders*’ who have landholdings that take less than 3 days to plough, produce food sufficient for 3-12 months some of whom may have paid jobs or own yaks which makes them richer than others in this category;
- Class C or ‘*small marginal landholders*’ who have landholding that take 4-9 days to plough, produce food sufficient for 3-12 months and may run teashops (hotels), campsites or wooden tea bowl making businesses as well as performing casual work;
- Class B or ‘*medium landholders*’ who have landholding that take 10-17 days to plough, produce food sufficient for 2-12 months and may run teashops (hotels), campsites or other businesses and may be involved in trekking work;
- Class A or ‘*large landholders*’ whose land area takes more than 80 days to plough, who are mule train owners and trekking company workers.

One clear finding is that the majority of people in Humla, including those living along the Simikot-Hilsa trail, may be categorised as poor according to the international poverty line of US\$1 per day per household member. Very few people are privileged enough to have regularly paid jobs. The small numbers of people who earn salaries form a ‘better off elite’ by local standards but are

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<sup>10</sup> *ibid.*



nevertheless still ‘poor’ by international standards<sup>11</sup>. Of the 56 interviewed, only 2 people would not rank as poor by international standards (class A ranking). These were the richest actors involved in the tourism trade and other enterprises in the district. The poorest people (5 out of 56 interviewed), who fell in category ‘F’, were landless and will be termed ‘poorest of the poor’ for the remainder of this document. The majority of the others (wealth classes E to B) may be grouped together as the ‘majority poor’ of Humla for the purposes of the remaining analyses.

Of the 56 people interviewed in the field, 20 were members of CBOs and 3 had family members who were. The breakdown of CBO membership by wealth category is given in Appendix 6.7, Table A7. CBO membership is highest (40-50%) amongst classes C, D and E. It is lower (20%) amongst the landless poorest (class F) and better off but still ‘poor’ medium landholders (class B). The richest people (class A) were not involved with CBOs. Generally, the very poorest people in communities are too busy struggling with day-to-day survival to take much interest in CBOs and their meetings or activities. In the Hindu caste villages the NGOs have a long way to go in trying to breakdown age-old divisions and involve the poorest and most disadvantaged in decision-making and economic development activities.

### *1.2.10 Private sector involvement*

Recent studies<sup>12</sup> of 144 agencies showed that trekking tour companies are using very few local services in Humla but would be prepared to use local products and services if available. The social mobilisation and business-planning components of the sustainable tourism programme have minimal linkages with the private sector outside Humla. Within communities however, private sector hotel, teashop and campsite managers are involved with CBOs and the social mobilisation programme, as well as with groups planning community-based enterprises. Individual business people, by collaborating in groups, can access support from the programme in training in e.g. lodge management, as trekkers’ cook and tourist guides, and in funding for new enterprises through the Community Support Fund or group collateral loans through the Venture Capital Fund.

The development of a ‘nodal point’ for local sustainable tourism has been proposed in the form of a multiple use visitor centre for Humla. This had been studied<sup>13</sup> and is proposed as a feasible project. The concept of the visitor centre comprises a physical location where different stakeholders in the tourism trade may meet and exchange services, products and information. Such an institution would be designed to allow people from different sectors to meet and negotiate. Services such as transportation, portering equipment, horsemen for driving the animals, and the supply of vegetables, fruit, poultry and eggs could be co-ordinated through such a nodal point. This would hopefully allow poorer actors to enter the market and benefit from tourism.

A potential problem is the attitude of tour companies towards the poorer or poorest people seeking work or sales. Private sector operators need service guarantees, reliability and trustworthiness from their local employees or partners. In recent years, several tour companies, including some trekking companies run by the richer elite from Humla in Kathmandu, have established relationships with the local ‘elite’ who operate a monopoly on trekking work in the district. These individuals are their friends or relatives. It will be difficult for these people to establish new business relationships with poorer competitors since trust and service guarantees have not been established. Those who

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<sup>11</sup> If Rs4500 (c. \$62.5) per month is assumed to be the average wage of a middle class government worker including remote area allowances etc. (this is not an authorised government statistic) and the average household size about 7 (according to a 1996 baseline survey), the daily income per household member from the paid job alone come to about 30 US cents. Anyone employed in a paid job ranks as one of the better off in Humla, so the extent of poverty for the less well off is extreme for most of the people in the district.

<sup>12</sup> Tuladhar, 2000

<sup>13</sup> Van Velzen 1998, Paudyal and Manandhar 2000

currently control the market have political and social power, and are able to influence the situation to their own advantage and prevent poorer competitors from participating. Although certain rules to increase the fair distribution of labour and services between different groups could be introduced in the establishment of the Multiple Use Visitor Centre, the DDC chairman has been reluctant to make any assurances that rules would be enforced. He said that the general way that society functioned to benefit the better off (especially those with connections in Kathmandu) could not be reshaped by the mere construction of a centre.

## 2. Pro-poor Focus

### 2.1 Assessment of broad pro-poor tourism strategies

#### 2.1.1 *Expansion of business opportunities*

A major component of Snowland Integrated Development Centre and Women's Welfare Society's field activities is to provide training in Appreciative Participatory Planning and Action (APPA) and Business Planning. On the basis of APPA exercises CBOs or individuals within them select businesses and request skill training to develop these enterprise options. During August, September and December 2000 CBOs along the Simikot - Hilsa trail used APPA together with NGO and DPP staff, to plan several small enterprises to develop tourism products. Six business plans were completed from these training courses, including vegetable farming, apricot wine making, poultry farming, apple production, pea and potato production, hotel and teashop management, livestock and cultural shows.

Due to the lack of guaranteed local supply, many Kathmandu trekking companies bring all the food they need with them from Kathmandu or Nepalgunj. With the excessively high transportation costs and limitation in the weight of equipment that can be brought into the district, it is essential that vegetables, eggs, meat and fruit be made available locally. Whilst other items such as handicrafts are more risky, basic commodities of this kind are essential for all visitors to the area and have potential local markets also should tourist numbers decrease for any reason.

Micro-credit for small business is to be offered to members of credit and savings groups formed under the social mobilisation programme. Loans via the Venture Capital Fund can be provided to groups with group collateral. Other funding support for group activities, can be provided to groups via the Community Support Fund provided that members of groups can raise the 25% matching contribution via VDC and/or CBO membership.

#### 2.1.2 *Expansion of employment opportunities*

Limited employment opportunities are likely to arise as a result of community and other private enterprises being undertaken by CBOs and their members. Building employment is generated by tourism projects, for example, toilets, 'teashop' hotels, hot spring facilities, camp sites, monastery renovation. This provides skilled and unskilled labour opportunities in the construction phase for some of the poorest landless (e.g. occupational caste labourers and poor labourers from Lama, Chettri and other castes).

If tourist numbers increase there will be additional employment for porters and horse-drivers. Although many would like to access this employment opportunity usually people who come from villages around Simikot (e.g. Baraunse, Bargaun) get the work. This is due to links with the mule owners who control the labour market. If the multiple use visitor centre is successful in forming associations of horse-drivers and porters with fixed rates of pay for them, then the market may open to other poor people. Training in cooking, trekking group management and guiding might also influence the availability of jobs in trekking teams locally. Already some girls in Humla have been employed as 'kitchen boys' for trekking groups because they are cheaper than using boys from outside the district. Such strong economic incentives will be necessary before newly trained and less experienced local staff are used in preference to the trekking agencies' 'own' staff from Kathmandu on a larger scale.

If community initiatives such as community campsites and hot spring facilities are developed, there should be limited employment opportunities to manage and run them. In detailed economic projections<sup>14</sup> jobs are planned for 1 manager/accountant (6 months) and for 1 guard-cum-helper (12 months) each at the proposed Yari Community Campsite and Kermi Hot Springs. For Tumkot Community Campsite and monastery tour they proposed a manager/accountant to run the service for 5 months per year. However it not clear whether this enterprise will go ahead due to lack of community land and competition with existing camp sites.

### *2.1.3 Addressing the environmental impacts of tourism*

In addition to litter, the main environmental impact of tourism is trail erosion. Maintenance of trails is an issue being addressed at district and village levels. Since August 2000, Humla DDC has levied a tax of US\$2 per tourist entering the district for trail maintenance. VDCs such as Dandaphaya are also discussing the potential for taxing tourists for the maintenance of trails by the individual villages. This seemed more difficult to regulate than the district levy, which can be collected by authorised police at the same time as taking tourists' records. Some CBOs are planning to create funds for trail maintenance from their enterprise also.

As a result of social mobilisation and awareness raising, several villages in Muchu and Khagalgaun VDCs (Yari, Tumkot, Muchu, Yalbang and Yanger, Kermi,) have decided to form Community Forestry User Groups. If active and well managed, these groups have the potential to control deforestation and replant and regenerate forest areas. Despite long-term benefits to everyone, the poorest may suffer initially through lost earnings from timber exports. Several groups also plan to 'tax' the trekking companies for the mules to graze their community grazing areas. In Kermi, the youth club has already brought in this tax and revenue amounting to about Rs 500 (£4.81) was collected between June and October 2000.

### *2.1.4 Enhancing the social and cultural impacts of tourism*

By working through a social mobilisation process, SNV is helping to generate positive social change in the areas where tourism is prevalent. Communities have been mobilised and community cohesion enhanced by CBO formation and social mobilisation. This affects most of the households in the target communities but the poorest find it difficult to participate. Conflict may arise as new enterprises develop and changes are made, but this was not evident at the time of the field study.

The demand for better sanitation by tourists is one impetus for building toilets along the trekking trail. Improvement in sanitation as a result of the programme is the most positive social impact affecting all the communities along the trail. At the time of the survey toilet building had been completed in several villages and was in progress in others, resulting in 410 new toilets. This should result in a decrease in disease from diarrhoea disease and worms for all the communities where DPP is active, not only the tourist routes.

Access to water has improved through the Karnali Local Development Project in two communities along the trail, and further improvements are likely under DPP (e.g. in Dandaphaya village);

Improved communication and accessibility due to trail improvement during the Trail and Bridge Building Project and the Karnali Local Development Project between Hilsa and Simikot has meant

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<sup>14</sup> Paudyal and Sharma 2000.

that now mules, horses and yaks can be used in preference to people or sheep for transportation. This affects everyone along the trail and also many people from communities elsewhere in the district who depend upon the trail for trading trips to Tibet.

In Yalbang, the campsite below the school and monastery is on school land and a proportion of the profits is designated for the school. This arrangement has still to be formalised. Previously tourists donated money for a private boarding school to be run here. A small school building was constructed and the school ran for about one year, but the teacher moved from the area and the school has closed.

In Yalbang the Namkha Khyung Zong Monastery has collected more than Rs 366,000 (£3,519) from tourists over 4 years and uses the money for renovations, new buildings and to help fund large religious gatherings held there. Since the monastery is by far the most important local institution to the community they feel that these donations assist them. Here tourism is helping to restore and maintain cultural traditions although the bulk of their funds come from Taiwan where the most senior Lama lives and has many devotees.

Nepal Trust, an international NGO, works in Humla district to bring profits from tourism to poor people by building health posts and assisting with finances to run them. Groups of tourist-volunteers from Britain and elsewhere assist with building and volunteer technicians (nurses etc) stay for short periods in Humla to support local health staff. In the case of Nepal Trust, tourism is mixed with charitable support to communities. The mode of operation is very different from DPP and is less based on capacity building of local institutions and more on rapid action to provide facilities. Whilst the sustainability of these projects is an issue, Humla communities are happy with the support and the health posts have improved the quality of their lives.

One negative effect of tourism experienced in Humla has been begging by small children for money, sweets, pens etc. As communities become better organised and able to participate in tourism there is potential for them to demand that tourists provide donations to their group for equitable distribution in order to prevent their children becoming beggars. Several CBOs were interested in this idea when we discussed it. Some villagers in Yalbang suggested that the Lama in the Monastery should be in charge of distributing donations since the people trust him to give to the most needy people. The proposed Multiple Use Visitor Centre could help to provide guidance to tourists about how and where to donate to communities in a non-intrusive manner.

### *2.1.5 Building a supportive policy and planning framework*

Although the main thrust of SNV's efforts is focused on capacity building to enable communities' to benefit from tourism, they also aim to influence policy and planning. DPP's district planning capacity building with DDC and VDC, coupled with the Appreciative Participatory Planning and Action exercises with CBOs, is working towards a planning framework that is more supportive to pro-poor approaches. SNV's placement of two expatriates in the National Tourism Board, together with activity in the Sustainable Tourism Network and the Tourism for Rural Poverty Alleviation Programme's steering committee also provides continual input into the building of more supportive policies on pro-poor tourism.

### *2.1.6 Developing pro-poor processes and institutions*

Although it is extremely difficult to reach the poorest of the poor, and the monopolies controlled by the best off in Humla tend to further exclude the poor, DPP is attempting to develop a pro-poor

institution to act as a nodal point for tourism. This Multiple Use Visitor Centre will try to connect poor stakeholders with tour operators, trekking companies and tourists themselves. By setting fixed prices for certain commodities and services the centre will aim to break down exploitative labour relationships. Also if members of the centre can provide service guarantees, poorer people may get a chance to work where previously only trusted relatives and friends of trekking agents got employment. Whether the centre will be able to work as planned remains to be seen. Local government support will be crucial and sustainable funding of the centre may prove difficult. Both the Nepal Tourism Board as well as the Asian Development Bank have already offered their support.

At the village level there have been attempts to form local pro-poor institutions through the formation of CBOs. Their membership tends to be the majority poor of Humla rather than the poorest of the poor, but if the poor majority benefit the institution can be said to be pro-poor. Developing institutions that attempt to reach the poorest and most disadvantaged such as occupational castes and women is extremely difficult. So far, despite the formation of a few women's groups and participation of a very small number of occupational caste people, it has been a struggle to involve the most disadvantaged.

## 2.2 Specific actions to involve poor people in tourism

**Table 2 Actions to address barriers to participation of the poor in tourism**

Lack of pro-active government support for involvement by the poor.	Strengthening local government at VDC and DDC level in Humla is intended to create more pro-active support for the involvement of the poor in sustainable tourism. To complement this, the placement of two SNV expat staff in the Nepal Tourism Board (for marketing and research) is designed to assist government bodies to create mechanisms within the national tourism industry for involving the poor. The Sustainable Tourism Network formed with the assistance of SNV is also a platform for lobbying and networking to improve government support to pro-poor tourism practices. The Tourism for Rural Poverty Alleviation tourism sector plan has also been formulated with SNV involvement.
Lack of human capital– e.g., skills	Skill development training, in hotel management, trekking guide and cooking, English language, vegetable and fruit cultivation, poultry farming, handicrafts such as beadwork, knitting and weaving etc., to be provided via local NGOs to CBO members along the Simikot – Hilsa trail starting in 2001.
Lack of financial capital, e.g., micro credit, loans	Establishment and strengthening of savings and credit CBOs within communities affected by tourism. Community enterprises generating income to be used as revolving funds for loans to CBO members. Loans are available from DPP in the form of the Venture Capital Fund, which require group (social) collateral rather than individual collateral. Grants are available for group activities (maximum Rs50,000 or £481) from the DPP Community Support Fund. 25% matching funds must be raised by the VDC and the community / entrepreneur, which excludes the poorest.
Lack of social capital/organisational strength	Social mobilisation programme run by local NGOs along the Simikot – Hilsa trail and in Simikot and surrounding villages. CBOs are formed and strengthened by local NGO field motivators. Participatory Organisational Assessment tools are used with CBOs for self assessment.
Gender norms & constraints	Formation of women-only CBOs such as 'mother's groups'. Involvement of women in the executive and general membership of other active CBOs. Training in gender awareness at the district and village level. Support of women representatives in VDCs and encouragement of more pro-active involvement of women at VDC and DDC levels. Gender mainstreaming in SNV Nepal and DPP as a whole.
Incompatibility with existing livelihood strategies	Concentrated activities in the farming seasonal calendar and travel to Taklakot (Tibet) for business purposes tend to coincide with the time that tourists visit Humla for trekking. Whilst traditional activities cannot be stopped in favour of tourism-related enterprise, agricultural production can be diversified and local marketing connections and associations established such that individual farmers do not have to sacrifice time to market their produce to tourists.
Lack of land ownership/tenure	In many cases, where CBOs have plans to develop community campsites or hot-spring facilities, community land exists for use. However in Tumkot, where a community campsite was proposed,

	lack of community land and competition with several private campsites and hotels in the area has led to the community initiative being shelved. For landless and marginal farmers also lack of land for development of enterprise in vegetable production or fruit is an issue. DPP is unable to change patterns of land ownership or tenure. However the programme encourages communities to use common property resources for the benefit of the entire community through tourism initiatives such as community campsites, taxes on pack animals grazing community land and hot springs.
Planning process favours others – lack of planning gain	Currently local village-level, district level and central government planning is very strongly influenced by political forces and relationships between various ‘powerful’ actors. Local people’s priorities and preferences though addressed in the rhetoric of ‘decentralised’ administration are frequently disregarded. By strengthening the capacity of DDC and VDC level personnel and providing training in gender and participatory approaches, DPP is attempting to reverse the trend for decisions to be made independently of public (poor people’s) opinions. Additionally, at the community level, training in Appreciative Participatory Planning and Action has enabled CBOs to generate participatory and positive plans for improving their participation in tourism development. Linkages between APPA plans and VDC/DDC level planning need now to be made and strengthened to incorporate village level priorities in district level plans.
Caste divisions and inequity	Trekking tourism in Humla is currently entirely controlled by influential people of the Lama caste. In Hindu villages along the trail, decision-making and entrepreneurship is concentrated amongst Thakuri caste people to the exclusion of occupational castes. Unity amongst Lama caste people is marked and they have a tradition of forming strong business relationships. Conversely, Hindu castes are renowned for maintaining divisions between so-called high and occupational castes and for only interacting in hierarchical ‘patron-client’ relationships. Awareness raising about inequity and the social disadvantages needs to be undertaken,.

Barriers ranked in order of importance are given below (rank of 1 indicates the most important barrier and 6 the least important). Probably the barriers regarding Humla’s remoteness are most important such, as inadequate access to the market and lack of linkages, low capacity to meet expectations, low human and financial capital etc. Once social capital and capacities improve there will be more need for government support and planning gain. Currently, since the Humli poor have so little to offer the tourism industry there is not much the government can do to force outsider agents to change their behaviour and use their services. Hence these barriers rank lower.

Issue	Rank
Inadequate access to the tourism market	1
Low capacity to meet tourist expectations	1
Lack of linkages between formal and informal sectors/local suppliers	1
Lack of human capital of the poor – e.g., skills	1
Lack of financial capital of the poor – e.g., micro credit, revolving loans	1
Lack of social capital/organisational strength	1
Location	2
Regulations & red tape	2
Lack of “product”	2
Gender norms & constraints	3
Caste divisions / inequity	3
Lack of pro-active government support for involvement by the poor.	4
Planning process favours others – lack of planning gain	5
Lack of land ownership/tenure	5
Incompatibility with existing livelihood strategies	6
Tourist market (segment) inappropriate	6

## 3 Results and Impacts

### 3.1 Progress and challenges

Challenges that the DPP sustainable tourism programme has to face are summarised in Box 2.

#### **Box 2 Challenges facing DPP's Sustainable Tourism Programme in Humla ranked from most important (i) to least important (x)**

- i) Involving the poorest and most disadvantaged people in programme activities
- ii) Managing and keeping DPP staff in Humla
- iii) Logistical problems associated with remoteness (e.g. timely supply of materials such as cement, pipe, funds, and timely transportation of staff in and out of the district, etc)
- iv) Remaining neutral and safe in the face of political tensions, especially Maoist insurgency in the area
- v) Balancing research and preparation with action
- vi) Shifting from implementer (during Karnali Local Development Project) to facilitator of development
- vii) Negotiations with local NGOs and convincing them about the value of the new processes
- viii) Negotiations with local government officials who are sometimes hostile to intervention
- ix) Lack of common approach and coordination between development organisations i.e. collaborating with organisations that have a different mode of operation from DPP
- x) Accessing high quality local researchers to conduct the necessary studies

Despite many constraints, much progress has been made since the start of the programme. This is summarised in Box 3.

#### **Box 3 Progress up to January 2001**

The main progress of DPP's sustainable tourism programme since October 1999 may be summarised as follows:

- 410 toilets built along trail;
- CBOs mobilised in all the communities along the trail;
- 6 APPA business plans prepared by CBOs;
- 32 Community Support Funds approved for the development of micro-enterprise by stakeholders along the trail and in Simikot;
- 6 Venture Capital Fund loans approved for micro-enterprise development throughout Humla;
- 4 district level and 2 VDC level Infrastructure Development Funds approved for improved water supplies, electricity, irrigation etc. throughout Humla;
- Tax of \$2 per tourist for trail maintenance now being levied by DDC;
- 1 Community campsite already started by Kermi Youth Club;
- Tax on grazing of community pasture by trekking pack animals started in one community (Kermi) and planned for others;
- Community enterprises options studied and plans for implementation underway (hot springs, community campsites, village tours);
- Multiple Use Visitor Centre to act as a nodal point for tourism actors studied and planned;
- 1 orientation field trip for CBO and NGO members to view village tourism in Gorkha district conducted.



## 3.2 Relevance to the poor and poverty reduction

### 3.2.1 Impacts evident so far

One main impact of the sustainable tourism programme of DPP in Humla so far (i.e. since DPP inception in Sept 1999) is social mobilisation of communities along the Simikot – Hilsa trail, and improved community organisation.

The building of about 410 new toilets has also improved sanitation along the trail enormously. Impacts of this on health of community members and on tourist satisfaction will be evident in the coming years, depending on the extent to which all community members use them.

In response to Appreciative Participatory Planning and Action training, 6 CBOs and their members have formed business plans. 58 applications for Community Support Fund support have been approved of which 25 are from along the trail and 7 from Simikot VDC. The immediate impact of this is improved understanding amongst village people of the options available to them and of the processes of accessing funds (i.e. planning and proposal writing). Impacts in terms of improvements in livelihoods resulting from implementation of the business plans and funding applications have yet to be seen but should be measurable by the end of 2001 or during 2002. Other impacts of DPP evident so far can be seen in 6 approved Venture Capital Fund applications, 4 district level and 2 VDC level approved Infrastructure Development Fund applications.

Impacts of SNV's overall development programmes in Humla since 1985 until now include:

- improved trails and bridges resulting in increased numbers of trekking tourists and use of mules and yaks in preference to porters along the trail;
- strengthened local NGOs (4) with improved capacity to conduct social mobilisation and assist farmers to establish new enterprises;
- the formation and strengthening of CBOs with membership mobilised to participate in community and personal development activities;
- government employees more aware of the issues involved in sustainable tourism and prepared to advocate for it;
- improved capacity of DDC and VDC to interact with CBOs and NGOs and support them in developing their communities.

### Who benefits

So far the beneficiaries of the DPP sustainable tourism initiative have included:

- members of CBOs in the communities along the Simikot-Hilsa trail (Dandaphaya, Khagalgaun and Muchu VDCs) and in Simikot VDC who benefit from social mobilisation, improvements in sanitation and assistance with planning and financing businesses
- local NGO employees whose salaries are paid by DPP
- local Government officials at district (DDC) and community (VDC) levels through training and assistance with planning processes
- non-CBO members of the communities served, who benefit from general improvements in their area as a result of the initiative

Based on interviews with the poorest, observing CBO membership and rules for matching contributions of funds such as the Community Support Fund, it seems that the initiative will benefit the 'majority poor' more than the 'poorest of the poor'. The latter have no capacity to pay off loans

or to raise cash for a personal contribution (10-15%) towards any Community Support Fund initiative in their community. Currently there are no concessions for the poorest to be relieved of making the matching contribution, unless individual CBO members were to be given exception within the CBO (i.e. if other CBO members or funds could pay it for them) or if the VDC were to assist them. This means that only activities requiring minimal capital can involve the poorest. The 'majority poor' of Humla however should be able to participate and benefit quite substantially from improvements in livelihood from new enterprises and social mobilisation.

### *3.2.2 The process*

The main thrust of the SNV- DPP programme in 2000 has been CBO formation and strengthening. CBO membership includes the poor but the poorest are not always able to participate. Appreciative Participatory Planning and Action with CBOs therefore enhances participation of 'the poor' in decision-making. So far though no separate Appreciative Participatory Planning and Action exercises have been conducted for women or occupational caste groups alone. This means that these groups' concerns may easily be lost amongst the consensus of the male and 'poor majority'.

Although several Community Tourism initiatives are being planned or implemented along the Simikot – Hilsa trail, the only working example so far is the Salli Khola Community Campsite and taxation for grazing of pack animals organised by Kermi Youth Club. Kermi Hot Springs and a community campsite to be associated with the baths have been proposed and approved. Nepal Trust is donating a large proportion of the finances for this. Kermi Youth Club obliges one individual from every household to join the organisation and thereby involves most of the community. In Tumkot village plans for a village and monastery tour are being made, which could potentially involve poor members of the community. However it is noticeable that those who take leading roles in CBOs are better educated and more entrepreneurial than most villagers. This means that many of the benefits of the CBO are concentrated amongst the better-off people in the community. The biggest challenge facing DPP and its partner NGOs is to support pro-poor strategies within CBOs without alienating those with skills to organise and implement community level activities.

Communities are expected to find 25% of the cost of any programme undertaken and have to participate in proposal preparation and negotiation in order to access support. This is all part of the approach to strengthen local capacities. Many organisations and development workers, including the author, have observed that handouts of cash or equipment for individual or community enterprise usually result in a lack of any feeling of ownership by beneficiaries. This leads to the free handout being unvalued or not used to its potential. Hence the strategy of asking for contributions is necessary to generate feelings of ownership and to build more sustainable process for funding by government in the future. However it is unavoidable that if the rule regarding matching contributions applies to all stakeholders, then the poorest of the poor will inevitably be excluded.

In contrast to DPP's matching contribution strategy other outsider implementing organisations like Nepal Trust can respond quickly to demands by communities for assistance and do not require community contributions except a certain amount of labour. Coordinating these two approaches is difficult and frustrating for both parties and causes confusion for communities.

So far the emphasis has been on undertaking studies and establishing the necessary institutions and processes for the implementation of DPP. These processes, especially proposal preparation for the Community Support Fund or Venture Capital Fund support by CBOs, are slow and difficult for illiterate people to participate in. The illiterate poor/poorest are dependent upon NGO motivators and CBO leaders to advocate for them in the preparation of such proposals. In this sense participation of women and disadvantaged groups (occupational castes) is less than desirable, especially in view of SNV's general aim to reach disadvantaged groups.

Community members are tired of people coming with notebooks and pens asking questions in Humla. All too often in remote Nepal outsiders make one-off visits to collect data for project proposals which subsequently do not receive funding. Given the awful situation of the villagers, often development workers make more commitments than they ought, and raise villagers' expectations. Subsequently they become frustrated at the lack of action to follow-up the promises given. During 2 months of study in Humla by this researcher in 2000, individual community members became angry at being asked questions without any guarantees of follow-up support. One man actually said that all we did was ask questions and that we obviously didn't have anything of value to offer them. Another man suggested we talk to another foreigner who had been to the village asking questions only recently. It is obvious to the village people that more coordination between development organisations and their workers is essential, yet development organisations themselves are often too busy with their internal management and processes to address this.

In addition to slow research and preparation processes, logistical problems have also meant that funds and materials have been slow to arrive in villages. This is not specific to DPP and affects all organisations working in the remote areas of Nepal. In several villages we visited people complained that, although they had completed the building work on the toilets, the funds to pay for labour had still not yet been released. This delay, though easily explained by staff illness, makes it very difficult for NGO motivators to continue the process of convincing villagers to actively participate in the programme. Delays of this kind mean the motivators make promises that they cannot fulfil, which severely damages progress. In Simikot VDC, people were so irritated by the delays that the NGO motivators had decided to cease making field visits until they could actually offer the cash as promised.

Transforming from an implementing organisation to being a donor-cum-facilitator is a difficult process for SNV in Humla. It is much easier to implement something being organised by one's own project staff than to facilitate others to implement it. The new administration inevitably becomes more complex, with more actors involved and more chances for miscommunication. However, since the entire ideology of DPP is based on 'partnership' between SNV, local government and NGOs/CBOs, this challenge must be faced if the programme objectives are to be achieved. Many people we spoke to in Humla were less content with the new ways of working than the old ones of Karnali Local Development Project. Some complained that the programme was too dependent on pleasing political leaders and not connected enough with communities. Certainly, the fact that all proposals must be approved by the District Coordination Committee, which is led by key political figures in Humla, leaves room for the same political forces, nepotism, bribery and corruption that are cause for complaint by local people, to influence funding of CBOs as they influence other decisions in the district.

The close association with politics and politicians is complex for DPP for many reasons. It is difficult for the programme to appear neutral and not influenced by the party in power. Supporting local government is anathema to the Maoists. A recent Maoist attack on an international NGO office just outside Simikot at the time of the field survey resulted in all papers and furniture being destroyed, the computer and other equipment stolen and one member of staff being beaten. Despite scrupulous behaviour on the part of DPP staff and despite good relations between NGO motivators and CBO members, DPP staff live and work in fear of a similar such attack upon their own office. This is bad for staff morale and makes fieldwork difficult to embark upon, since Maoists are concentrated in areas further from the district centre, especially South Humla and staff are afraid of attack whilst away from the office.

### 3.2.3 Key factors influencing tourism development in Humla

Key factors influencing tourism development in Humla are summarised in Box 4

**Box 4 Key factors influencing implementation of sustainable tourism in Humla from most important (i) to least important (vi)**

- i) Communication and coordination between the different stakeholders
- ii) Staff commitment to the programme and quality of work at DPP and NGO levels
- iii) Readiness of trekking companies to change with changes implemented within Humla
- iv) Administration and logistics
- v) Willingness of government bodies to assist and collaborate to fulfil sustainable tourism objectives
- vi) Political issues

### 3.2.4 Impacts on women and disadvantaged groups (occupational castes)

As with all development programmes functioning in areas of Nepal where women are extremely disadvantaged, DPP is not able to reach women as easily as men. Women tend to be less affected by tourism development than men. Women's groups have been formed in several communities but are not yet economically active. They are making gender-related changes such as the control of drinking and gambling in Dandaphaya, Tumkot and elsewhere but as yet are unable to influence general decision-making in their communities. The most active CBOs (such as Kermi Youth Club), which stand to benefit most from DPP by their participation in and understanding of the programme, have no women in the executive committee. As in VDC and other institutions, even when women are given rights to participate, gender relationships make it very difficult for them to do so since no precedent exists for involving women in formal meetings and both parties feel uncomfortable as a result.

Similar problems exist for occupational caste stakeholders in Dandaphaya VDC. Although they may be members of CBOs they play no decision-making role and are often passive. Because of their higher level of empowerment and more time for participating in community level activities, impacts are most evident amongst the 'poor majority' in Humla. These are 'poor' by international standards but not poorest in Humla.

### 3.2.5 Wage rates

When trekking groups first came to the district they had problems with porters walking off and leaving their loads and petty theft by Humli employees. This resulted in a lack of trust in Humli people and trekking companies brought in porters from as far as Surkhet or Kathmandu. As the numbers of tourist groups have increased and as mules became the preferred means of transportation, the numbers of jobs as horsemen have increased. The problem for most of the poor seeking work however, is that they cannot compete with the relatives and friends of the mule owners and, therefore, rarely get work.

The trekking agents' assistants in Humla who control the labour market in tourism are either relatives or friends of staff in the agencies, with whom they have a relationship of trust. It will be difficult to change the monopoly that they hold on tourism related work until numbers of tourists

increase sufficiently for others to join the market and new associations of mule owners, horsemen and porters able to negotiate and maintain reasonable wage rates and conditions for workers.

### **Box 5 The story of landless occupational castes living in Baraunse village**

On a visit to Baraunse we met with two occupational caste men who had migrated from their homes in Dandaphaya to the Lama village of Baraunse closer to Simikot in search of labour. These families have no land of their own and support themselves by working on Lama householders' land, as builders / carpenters or domestic servants. Prabate BK works for the one of the main mule owners involved in the tourism trade from Simikot. He earns a salary of Rs 2000 (£19.23) / month from his boss and had made Rs 10-12,000 (£96-£115) earnings from the tourist season. Occasionally he also works as a daily waged horseman for mule owners too and his young friend Baj Bahadur BK sometimes worked as a porter or horseman. The two complained that since the first influx of tourists 5-6 years ago that salaries and benefits have decreased severely. Prabate quoted a rate of Rs 500 (£4.81) per day paid to him to work as a porter carrying loads on his own back for the first tourist groups that came to the district. Now the rate has halved to Rs 250 (£2.40) or even Rs 225 (£2.16) per day and of that one fifth (Rs 50 or £0.48) must be paid to the trekking agent's 'sirdar' (trek organiser) or Humla mule owner middleman in order to get the work. If they refuse to pay the commission someone else will get the work.

The two men said that the 'sirdars' and mule owners have worked out many ways that they can increase their own profits from treks at the expense of the junior workers. In order to save costs on transportation the mule owners make them carry double loads. In certain cases the mules they were driving were so overloaded that they had to carry part of the load themselves. The trek organisers also rush through the route in order to save days and thereby costs. The horsemen and porters had understood that they were making a 12-day trip but they completed it in only 8 days. Walking for such long days with heavy loads, as well as having to carry and prepare their own food, the porters don't even have time to eat in the mornings on long days. This means they have to stay hungry all day long until they can prepare themselves a meal at the camp in the evening. The load that the porters are required to carry is 50 kg throughout the journey. This means that even as food supplies become depleted the 'sirdars' buy other supplies in Taklakot to sell on their return to Simikot. The rice carried for the tourists and the trekking team (guides and cooks etc) is special Basmati rice brought in from Nepalgunj. This is extremely expensive in Humla and in Taklakot, so the 'sirdars' feed less rice to the tourists on the way and sell it in Taklakot, replacing it with much cheaper white flour of equivalent weight. Much of this they make the porters carry all the way back to Simikot, so that they can then sell it as 'excess' food at the end of the trek. One of the men was still waiting for payment for work he had done 6 months ago.

Another Baraunse Lama caste man had also worked as a horseman complained that tips given to the trekking team by the tourists are not shared with the horsemen and porters. Since they horsemen and porter do not speak any English they have no direct contact with the tourists and therefore don't get to find out the amount of tips given.

### 3.2.6 Financial benefits to the poor

The programme has only recently embarked on the income-generating components, so there have been very few changes so far in livelihoods as a result of DPP's sustainable tourism initiative. In this section the earnings of individual stakeholders involved or potentially involved in the tourism sector are provided. These are a result mainly of tourism generally in the area rather than of the initiative.

DPP is targeting 400 households (reaching directly or indirectly about 2800 people) along the Simikot – Hilsa trail. However at this early stage it is not possible to say how many of these people will earn enough to move from 'poor to not poor' as a result. Amongst the 'poor majority' large numbers of individual entrepreneurs may move from one wealth class to another (class 'E' to 'D' or 'D' to 'C' and so on). There is a small chance of a few people moving from landless and poorest (class 'F' or 'E' in the wealth ranking conducted) or to become one of the 'poor majority'. Humla people are unlikely to escape poverty according to international poverty standards, but this should not underplay the improvements in livelihoods that are achievable through the initiative. Such improvements may bring households away from struggling to survive to where they can begin to make more active choices about how to develop themselves and their communities.

#### Financial earnings of the poor

Actual earnings of different categories of people involved in tourism in Humla are given in Tables 3–6 below.

#### Notes on Tables 3-6:

In many cases sales to tourists may be only a proportion of people's earnings, but for most purposes total earnings from the enterprise are shown (e.g. hotels, apple sales etc.). In some cases examples of enterprises that are already lucrative and important in the area are given even though so far only a minute proportion of sales are made to tourists (e.g. wooden 'phuru' tea bowl makers). Where items are given in italics the income is directly related to or resulting from the DPP sustainable tourism initiative. All other earnings are so far not influenced by the initiative, though activities such as vegetable, fruit and handicraft production that are already existing are likely to expand as a result of the programme. Where zero is given in the column for 'how many people earn' this indicates that this is a new source of income that should result from the initiative. In the 'earning per person' column some cases show individual responses and others show the responses of several people (as given in the column 'how many earn') in the category. Figures in the 'average annual income' column are based on informed estimates of the researcher and local counterpart but NOT on estimates given by interviewees (cf. estimates in 'approx amount per person' *are* given by the interviewees). These annual cash income estimates are of both tourism related and other income combined. Non-cash earnings could not be estimated although these are very important to many subsistence farmers who use barter systems rather than cash. Similarly in many cases the numbers of people earning and how many might in the future are also estimates rather than empirical data. Where \* and \*\* are shown in the right hand column, earnings are all made by one of the two very rich actors in the tourism industry of Humla. \* indicates a Mustang entrepreneur who works as mule owner, pig farmer and hotelier and \*\* indicates a local young man who works as trekking company assistant, airlines contact worker, and local NGO employee. <sup>1</sup>Wealth categories as given in Appendix 6.6. A = richest not poor by international standards; B to E = 'poor majority' B is least poor and E is almost landless and very poor; F = landless and poorest of the poor. <sup>2</sup>Sustainability index is a subjective ranking from 0-3. 0 = unsustainable; 1 – may be sustainable but not likely; 2 – sustainability prospects good; 3 – sustainable.

Rate of exchange on 24 November 2000: Rs 104 = UK£1 & Rs73.7 = US\$1.

#### Significant findings from the tables

**Wage earnings** as shown in Table 3 are a very small proportion of the financial earnings from tourism in Humla. Moreover, most of the earnings given (those in italics) are projected to result from the DPP initiative but are not yet realised. The most significant wage earnings are the small number of mule drivers who earn a monthly salary. Most of those involved in this work earn as daily labourers but the most successful mule owners found it more profitable to employ certain

mule drivers for about 8 months a year. As tourism develops other wage income may become available in airline offices, local trekking agencies and so on.

**Earnings from the informal sector, casual labour and self employment** as shown in Table 4 are the most significant earning from tourism in Humla since formal labour markets are so restricted. Currently the most significant earnings directly from tourism are in mule driving and to a much lesser extent porter work. Only one young man benefits from working for trekking companies now, but if tourist numbers increase several would be able to earn. Similarly at the time of the survey only 1 or 2 really successful vegetable growers sell to the tourist groups, but in time as competition from vegetable growers along the trail increases many farmers should be able to make small but significant earnings from selling fresh vegetables. Amongst the livestock used for portage, mules have by far the most potential so mule owners benefit most. In time it is likely that their use will push out use of horses, donkeys and yaks, to the detriment of their owners. Earnings from wooden tea bowls by Lama caste people are very significant to their livelihoods but relatively unrelated to tourism. Several craftsmen have sold to tourists but these sales are insignificant compared to sales in Tibet and Kathmandu. Labour, both skilled and unskilled, is both directly and indirectly related to tourism through development of tourist attractions and infrastructure to support the tourism industry and spending of tourism earnings on construction (as with the Yalbang monastery). Labour opportunities should accompany tourism development, with very positive employment consequences for occupational castes and other landless or very poor people.

**Small enterprise earnings** are very important, especially campsites and teashop 'hotels'. Other than these, few enterprises are possible. In local teashops proprietors must be able to afford the outlay on coke, beer and biscuits if they are to capture sales from tourists themselves. Almost all teashops, however small, can profit from sales of local alcohol, tea, rice meals and noodles to the mule drivers and porters that accompany the trekking teams and the trekking company staff. The earnings from those employed to collect collective taxes on grazing are so far almost insignificant. The Women's Welfare Society NGO shop similarly is so far not really a going concern, though if a proper location could be found, and the products made more appealing, tourists might purchase more there. Such curio shops could be replicated in teashops along the trail, but so far few tourists have really shown interest.

Community benefits as shown in Table 6 are very significant since these are more likely to indirectly reach the poorest of the poor than profits from small enterprises or informal sector sales. However the scope of community enterprise is limited and the equitable distribution and appropriate spending of money raised is likely to become problematic.

The most significant community benefit so far is the tax on grazing, since this is real compensation for a negative impact of tourism reaching the community affected. The DDC tax, if spent properly, also has scope to ameliorate the trail degradation generated by the trains of mules used for tourist groups. Community campsites also have potential though there is a question of who will be prepared to invest time and energy in management of a community-run enterprise. Relative to running a private enterprise, the incentive for trying hard to make the business work is less. This may mean that private campsites out-compete community campsites in the long term.

Table 3 Wage earnings of Humla people working in tourism or tourism related activities

Wage income	Approx. amount per person (range)	Who earns it (type of person)	Wealth category <sup>1</sup>	Wealth rank	How many earn it	(How many might in future?)	Average annual cash income from tourism and other sources	Sustainability index <sup>2</sup>	Comments
Kermi Hot Springs manager / accountant	Rs 2000 (£19.23)/month for 6 months =Rs 12,000 (£115)	Educated / literate person	C or B	8-40	0	1	Rs12,000 -40,000 (£115 -£385 )	2	
Kermi Hot Springs guard / helper	Rs 1000 (£9.62)/month year round = Rs 12,000 (£115)	Poor or very poor person	F to B	1-20	0	1	Rs12,000 -20,000 (£115- 192)	2	
Tumkot Monastery and village tour worker	Rs 1,000 (£9.62)/month for 6 months = Rs 6,000 (£57.69)	Educated / literate better off person	F to B	15-40	0	1	Rs 6,000 -15,000 (£58-£144)	2	
Yari community campsite manager / accountant	Rs 1,500 (£14.42)/month for 6 months = Rs 9,000 (£86.5) /yr	Educated / literate better off person	C or B	15-40	0	1	Rs 9,000 -20,000 (£87 - £192)	2	
Yari community campsite guard / helper	Rs 1000 (£9.62)/month for 6 months = Rs 6,000 (£57.69)/yr	Poor or very poor person	F to B	1-20	0	1	Rs 6,000 -15,000 (£58-£144)	2	
Multiple Use Visitor Centre 'staff'	Rs102,000 (£981)/year for all salaries	Educated / literate better off persons and poor people	C or B & F to D	-	0	? Not specified in plan	-	?	Good idea but many issues against it.
Mule driver for mule owner 1	Rs 1,500 (£14.42)/month + food	Poorest / Landless	F or E	0-1	4	8-15	Rs10,000-15,000 <sup>3</sup> (£96- £144)		
Mule driver for mule owner 2	Rs 2,000 (£19.23)/month + food	Poorest	F or E	0-1.5	4	8-15	Rs12,000-20,000 <sup>3</sup> (£115-£192)		
Mule drivers for other mule owners	Rs 1, 500 (£14.42)/ month + food	Poorest	F or E	0-1	4	8-15	Rs10,000-15,000 <sup>3</sup> (£96- £144)		
SangriLaa private airlines assistant (part time)	Rs 2000? (£19.23) / month for summer only (exact figure not available)	Richest landowner in district. Educated in Kathmandu with many links there.	A	108	1	3-20	Rs200,000 - 250,000 (£1,923 - £2,404)	2	More jobs could come as private airlines increase their services.

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Nepal Trust Health Post worker in Yalbang	Rs 4000 (£38.46) / month year round	Better off persons educated to at least class 9	D to B	20-40	Another 4 for Kermi Health Post	Rs48,000 - 60,000 (£461- £577)
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**Table 4. Self-employed earnings of Humla people working in tourism or tourism-related fields**

Earning from self-employment, informal sector sales, casual labour	Approx. amount per person (range)	Who earns (type of person)	Wealth category <sup>1</sup>	Wealth rank	How many earn it	(How many might in future?)	Average annual cash income from tourism and other sources	Sustainability index <sup>2</sup>	Comments
Management of mules, kerosene and supplies i.e. trekking company assistant	Rs 15,000 (£144) profit / group (* 9 groups = Rs 135,000 or £1,298 / year profit) Rs22,000 or £212 income / group before feeding grain to mules)	Richest landowner in district. Educated in Kathmandu with many links there.	A	108	1 nos. increase	1-5 if tourist	Rs200,000 - 250,000 (£1,923 - £2,403)	3	Most successful in Humla
Porters for trekking	Rs 225 - 250 (£2.16 - 2.40) /day minus Rs 50 (£0.48) commission to trekking co.	Poorest / landless Majority poor	F & E	0-1	10-15	15-25 if tourist numbers increase	Rs10,000-15,000 (£96- £144)	1	Horsemen out compete the porters market
Porter to project staff / consultants	Rs250 (£2.40) / day + food total this year Rs 14,000 (£135)	Majority poor	C	27	1-2	2-5	Rs20,000 - 25,000 (£192 - £240)	1	Horsemen out compete the porters market
Horsemen for trekking & other transportation	Rs 150 (£1.44) day + food for part timers and Rs1500 (£14.42) / month + food for full timers. Or Rs2000 (£19.23) / month - total income Rs10,000-12,000 (£96 - 115) / year	Poorest / landless, Majority poor	F to D	0-1.5	waged	20-30 monthly c. 12 waged & 50-monthly 100 daily waged if tourists	Rs10,000 - 15,000 (£96 - 144)	2	More employment should come as tourists increase

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Mule owners	Rs 400-500 (£3.85 - £4.81) per mule per day minus Rs 50 (£0.48) commission to trekking co.	Majority poor	D to A	108-111	4 main mule owners have monopoly	10-15 if others can join group	Rs100,000 - 500,000 (£962 - £4,810)	3Very good potential for tourism and transport.
Donkey owners	Rs250 (£2.40) / day portorage minus Rs 50 (£0.48) commission to trekking co.	Majority poor	D	10-30	1-2 for portorage	3-4 because donkeys are not preferred	Rs10,000 - 15,000 (£96 - 144)	1Donkeys will become less useful except for raising mules
Horse owners	Rs 350 (£3.37) / day portorage minus Rs 50 (£0.48) commission to trekking co.	Majority poor	D to C	15-40	3-5	5-10 if tourists increase	Rs15,000 - 45,000 (£144 - £433)	1Horses will become less useful except for raising mules
Labourers working on tourism or project related work (unskilled)	Rs 110-120 (£1.06 - £1.15) / day	Poorest / landless, Majority poor	F to C	0-1.5	10-60	20-150 if construction etc increases	Rs10,000-15,000 (£96- £144)	3Labour is always needed
Skilled labourers (carpenters, masons) working on tourism or DPP related work	Rs250 (£2.40) /day	Poorest / landless	F and E	0-10	10-30	30 - 80 if construction work increases	Rs 20,000 - 30,000 (£192 - £288)	3Labour is always needed
Pig farmer	Rs 7,000 -15,000 (£67 - £144) per pig owner from slaughtered	Richest hotel and mule train Mustang	A	111	1	2-3	Rs 500,000 (£4,810)	3Outsider. Very successful entrepreneur
Entrepreneur in veg production selling in Simikot to tourist groups	Rs 29,600 (£285) / year	Farmer from Langdu	D	25-40	1-3	10 - 15	Rs 30,000 - 60,000 (£288 - £577)	3Necessary for treks and possible local markets too
Vegetable sellers in villages along trail	Rs 50-2,000 (£0.48 - £19.23) total sales / year	Majority poor	B	5-40	5-10	50-150	Rs 2,000 - 8,000 (£19 - £77)	Necessary for treks and possible local markets too
Apple seller	Rs 8,000 -9,000 (£77 - £87) / year though NOT many to tourists	Majority poor	D	9	1-3	50-150	Rs 8,000 - 20,000 (£77 - £196)	Tourists don't buy fruit. Scared about hygiene. Local market OK in Tibet

Handicraft sellers (woollen goods)	Rs 30,000 (£288) income / year according to feasibility study	Yari Women	E to B	5-40	0	5-25	Rs25,000 - 30,000 (£240 - £288)	-1	Not much demand
Wooden tea bowl (Phuru) makers	Rs 40,000 (£385) profit from 500 phuru (after transport & living costs outside Humla and bringing clothes etc). Rs 50,000 (£481) profit from sales of 300 phuru calculated for Community Support Fund proposal. However, only Rs 500-600 (£4.81 - £5.77) from occasional sales to tourists by 2-3 people.	Majority poor mostly in Kermi (and also Muchu VDC)	D	13-100	40-50	50-60	Rs 40,000 - 250,000 (£388 - £2,404)	3	Good local markets and also tourism souvenir potential
Women who make necklaces for Women's Welfare Society shop	Rs 7,460 (£72) over 3 years	Women from Simikot VDC	F to C	0-30	5-10	10-30	Rs 3,000 - 6,000 (£29 - £58)	1	Only sustainable if shop succeeds.
Women who print cloth' for Women's Welfare Society shop	Rs 20,000 (£19.23) over 3 years	Women from Thehe VDC (Chettri)	F to C	0-30	4-10	10-15	Rs 1,000 - 5,000 (£9.62 - £48.10)	1	Only sustainable if shop succeeds.
Maila people who weave raw cotton thread for Women's Welfare Society shop	Rs 12,000 (£115) over 3 years	Men and women from Maila VDC in S. Humla	F to C	0-30	4-6	7-15	Rs10,000-15,000 (£96- £144)	1	Only sustainable if shop succeeds.
Men who make wooden handicrafts for Women's Welfare Society shop	Rs 10,730 (£103) over 3 years	Men from Bargaun and Hepka VDCs	C to A	15-100	4-6	7-10	Rs 20,000 - 40,000 (£192 - £388)	1	Only sustainable if shop succeeds.
Craftspeople who make 'Lam' traditional shoes'	Rs 10,000 (£96) over 3 years	Local Lama crafts people	E to A	15-100	1-2	2-3	Rs 2,000 - 15,000 (£19 - £144)	1	Only sustainable if shop succeeds.
Tailors who work for Women's Welfare Society shop	Rs 3,325 (£32) over 3 years	Damai (occupation al castes) in Thehe VDC	F	0-1.5	c.2	10-15	Rs 5,000 - 20,000 (£48 - £196)	1	Only sustainable if shop succeeds.

**Table 5. Small enterprise earnings of Humla people working in tourism or tourism-related fields**

Small enterprise earnings/profits	Approx. amount per person (range)	Who earns it (type of person)	Wealth category <sup>1</sup>	Wealth rank	How many earn it	(How many might in future?)	Average annual cash income from tourism and other sources	Sustainability index <sup>2</sup>	Comments
Simikot teashop 'hotel' / mule train owner / pig farmer	Rs 500,000 (£4,810) per year income before costs	Very rich outsider from Mustang.	A	111	1	2-5	Rs 500,000 (£4,810)	3	Most successful entrepreneur in Simikot. Outsider.*
Best teashop 'hotel' and campsite plus wooden crafts & vegetables	Rs30,000 - 40,000 (£288 - £385) / year	Majority poor in Kermi	D	40	1	5-10	Rs 50,000 (£481 - £1,442)	3	Very successful business
Yari teashop 'hotel' owner from Dandaphaya	Rs25-30,000 (£240 - 288) / year	Majority poor	D	20-40	1	5-10	Rs 25,000 - 50,000 (£240 - £481)	-1	Outsider is running the business. Locals may push him out.
Larger teashop 'hotel' owners	Rs10-20,000 (£96 - £192) / year	Majority poor	C - D	20-40	c.15	20-30	Rs 10,000 - 30,000 (£96 - £240)	2	
Smallest teashop 'Hotel' owners	Rs 6-8,000 (£59- £77) / year	Majority poor	B	15-40	c.5	5-10	Rs 6,000 - 15,000 (£59 - £144)	2	
Teashop 'hotel' with associated campsite	Rs 10,000 -15,000 (£96 - £144) / year	Majority poor	C	17-38	10-15	15-30	Rs 15,000 - 40,000 (£144 - £385)	2	
Tourist standard teashop 'hotel' in Simikot (out competed by camps and Nepal Trust)	Rs1,500 (£14.42) / year!	Majority poor	C	16	1	2-3	Rs 15,000 - 40,000 (£144 - £385)	0	Not sustainable because this enterprise is out competed by campsite with tourist huts Owner is Hindu. Trekking companies and workers are Tibetan speaking.

Campsite owner in Simikot (associated with Sunny Treks)	Rs50 (£0.48) / tent per day about 29 groups came through this year (i.e. around 15,000 or £144 income)	Relatively rich landholder. Relative of trekking agent.	D	17	1	3-5	Rs 30,000 - 100,000 (£288 - £962)	3	
Campsite owner at Dharapuri along trail	Rs50 (£0.48) / tent per day average group size c. 7 about 50 groups stayed last year (i.e. 15-20,000 or £144 - £192 income)	Majority poor	D	26	1	2-3	Rs 120,000 - 250,000 (£1,154 - £2,404)	3	
Rent on campsite land in Simikot	Rs4200 (£40) / month for camp land and 8 rooms for 5-6 months	Majority poor	D	18	1	2-5	Rs 40,000 - 100,000 (£388 - £962)	3	
Campsite in Majgaun	Rs 5,000 (£48.10) / year	Majority poor	D	13	1	2	Rs 120,000 - 250,000 (£1,154 - £2,404)	3	
Other campsites along the trail	Rs 5,000-20,000 (£48 - £192) / year	Majority poor	D	?	10	15-20	Rs 20,000-100,000 (£192-£962)	3	So long as tourists continue to come
Campsite owner	c. Rs10,000 -12,000 (£96 - £115) / year	Majority poor	C	29	1	15-20 if community enterprises don't out compete individuals	Rs 20,000-100,000 (£192-£962)	3	So long as tourists continue to come
Collective grazing charge collector (takes 10% of takings)	Rs 534 (£5.13) over 3 months	Kermi Youth Club member	C to B	35	1	8-10	Rs 20,000 - 80,000 (£192-£769)	-2	
Women's Welfare Society Handicraft Curio Shop	Total profit in 3 years = Rs 52,692 (£506). Annual income = Rs 14,673 (£169) / year	Women's Welfare Society local NGO	-	-	1	2-3	Rs 14,000-18,000 (£135 - £173)	1	

Table 6 Community benefits

Collective income to the community	Approx. amount per person (range)	Who earns it (type of person)	Wealth category <sup>1</sup>	Wealth rank	How many earn it (How many might in future?)	Average annual cash income from tourism and other sources Sustainability index <sup>2</sup>	Comments
Grazing taxes for pack animals	Rs 5 (4.8 pence) per animal per night = approx. Rs 500 or £4.81 for 5 months	Kermi Youth Club	-	-	1 club covering 6-8 communities	Rs 5,000 - 10,000 (£48 - £96)	3 This is setting a precedent for all the communities along the trail.
Salli Khola Community campsite revenue	Approx c. Rs 5,340 or £51.35 from June - Sept. 2000	Kermi Youth Club	-	-	1 club covering 64 HHs	Rs 5,000 - 10,000 (£48 - £96)	2 Progress good so far. Not the best campsite as it is a dark valley.
Community campsite in Yalbang (on school land)	Rs 3,000 or £28.84 flat charge to the woman who collects camp site fees per year (i.e. equivalent to 60 tents for 1 night)	Yalbang school management committee	-	-	1	Rs 3,000 - 5,000 (£29 - £48)	2 Good for school and for single mother, but community may not continue to support this woman as she succeeds.
Other proposed community campsites	Rs 6,000 -15,000 year (£59 - 144)	Yari Crop protection and sanitation groups	-	-	0 yet	4-5 villages potentially Rs 6,000 - 15,000 (£59 - 144)	2 So long as thee can compete with private campsites could benefit communities a lot.
Proposed community hot spring facility	Rs 30,000 or £288/year according to feasibility study	Kermi Youth Club	-	-	0 yet	1 group in Kermi Rs 20,000 - 40,000 (£192 - £385)	2 Needs good management and checking of accounts for profits to go to community
District Development Committee tourist tax for trail maintenance	\$2 (i.e. Rs 146 or £1.40/ tourist) = Rs 87,600 £842 potentially / year if 600 tourists come	Humla DDC	-	-	1	Rs 60,000 - 100,000 (£577 - £962)	3 Easy to collect at airport or Muchu police checkpost
Proposed tourist tax at VDC level	Rs100 or £0.96 per tourist (i.e. potentially Rs60,000 or £577 / year)	Dandaphaya VDC	-	-	0 yet	4 VDCs but only if tourists agree to pay so much Rs 20,000 - 60,000 (£192 - £577)	2 Difficult to implement. Tourists may not want to pay.

For most of the people earning in the categories above (shown in Tables 3-6) the tourism related income is *additional* income on top of subsistence farming livelihoods. In the face of the severe food deficits in Humla this additional income is essential to survival for many families. For the very poorest landless people such as the horsemen, porters, and casual- and skilled- labourers these tourism earnings are their main livelihood, but for many of the hotel and campsite owners the enterprise is a contribution to their household income and pays for food in the deficit months. In most cases the earnings make a significant difference to the welfare of households, enabling them in particular to buy shoes, cloth, ready-made clothes, salt and flour from Tibet and rice from the Nepal Food Corporation in Simikot. Without these earnings, families would be more severely underfed and poorly clothed than they currently are.

**Box 6 Number of people involved in SNV-DPP's sustainable tourism initiatives**

- 40 households in Simikot and 360 from Dandaphaya – Yari along the trail affected by social mobilisation. If each household member involved distributes the benefits to the entire household this amounts to 2,800 people.
- 28-30 'teashop' style hotels
- >20 campsites
- c.50 horsemen
- c.12 porters

An example of the potential of teashop style 'hotels' in benefiting the poor is given in Box 7.

**Box 7 The story of Namda Lama, a single mother who runs a teashop in Yalbang**

The potential for tourism-related business such as small teashop-style 'hotels' to support particularly disadvantaged people can be seen from the story of Namda a woman in her mid-thirties who runs a small 'hotel' in the village of Yalbang adjoining the campsite that is on school land. Namda's own family are from Yalbang and belong to the medium well-off category of very small marginal landholders (according to the ranking of 56 interviewees in this study). Being an entrepreneurial character she travelled to Kathmandu and set up a small teashop there with a friend, with the help of a loan from a fellow villager also staying in Kathmandu. This she ran for 3 years. Here she met and married a Tibetan from Taklakot who wanted to get Nepali citizenship papers through marriage and who promised to help her establish her own home and business in Nepalgunj. He left and returned to Tibet to marry another woman leaving Namda pregnant. Unable to run the hotel with a small baby, especially after her friend also married and left, she returned to her family with her baby daughter. The following winter her sister died and Namda took on her sister's 6 year-old daughter to add to her burden. In Nepali society to return home after marriage brings disgrace upon the family and Namda felt obliged to seek a means of supporting herself and her daughters independently. She went to the biggest Lama (religious leader) in the Monastery above the village and asked for assistance. He lent her Rs 7,000 (£67) and she started her own business. At first she ran a tea stall with no building, but in time she built a small 'hotel' building on school land beside the tourist campsite and now runs a thriving hotel serving local beer and alcohol, Chinese imported alcohol, tea, Nepali food and snacks to local people and beer and coke to tourists. Although she is dependent on loans to start the business each season in April, she makes enough profit (c. Rs 15,000 or £144 per 6-7 months) to repay the loan and support herself and her two daughters through the winter. She is entering into an agreement with the school to run the campsite on their behalf, paying a flat rate of Rs 3,000 (£28.85) per season for the privilege of living and working there. The rest of the profits from the hotel and campsite are hers. So long as the school committee allows her to remain in business on the land and so long as the trail is not diverted due to the motor road, her income is secure.

The secret of Namda's success relative to other women in similar such desperate situations was her own entrepreneurship and initiative and access to credit when she needed it most.

### *3.2.7 Broader contributions to poverty elimination*

Infrastructural improvements to result from DPP programme (listed in Table 7) may at first sight appear unrelated to tourism. However these will impact upon the success of agricultural and hotel businesses related to tourism. Smokeless stoves, drinking water supplies and toilets should improve health and subsistence farmers will be more productive for markets associated with tourism and also in Simikot and Taklakot. Similarly non-formal education programmes will enable women and men to undertake new business enterprises with better understanding. In this sense all aspects of the social mobilisation and community organisation capacity building programme of DPP will contribute to tourism development even if not directly related to increasing services or employment in tourism at this stage.

### *3.2.8 Anticipated impacts*

As stated above, currently there are more anticipated than actual impacts resulting from DPP's sustainable tourism sector programme. Most of the benefits listed in Tables 3 - 6 are a mixture of those anticipated and already evident. The major anticipated impacts are summarised in Table 7 and are based on quantitative data from APPA plans for the villages of Yanger/Yalbang, Muchu, Tumkot and Yari, and from feasibility study calculations.. Other APPA reports from Kermi and plans for Dandaphaya and Simikot VDC were not available at the time of the study. These plans should yield economic benefits, however the figures given by villagers during the APPA exercises seem to very optimistic, and in the opinion of the author are unlikely to be achieved. Although the connection with tourism may appear tenuous, the idea in the villages along the tourist trail is to produce consumer goods such as vegetables, meat, eggs, handicrafts to sell to trekking groups but not exclusively for this market. There is a demand for these items in Simikot and in Taklakot in Tibet, so even if tourist numbers decrease in future there should nevertheless be markets for the increased production.



**Table 7 Anticipated benefits from sustainable tourism development in Humla, 2002**

Village	Group or individual who benefits	Proposed Enterprise	Training planned	Projected success indicator according to APPRECIATIVE PARTICIPATORY PLANNING AND ACTION	Projected benefits from feasibility studies* / DPP or the current study
Yalbang/ Yanger	15 HH	Apple farming	Yes	750 saplings planted	Rs 3,000 (£28.85) to the school/ year
	26 HH	Vegetable cultivation		10 'ropani' planted	
	10 persons	Wine making from wild apricots/peaches		5000 litres wine produced	
	10 HH	Poultry farming		200 chickens	
	1 single mother and school	Campsite on school land			
	All HH	29 toilets in Yalbang and 20 in Yanger		Benefit to health and in attracting tourists	
		Community Forestry User Group in Yanger		Control of logging will help retain tourist attraction value	
Tumkot	16 HH	Potato production	Yes	Rs 36,000 (£346) income in 1 year & 15 'ropani' <sup>1</sup> extra planted	Rs 70,000 (£673) without sales of handicrafts & commodities or Rs 112,000 (£1,077) in the first year**
	8 persons	Hotel/teashop		Rs 80,000 (£769) earned by 8 hotels	
	16 HH	Poultry farming		Rs 50,000 (£481) earned	
	16 HH	Wine making		8,000 bottles produced to earn Rs 32,000 (£308)	
	16 HH	Pea production		30% increase in production Rs 40,000 (£388) extra income	
	16 HH	Handicraft shop		Rs30,000 (£288) earned	
	1 person as manager-accountant	Village and monastery tour			
		Sprinkler irrigation	Crop production increased by 50% (Rs 36,000 or £346 income / yr) and 15 ropani more land used		
		Community Forestry User Group in Tumkot	Control of logging and reforestation will retain tourist attraction value. 100 tree saplings planted by end of 2001		
Muchu	Whole village	Apple farming		480 saplings to produce 300 trees, Rs 600 (£5.77) income pr tree	

	24 HH	Poultry farming		Rs 10,000 (£96) / yr from eggs & meat	
	5 persons	Hotel and tea-shop	Yes 4 pax	Rs 20,000 (£192) profit per hotel	
	Village people	Cultural show		\$100 (£69) income per show (!)	
	Whole village	Wine making from wild apricots/peaches		2500 bottles produced	
	20 people	Resource conservation Education (Non-Formal Education)		Simple business knowledge improved enabling businesses to be successful	
		Community Forestry User Group in Tumkot		Control of logging and reforestation will retain tourist attraction value.	
Yari	15 HH	Vegetable farming	Yes	15 ropani planted and Rs 150,000 (£1,442) earned in 1 yr	
	11 persons	Hotel and campsite business	Yes +	11 hotels established & Rs 10-20,000 (£96-£192) income/ yr each	+ = 4 villagers trained as cook-guide & 10 in hotel management -guide
	38 HH	Livestock and milk production		38 litres milk produced daily and Rs 10,000 (£96) / yr income	
	All HH in ward 9	Goat rearing		90 goats by end 2001 and 170 by end 2002	
	38 HH	Poultry farming		10,000 chickens by 2002	
	10 persons	Handicrafts		360 items produced	
	2 jobs- manager-accountant and helper-guard for 6 months / yr	Community campsite			Rs 110,000 (£1,058) with associated hotel-tea shop or Rs 24,000 (£231) without in the 1st year
		Irrigation canal maintenance		20% increase in crop production, Rs 100,000 (£962) earned from vegetable farming	
		Community Forestry User Group in Tumkot		200 private trees and 2000 saplings planted. Control of logging and reforestation will retain tourist attraction value.	
Muchu VDC		Toilet building		112 toilets	
Kermi	2 jobs- 1 manager for 6 mths & 1 helper-guard for 12 mths	Community hotsprings facility with campsite			Rs 31,000 (£298) without hotel & Rs 62,000 (£596) with an associated hotel in the 1st year. Community funds raised will help school, health post etc.
Khagalgaun VDC (incl. Kermi)		Toilet building & smokeless stoves		98 toilets & 20 smokeless stoves	
Danda-phaya VDC		Irrigation projects, drinking water supplies & trail construction		2 irrigation systems, 2 Drinking Water Supply & 2 trails	

		Toilet building	100 toilets	
Simikot	4 jobs created to run centre	Multiple Use Visitor Centre		Rs 169,160 (£1,627) predicted profit in 1 <sup>st</sup> year of running
		Toilet building	100 toilets	
Simikot & / or Baraunse	Various villagers	Cultural show programme		

\*by Paudyal and Sharma / Paudyal and Manandhar 2000; \*\*But this is only if the community decides to go ahead with it; <sup>1</sup> 20 ropani = 1 hectares (500 sq metres = 1 ropani).



## 4. Review and Lessons

### 4.1 Reflections on DPP sustainable tourism initiative

#### 4.1.1 Main achievements so far

Even before the start of DPP, a major SNV achievement was to open the trail between Simikot and Hilsa for use by yaks and mules. Without this, trekking tourism could not have developed. Under DPP supplementary infrastructure developments continue to be made such as drinking water supplies, trail improvements, irrigation, electrification and so on. Now local government and their contractors (with DPP funding and technical support) implement infrastructural improvements themselves. This means that local capacities are being built to generate and maintain the necessary infrastructure for tourism.

One main achievement of DPP's sustainable tourism programmes to date (since October 1999) has been improved sanitation due to 410 toilets built between Simikot and Yari. This will improve the health of Humla people but will also make a better impression on tourists so that they want to come back or tell their friends about the area. Another is social mobilisation through the formation of some active and forward-looking CBOs along the Simikot- Hilsa trail. These CBO members have the potential to gain from tourism through small business. Already improved capacity to analyse their situation, prepare business plans and make funding proposals is being achieved by the most active CBO members. If social mobilisation can be developed further, changes in gender norms and constraints and in caste discrimination might be possible, though they are far from being achieved at this stage. On the policy level DPP has managed to generate some rapport with local government officials and strengthen their capacity to support CBOs. Other achievements include generating income from tourism within Humla through tourist group taxes for trail maintenance and exploitation of community resources. With time, Humla people will gain the skills to enable them to participate in tourism (guiding, cooking) or in providing tourism-related commodities (vegetable, poultry, apple, honey and beeswax production, handicrafts). Similarly they will acquire a better understanding of tourist requirements. Lastly a significant achievement has been bringing hope to a very poor and under-developed remote area.

#### 4.1.2 The main strengths and weaknesses of this initiative

Strengths	Weaknesses
Strong emphasis on capacity building of local institutions. This strategy should lead to sustainable changes in the long term.	Time spent on research into feasibility of tourism product development but some feasibility studies are not of high quality.
Long history of working in the Karnali Zone showing commitment to development of the area and experience in dealing with area-specific problems.	Lengthy and complicated processes for communities to access funding support or loans. This is a disincentive for the illiterate poorest to get involved. However it is difficult to find an alternative process unless SNV / DPP implements programmes themselves, which would be against the capacity building philosophy of the project.
SNV has formulated a strong strategy and clear step-wise process to be followed.	Hierarchical relations, which are dominant in south Asia, tend not to engender feelings of partnership. SNV and DPP face hierarchy issues within their own programmes.
DPP staff are well educated, committed and experienced development workers.	No concessions for poorest of the poor to receive assistance in meeting the 10% matching contribution for funds.
SNV has high quality professional staff to	Because of the close associations with local government and

advise and coordinate the programme in Kathmandu.	allowing local government decision-making power throughout, political forces play a major role in the programme.
Participatory methods for situational analysis and planning are being used which are empowering for Humla people.	So far training in sustainable tourism and awareness generation on who tourists are and what interests them has been insufficient, especially at the community level. An awareness module has been formulated already by SNV, but has not been used to its full potential yet.
Local NGOs employ local motivators to catalyse change at the community level.	

#### 4.1.3 Extent to which barriers have been overcome

Since the programme has only had one working season at the community level so far, many barriers identified in Table 2 remain. However, a start has been made in addressing various barriers and the progress to date is summarised for each in Box 8.

#### **Box 8 Progress so far in overcoming barriers to pro-poor tourism in Humla**

- **Lack of government support:** SNV's participation in the Sustainable Tourism Network and Tourism for Rural Poverty Alleviation steering committee and through their role in supporting the development of the National Tourism Board (placing 2 expatriate staff there);
- **Lack of human capital:** awareness raising, skill development and training.
- **Lack of Financial Capital:** provision of various funds such as Community Support Fund and Infrastructure Development Fund and through a social collateral loan scheme called Venture Capital Fund. Sustainability issues are also being addressed by the rule that a matching contribution of 25% must be paid by the local stakeholders (DDC, VDC and communities separately or in combination). This does not solve problem of the lack of capital amongst the 'poorest of the poor' but is helping to mobilise those in the 'poor majority' of Humla and local government to spend their meagre resources more wisely.
- **Lack of social capital:** social mobilisation and capacity building.
- **Gender norms and discrimination against women:** addressed though not yet overcome at all. Women's groups have been formed and are beginning to become active in trying to control alcoholism and gambling but are far from being considered equal partners with the male dominated organisations. Gender mainstreaming within SNV and disaggregated monitoring and evaluation systems are helping to address issues, but to develop means of overcoming the inequalities will take a long time.
- **Incompatibility with existing livelihood strategies:** not a major barrier and has not been overcome.
- **Lack of land tenure:** development of community enterprises that benefit everyone including the landless. However this programme cannot overcome the problem of landlessness for occupational castes and other poorest stakeholders.
- **Planning process favouring others:** capacity building of DDC and provision of planning advice, which helps to make the district planning process more responsive to the demands of communities. APPA process, together with social mobilisation, also enables communities to communicate their own aspirations and plans to VDC and district level planning bodies.

#### 4.1.4 Main factors that constrain progress in pro-poor tourism in Humla

##### **South Asia specific factors**

- Market forces allow monopolies to be held by the richest (who are also often the most reliable service providers), thereby excluding the poorest.
- Political forces allow those with power to decide whether to support individuals or organisations on the basis of their political allegiances. This may often mean the poor are ignored because they lack connections with the politically powerful.
- Security issues (Maoist insurgency) disrupt development programmes and deter tourists from visiting.
- Bureaucracy makes for slow progress.
- Hierarchical relationships, which permeate all levels of society and thereby all development programmes in Nepal, are constraining to social mobilisation and involvement of the poorest in CBOs and their activities.
- Nepotism within trekking agencies and local government mean that those with relationships with trekking agents or officials can access work opportunities, funding support, etc at the exclusion of others.

### **Remote Nepal (Humla)- specific factors**

- Staff turnover in remote areas is very high because they are notoriously difficult to live and work in. This means that programme continuity is disrupted and personnel trained specifically for the programme are lost, which is a waste of the investment.
- Logistical problems associated with remoteness (poor airline services, poor communications, etc.) make it extremely difficult to run programme activities to plan. Often trainers booked to give training or workshops are stuck in Nepalgunj. Usually staff arrive in Humla later than planned due to difficulty getting air seats to Humla. Materials are also late to arrive.
- Communication gaps (the single phone line is frequently broken) make it difficult to run the project smoothly.
- High costs of imports and local commodities/labour because of excessive air transport costs.
- Illiteracy and lack of skills amongst the poor, especially the poorest, means that it is hard for them to participate in proposal preparation with CBOs.
- Low capacity of community members to participate in tourism development due to lack of linkages, capital and entrepreneurship, especially amongst the Hindu caste people.
- Caste divisions and inequity, especially in the Hindu villages make it extremely difficult to reach the poorest of the poor.
- Very strong traditions of gender inequity make changes in gender relations and involvement of women in enterprises difficult to bring about.
- Language and cultural barriers between Hindu Nepali speakers and Buddhist Lama Tibetan speakers prevent poor Hindus from being able to get work in tourism (especially since the tourism trade in Humla is dominated by Lama people).

### **DPP-specific factors**

- With the current 3 year funding commitment of DPP, enterprises will have only just begun to get established when the project ends. However the tourism adviser of SNV assured the researchers that the Asian Development Bank would also provide funding for tourism development in Humla after the end of the programme.

- The emphasis on funding applications in writing from CBOs via the VDC and District Coordination Committee excludes illiterate people from starting enterprises on their own. They need to be fully supported by literate CBO and NGO representatives, which is difficult in the light of old caste relations etc.
- Decision makers, managers and advisers located in Nepalgunj and Kathmandu (i.e. far away from the programme area) may slow down processes more than desired, in light of the logistical and communication problems in Humla.
- Focus on capacity building of local institutions instead of implementation results in slower progress and sometimes lower quality outputs than when SNV implemented programmes themselves.

#### *4.1.5 Main factors that facilitate progress in pro-poor tourism in Humla*

- Humla is a scenically beautiful and culturally fascinating destination which means that tourism should continue to grow.
- Trekking trails have already been improved by SNV and are suitable for trekking tourism using mules or other animal porters
- Strong research basis by SNV for starting initiatives in sustainable tourism in Humla.
- Local NGOs usually employ Humla local staff, especially at the field motivator level which helps to build rapport with the community and will be more likely to ensure sustainability of outputs when DPP withdraws from Humla.
- Strong social mobilisation component is preparing communities to undertake new enterprises and is empowering some of the disadvantaged to take part.
- Participatory planning processes enable poor people to be part of tourism development in the district and encourage community members to take action.
- Funds are available for enterprise and infrastructural development (Community Support Fund and Infrastructure Development Fund grants and Venture Capital Fund social collateral loan scheme).
- SNV has many years of experience in development of the region (Karnali Zone) so sustainable tourism activities can build on these.
- Links with and strengthened capacities of local government should allow shifts in development practice to reach every level, affecting systems that will remain after SNV withdraws from the district.
- Focus on capacity building instead of implementation should create more sustainable processes for local development in tourism.

#### *4.1.6 The main lessons learnt*

- In remote areas with tourism potential a target group approach can be effective in involving the poor in development of tourism.
- Social mobilisation with communities through CBOs is an excellent (perhaps essential) entry point to prepare community level stakeholders for development of tourism, but CBO membership may not include the poorest.



- Appreciative Participatory Planning and Action (APPA) methods are effective for assisting the poor to plan how to participate in tourism, though profit predictions tend to be over-optimistic. .
- Communities will respond to opportunities to develop tourism initiatives given the chance.
- Tourists are concerned about benefiting local poor people, however they are often not aware of what is appropriate for poor people to undertake and what they can do to help.
- Tourist businesses (tour companies, trekking agencies, etc) are only likely to become concerned about their impacts on local poor people if their profits are not harmed by pro-poor tourism and if tourists demand pro-poor tourism practices.
- The ‘poor’ lack understanding of tourists and their interests. Pro-poor tourism needs to focus on appropriate training to increase awareness and understanding of who tourists are and what products they want.

## 4.2 Reflections on the pro-poor tourism research

### 4.2.1 *Is it possible to make tourism pro-poor?*

Progress so far in DPP’s sustainable tourism programme in Humla suggests it is possible to adapt tourism to make it more pro-poor in Humla, but so far there are few examples to demonstrate this. Certainly it is possible to include poor stakeholders in enterprises related to provision of tourism commodities such as vegetables, meat, eggs, fruit, honey, handicrafts and so on. It is also possible to involve them in community enterprises such as campsites, cultural shows, village tours and in unskilled casual labour, as porters and horsemen. Whether trekking agencies will be prepared to employ more local poor people in preference to their own experienced guides (sherpas), cooks and trek leaders (sirdars) is unclear; currently people in Humla lack the appropriate skills. If there are sound financial reasons for employing local staff (i.e. reduced travel costs) then local cooks and sherpas will get employment. Indeed a small number of local kitchen ‘boys’ and sherpas already do get work on occasions. However, if trekking company employees work out cheaper because of being paid monthly salaries instead of daily rates, locals will not be able to compete.

### 4.2.2 *Importance of focusing on pro-poor approaches and on ‘the poor’*

It is definitely worth the effort of focusing on pro-poor tourism in preference to overall tourism since ‘trickle down’ from existing tour companies and their activities is almost negligible in areas as remote as Humla. If more benefits from tourism could be captured in Humla some trickle down will occur. Those who make good profits will buy land in the Simikot area and occupational castes will gain employment in construction work. Profits from small enterprises may be spent on rice and other commodities in Simikot and in Taklakot. The latter market is outside the country in Tibet and sells exclusively Chinese goods, so there are fewer benefits to Nepali nationals through money spent there. Similarly the money spent on Nepal Food Corporation rice will not circulate in the local economy. Despite these ‘leakages’ some of the cash earned will inevitably be spent within Humla district on goods or services so that a small but important multiplier effect is realised.

### 4.2.3 *Challenge of making pro-poor tourism commercially feasible*

The question of how pro-poor tourism strategies can be commercially feasible and include the private sector is the most challenging. Since tourism is a commercial industry it is subject to market forces; hence the private sector will be very reluctant to change its behaviour if it affects profits. In

the case of Humla, which has major logistical problems, the secret of pro-poor tourism is to develop local quality products and provide local labour, and more cheaply, that will save trekking companies money and hassle.

For pro-poor tourism to be commercially feasible, there also needs to be a strong demand from tourists themselves. If tour operators were to adopt pro-poor tourism codes of practice and explain to tourists how they function to benefit the poor, tourists will demand them. However, while legislation to protect workers in the tourism industry from exploitation is lacking, mainstream operators will continue to undercut pro-poor tourism operators. Since the price of a holiday is often the most important determining factor for the majority of tourists, this may prevent pro-poor tourism from becoming widespread. A combination of different activities at different levels is required. This includes intervention at the policy level to influence legislation, organisation of tourism workers into associations to protect their rights, raising awareness amongst tour operators and tourists, and community level initiatives working directly with the poor. .

A major issue not yet addressed by DPP is how to raise awareness about pro-poor tourism amongst tourists and how to promote it. Information on how tourism can bypass the poor and how to increase benefits to them needs to be communicated to tourists and international tour operators. Pro-poor tourism practitioners who can guarantee non-exploitative conditions for poor workers and who always use local goods and employees whenever possible, can sell their tours on this basis. Rather than making a real contribution, tourists solve their consciences by donating sweets, pens, money or clothes to the children, thereby turning them into beggars.

#### *4.2.4 Need for coordinated efforts with communities and at policy level*

As mentioned above, without policy level changes, practical pro-poor tourism action in the destination will have limited impact. Similarly changes in policy alone are likely to be ineffective without practical action on the ground. To start with, in an area as under-developed as Humla, efforts need to be focused on 'the poor' at the destination, in order to raise their capacity to provide the services and products required by the tourism industry. However, in the longer-term, tourism related workers need support from policy, particularly to avoid exploitation.

#### *4.2.5 Financial sustainability*

The Nepali government has committed Rs 500,000 (£4,810) per VDC per year, and has allotted a certain amount to DDC for district level intervention. Apart from this, financial support for these activities at the end of the 3-year DPP programme has not been confirmed, although the Asian Development Bank is very likely to continue funding. The SNV adviser to tourism believes that funds should be available after the end of the project (September 2002); if it is not forthcoming few of the outputs are likely to be sustainable either institutionally or financially. It will take at least until the end of 2001 before employment and other benefits will be realised on a significant scale. If funding continues beyond 3 years, businesses will have time to consolidate, and NGO and CBO capacity will strengthen sufficiently for them to seek funding from other sources. However if support ends the entire programme of *sustainable* economic and institutional development for Humla will be difficult to attain.

The lack of a long-term commitment from the outset to the DPP programme has been a major shortcoming of SNV. The lack of security disrupts progress. A minimum of 5 years for the first phase of DPP would have been desirable, with a plan to provide a further 5 years' support to consolidate the changes after progress had been demonstrated. SNV has taken admirable steps to

generate sustainable change in remote parts of Nepal by working through local government, but it is important to recognise that projects in remote areas working with the very poor are likely to require significant support over a prolonged period. In this case the project has been successful enough to secure further funding, but many agencies are reluctant to make long-term commitments.

#### *4.2.6 Creating a local pro-poor tourism platform - Humla Multiple Use Visitor Centre*

The responses of tour operators to DPP and its sustainable tourism strategy have been researched in two studies<sup>15</sup>. One the whole (73%) trekking companies are prepared to support local entrepreneurs and CBOs to establish a multiple use visitor centre. Support for this would be mainly through purchase of local products (such as vegetables, poultry products, meat, dairy products, cereal, handicrafts, honey, beverages, jam, etc) and services (such as portering, animal portering, guiding, monastery tours, cultural programmes, etc). Despite this stated willingness to work with the local poor, trekking agents were concerned about quality assurance of products and services, as well as regulated prices, guaranteed availability, continuity of supply and relationships of trust. In principle representatives of trekking agencies are willing to cooperate to increase benefits to the poor. However there may be less willingness among individual trek leaders to deal more closely with local people, especially if the Multiple Use Visitor Centre prevents them from taking commission or from employing their own friends. Because of the remoteness of Humla, its poverty and the 'old fashioned' ways, most Nepalis from outside the district are prejudiced against local people. In Kathmandu and the plains the terms Humli and Jumli (for people of the Karnali Zone) are used as forms of abuse! In this context it is very difficult to influence modern trekking company workers to become more positive towards local people.

Since the programme is new and outputs have not yet been monitored or evaluated, there does not appear to be any written critiques. However, the leader of Nepal Trust was critical of the slowness of DPP to act and of the heavy administration involved. Some local NGO staff and CBO members also expressed some frustration with the new procedures, but other than this nobody was prepared to criticise the programme.

#### *4.2.7 Conclusions*

SNV has assumed a great challenge in its sustainable tourism programme in Humla. It is working in just about the remotest and one of the poorest areas of Nepal, in one of the poorest countries, and has been for more than 15 years.. This in itself is an achievement, which no other development organisation in Nepal can claim.

Thanks to SNV's infrastructure development prior to DPP the tourist trails have become safe enough for adventure trekkers and tourist numbers have increased. SNV recognises the potential for tourism, despite the small numbers, because of the dearth of livelihood alternatives in such remote areas. By working through local government and local NGOs and focusing upon capacity building, SNV is facing the challenge of developing remote areas of Nepal in the context of the new policies of decentralisation of government. Despite many issues concerned with controlling corruption and breaking down monopolies' control of labour markets, social mobilisation with communities and training in participatory planning at district and VDC levels is making a good attempt to bring about social change to enable tourism to become more pro-poor.

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<sup>15</sup> Manandhar 1988 and Tuladhar 2000

Weak points in the programme include inability to reach the poorest of the poor, disadvantaged groups (occupational castes) and women to the extent necessary. This is not unique to SNV however, being a common malaise of most development programmes in South Asia. The programme, being based around capacity building, creates a heavy bureaucratic system for village people to negotiate to access funding and support. Whilst this excludes illiterate and the poorest who have no literate or powerful actors to help them, it reinforces the harsh reality of how funding systems work when controlled by local government. In this sense, despite the poorest being sidelined the programme is preparing communities to cope after the end of the programme.

The extent to which tourism can be made pro-poor in Humla cannot be ascertained yet since only 1 year of the programme had been completed. However there are positive indications that new enterprises in vegetable, poultry, honey, handicrafts and livestock production as well as campsites and teashops will be established and generate profit for at least some of the stakeholders involved. Similarly skills will be developed amongst stakeholders to allow them to work more actively in tourism. On the whole the contribution of DPP has been positive and it seems likely that there will be a reasonable return on SNV's investment by the end of the programme in September 2002.

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