



# BUILDING NEPAL'S PRIVATE SECTOR CAPACITY FOR SUSTAINABLE TOURISM OPERATIONS

***A Collection of Best Practices and  
Resulting Business Benefits***



Netherlands  
Development  
Organisation

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This publication provides case studies from the MAST-Nepal project to demonstrate good practice in action, however, it is important to note that while the project companies have shown an improvement in the sustainability of their operations; neither UNEP nor any of the other project partners have developed a methodological approach to verify the implementation of company action plans or qualify the self assessments provided by the companies. Furthermore, while this document lists the names of the project companies, neither UNEP nor any other project partner specifically endorses these companies.

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# Building Nepal's private sector capacity for sustainable tourism operations

A collection of best practices and resulting business benefits



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# Introduction to this publication

Tourism is widely recognized as one of the largest and rapidly expanding industry sectors in the world. In 2004, over 764 million international tourists generate more than 509 billion Euros in annual receipts. Hence, it is no surprise that over the last 20 years the role of tourism has been increasingly recognized as an important development strategy. If managed properly tourism can have a variety of positive environmental, economic, and social impacts.

The Marketing Assistance to Nepal for Sustainable Tourism Products (MAST-Nepal) project has built capacity within the Nepal tourism industry on the concepts of sustainable tourism, assisted project companies in developing action plans to increase product sustainability, and created an economic incentive for project participation by linking the companies demonstrating increased sustainability to the European sustainable tourism market. By strengthening sustainable tourism in Nepal, the project has increased economic benefits to the poor and minimized the environmental and socio-cultural damages related to tourism activities.

This project was funded by the Asia-Invest Programme, a European Union (EU) initiative that aims to promote and support business cooperation between the EU and Asia, for increased trade and investment flows between the two regions. The MAST-Nepal project has been implemented by three partners: the United Nations Environment Programme (UNEP), SNV Nepal (Netherlands Development Organization) and the Nepal Tourism Board (NTB).

This publication introduces the MAST-Nepal project and provides case studies outlining the actions of project companies to integrate sustainable tourism principles. The case studies highlight best practices and the resulting business, environmental, economic, and socio-economic benefits of sustainable initiatives among private sector tourism companies.

This publication is designed to raise awareness on the importance of sustainable tourism and the business potential involved in adopting responsible practices. The document is particularly relevant to small and medium sized enterprises in the tourism industry where there is often the misconception that their operations are too small to have significant positive or negative environmental, economic, or socio-cultural impacts. In reality, small and medium sized tourism enterprises comprise approximately 80 percent of the global tourism industry and collectively their business operations have an immense potential to affect the locations in which they operate.

This document complements a wide range of available information. It does not delve into the technical dimensions of sustainability, but rather leads readers through the current environmental, economic, and socio-economic realities of Nepal as a developing nation and the experiences of the project companies to reduce their negative environmental and socio-cultural impacts and increase economic benefits to the local communities in which they operate. It is hoped that the successful implementation of the MAST-Nepal project will serve as a model not only to other tourism companies in Nepal but to the global tourism industry as well.





1

Introduction to  
MAST-Nepal



## Introduction to MAST-Nepal

The Marketing Assistance to Nepal for Sustainable Tourism Products (MAST-Nepal) is funded by the European Commission Asia Invest and implemented by the United Nations Environment Programme (UNEP), SNV Nepal (Netherlands Development Organization) and the Nepal Tourism Board (NTB). The project was developed to expand business opportunities for tourism entrepreneurs in Nepal by linking them to the European sustainable tourism market and in doing so, increase benefits to the poor and minimize environmental and socio-cultural damage related to tourism activities.

MAST-Nepal is the first project in Nepal to use market mechanisms to promote, motivate, and reward sustainable operations among private sector tourism companies. The project was designed to build capacity within the Nepal tourism industry on the concepts of sustainable tourism, assist project companies in developing action plans to increase product sustainability, and link these products to the European sustainable tourism market. In its approach, the project sought to both reward responsible tourism businesses and provide an incentive for other tourism companies in the industry to integrate the principles of sustainable tourism into their business and product development practices.

In selecting the MAST-Nepal project companies, the project partners intentionally chose a wide range of tourism companies with varying degrees of existing sustainable business capacity. Company products range from trekking to rafting, bird watching tours to biking

expeditions, cultural heritage excursions to jungle safaris, and luxury hotel accommodations to village home stays. Similarly the pre-project sustainable business capacity of these companies ranged from nonexistent to highly developed (written sustainable business policies, solar hot water heaters, rainwater harvesting methods, etc.). The overarching goal in the selection approach was to have a diverse spectrum of products and sustainable capacities among project companies to better facilitate company-to-company information exchange from the more sustainable business operations to their less sustainable counterparts.

The MAST-Nepal project partners hosted four training events designed to provide capacity building support to project companies in developing and marketing sustainable tourism products. The first training event focused in building a strong understanding of the principles of sustainability and guiding participants in developing initial action plans to introduce sustainable practices into their company products/business operations. It should be noted that in assisting companies in developing these action plans, the project partners were aware of each of the company's existing capacity for sustainable business initiatives and encouraged companies to adopt actions that were challenging yet realistic and achievable within the project timeframe. The second training event further reinforced the principles behind sustainable business operations and assisted companies in finalizing their action plans.

Companies demonstrating commitment to their action plans and providing physical documentation or proof of action implementation were invited to participate in the third and fourth training events. These training events focused on building capacity within project companies to market their sustainable tourism products and enable them to connect with the global sustainable tourism market following MAST-Nepal project completion. In the fourth training event, the MAST-Nepal project partners subcontracted tourism industry professionals to provide practical marketing training, insight into the sustainable tourism market, and best practices in marketing to accelerate business results.

The Nepalese tourism businesses participating in the MAST-Nepal project have received extensive training in sustainable tourism practices and are working hard to integrate what they have learned into their day-to-day operations. The Appendix A of this report lists the project companies participating in the MAST-Nepal project.



2

Sustainable  
Tourism



## Sustainable Tourism

This chapter examines the following fundamental questions:

- Why should a company strive to be sustainable?
- What does it mean to be a sustainable tourism company?
- How can a company become more sustainable?

### Why should a company strive to be sustainable?

International tourist arrivals have almost quadrupled over the past 30 years making tourism one of the largest and fastest growing global industries. While increased tourism can offer many benefits to regions, if it is not managed properly the industry can have negative environmental and social impacts. Over time, these negative impacts can eventually destroy the attractiveness of destinations and the tourism industry at that location.

When tourism is managed properly, on the other hand, it can serve as a means to increase income earnings among the poor, provide additional funds to national parks for conservation efforts, and minimize the negative footprint of tourism operations. The positive attributes of properly managed or sustainable tourism help to maintain the attractiveness of tourism destinations as well as the tourism industry in that location. Therefore, it is in every tourism company's best interest to switch to more sustainable practices.

Companies that are developing and promoting sustainable tourism products and services are also beginning to have a marketing advantage in the industry. In recent years, increased publicity on the environmental and social impacts of purchases has heightened consumer awareness to the role they play in the wellbeing of the planet and its inhabitants. Today's consumers have a greater understanding of the negative impact of non-responsible purchases and they are responding by demanding more sustainable tourism products. More and more surveys are showing that customers respond positively to actions taken by companies to enhance the sustainability of their business.

To further highlight the business advantages of sustainable tourism operations, market research conducted in the United States on 2005 spending receipts identified that consumers spent approximately 24 billion dollars on ecological travel/adventures and new age/spiritual travel. The research also estimated that these types of trips are expected to grow as much as 34 percent per year which offers tourism companies significant opportunities to capitalize on the new market trends. It should be noted that many consumers are beginning to seek a sense of meaning from their purchases, and sustainable tourism products deliver this benefit in multiple dimensions.

Therefore in striving to become sustainable, a company is not only minimizing the negative environmental and social impacts of its activities but also gaining a competitive advantage over the market which serves to improve its economic performance. In reality, by choosing to become more sustainable a company can:

- Decrease the cost of handling negative impacts and thus increase its profits;
- Conserve the environmental and social assets of tourism development and thus assure its future profits; and
- Diversify its tourism product to increase new markets and thus generate additional profits.

To put it simply, being sustainable is not just ethical, it is profitable!

## What does it mean to be a sustainable tourism company?

A sustainable tourism company conducts its business in accordance with the fundamental concepts of sustainable development. This means that the company has evaluated both the positive and negative environmental, economic, and socio-cultural impacts of its business operations and changed the way it conducts business to optimize the experience of clients and at the same time the wellbeing of the environment and host communities.

There are three components to sustainable tourism: environmental, economic, and socio-cultural. These are often referred to as the three pillars of sustainability and are defined below:

**Environmental sustainability** - conserving and managing resources, especially those that are not renewable or are precious in terms of life support. This pillar requires action to minimize pollution of air, land, and water, and to conserve biological diversity and natural heritage.

**Economic sustainability** - generating prosperity at different levels of society and addressing the cost effectiveness of all economic activity. Crucially, this pillar is about the viability of enterprises and activities and their ability to be maintained in the long-term.

**Socio-cultural sustainability** - supporting social progress, respecting human rights and equal opportunities for all in society. This pillar requires an equitable distribution of benefits, with a focus on alleviating poverty. There is an emphasis on local communities, maintaining and strengthening their life support systems, recognizing and respecting different cultures and avoiding any form of exploitation.

It is important to appreciate that these three pillars are in many ways interdependent and can be mutually reinforcing or in competition with one another. Sustainable tourism means companies have struck a suitable balance between all three pillars to help ensure the long-term vitality of the tourism industry. It is important to note that sustainable tourism

is a continuous process and it requires constant monitoring of impacts and introducing the necessary preventive and/or corrective measures whenever necessary.

## How can a company become more sustainable?

A company becomes more sustainable by evaluating the positive and negative environmental, economic, and socio-cultural impacts of its tourism operations and changes operations to promote the benefits and minimize the harmful aspects. Addressing the main challenge of integrating sustainability in tourism development, a set of recommendations has been developed by UNEP in partnership with the United Nations World Tourism Organization. The recommendations are based on a list of 12 principles for sustainable tourism development which are summarized below.

**Economic Viability** - To ensure the viability and competitiveness of tourism destinations and enterprises, so that they are able to continue to prosper and deliver benefits in the long-term.

**Local Prosperity** - To maximize the contribution of tourism to the economic prosperity of the host destination, including the proportion of visitor spending that is retained locally.

**Employment Quality** - To strengthen the number and quality of local jobs created and supported by tourism, including the level of pay, conditions of service and availability to all without discrimination by gender, race, disability or in other ways.

**Social Equity** - To seek a widespread and fair distribution of economic and social benefits from tourism throughout the recipient community, including improving opportunities, income and services available to the poor.

**Visitor Fulfillment** - To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, disability or in other ways.

**Local Control** - To engage and empower local communities in planning and decision making about the management and future development of tourism in their area, in consultation with other stakeholders.

**Community Wellbeing** - To maintain and strengthen the quality of life in local communities, including social structures and access to resources, amenities and life support systems, avoiding any form of social degradation or exploitation.

**Cultural Richness** - To respect and enhance the historic heritage, authentic culture, traditions and distinctiveness of host communities.

**Physical Integrity** - To maintain and enhance the quality of landscapes, both urban and rural, and avoid the physical and visual degradation of the environment.

**Biological Diversity** - To support the conservation of natural areas, habitats and wildlife, and minimize damage to them.

**Resource Efficiency** - To minimize the use of scarce and non-renewable resources in the development and operation of tourism facilities and services.

**Environmental Purity** - To minimize the pollution of air, water and land and the generation of waste by tourism enterprises and visitors.

Besides these, a systematic process is needed for every company that wants to develop and promote sustainable tourism products and services. The boxed text provides an informal but practical step-by-step process on how a company can improve its sustainability.



## 10 Steps to Develop a Competitive Advantage through Sustainable Tourism

1. **Understand the concept.** What is sustainability about? How can I make my operations more sustainable?
2. **Self-assessment.** Identify the non-sustainable aspects of your business or new aspects that you would like to introduce. Assess the impacts of tourism operations looking at every component of the supply chain and evaluate the impacts to the three pillars.
3. **Think about it and your business.** Write down a list of ideas that you believe can make your product and/or operations more sustainable.
4. **Evaluate** each idea in terms of: resource requirements and cost efficiency, positive impacts for the environment and the society, ability of your business to implement it, possible external help needed.
5. **Decide** which idea you will implement. There should be a balance between what is feasible and what is desired.
6. **Design** an implementation plan. The plan should have clear tasks with clear impact indicators/measurable outcomes, be achievable and realistic, designate specific responsibilities to key personnel (i.e. person who will manage implementation), and have an established timeline.
7. **Implement** the plan. Personnel should meet on a regular basis to brief one another on progress and ensure tasks are being met on time.
8. **Evaluate** results. Data collected prior to and throughout the action implementation should be evaluated at the end of the project. Generally speaking, the difference between baseline data and the end of project data yield total impact.
9. **Make** final adjustments. After evaluating the results look for ways to maximize positive impacts and decrease the negative impacts of your action(s) and make adjustments.
10. **Market** your new product. Consumer demands are switching to more sustainable products, show off your efforts!



3

Environmental  
Sustainability



## Environmental Sustainability

The appeal of many tourist destinations relies heavily on the areas' natural environment. Wildlife safaris, bird watching, alpine trekking, and whitewater rafting, for example, all rely on a mixture of natural beauty, good weather, and a clean and pristine environment to attract holiday-makers. Unfortunately, tourism itself can have wide-ranging and sometimes irreversible negative impacts on the environment. In extreme cases, long-term environmental degradation has destroyed the very features that once attracted tourists to destinations. It is therefore important for tourism companies to adopt practices that serve to protect the environmental assets upon which their business largely relies.

Environmental impacts caused directly by tourists can include soil erosion and compaction, decreased vegetation (by trampling or through the collection of plants/firewood), wildlife disturbances, accidental introduction of exotic species, increased incidence of unnatural wildfires, and litter/vandalism. Tourism can also indirectly impact host locations through reclamation of land for infrastructure (clearing native vegetation for roads/tourism complexes), generation of solid waste (trash/rubbish), water and air pollution (wastewater effluent, transportation emissions), and global warming (transportation emissions and large energy consuming complexes).

Tourism can certainly lead to environmental costs but if managed properly these costs can be mitigated or at least offset by the positive benefits of tourism. For example, revenues from tourism may contribute to the funding of protected natural areas and increase their economic importance in a country or region. Tourism can support the preservation of forests by justifying their use for recreation instead of more resource-consuming activities like logging. Increased tourist interest in an area can also benefit the environment by raising the awareness of local people about environmental issues and helping them understand the economic value of conserving natural resources.

Nepal's natural environment is central to the country's tourism industry. For over a century mountaineers have traveled from around the globe to climb the Himalayan peaks and to this day the country remains a Mecca for adventure enthusiasts. Unfortunately, rapid urbanization and to a certain degree, unsustainable tourism has taken a toll on the country's environmental conditions. Air and water pollution, along with litter, have become an increasing problem in Nepal, especially in the Kathmandu Valley.

The following chapter contains an introduction to the negative environmental impacts of tourism industry and each of which is followed by case studies of real actions taken by the MAST-Nepal companies to improve environmental sustainability in the Nepal tourism industry. There is a portfolio section on climate change with the case studies highlighting efforts to reduce greenhouse gas emissions, case studies on water management, waste management, and environmental awareness training. Virtually every company in the MAST-Nepal project undertook actions to increase the environmental sustainability of their company. This chapter highlights actions taken by the MAST-Nepal companies with a selection of representative case studies from the project.



The tourism industry is closely linked to climate change as it involves the movement of people from their homes to other destinations and the accommodation and servicing of these people in host locations prior to their returning home. Many aspects of this business cycle are accompanied with a heavy carbon footprint and as more time and money is being dedicated to leisure, the tourism industry is playing a larger role in global greenhouse gas emissions.

Not only does tourism contribute to climate change, it is affected by it as well. The effects of climate change include rising temperatures, regional changes in wind patterns, increased precipitation, glacial melting, and some aspects of extreme weather conditions, all of which will have a devastating impact on tourism in affected regions. It is important that the various facets of the tourism industry join together to confront global warming with a network of green action. This will serve to protect destinations and sustain the vitality of the tourism industry.

There are a number of practical, technology-oriented actions the tourism industry can undertake to reduce its greenhouse gas emissions. These actions include, but are not limited to, investments in energy efficiency, diversifying energy portfolio with renewable sources, environmentally sound transportation management, promoting biodiversity through tree planting efforts (carbon sinks), and reduced use of natural resources.

The following collection of case studies profiles actions taken by companies in the MAST-Nepal project to mitigate the impacts of climate change and reduce their carbon footprint.

# Case Study

## Green mobility

### Company

### Context/Baseline/ Action Objective

Many studies over the last decade have shown that ambient air in the Kathmandu Valley of Nepal is heavily polluted and not in accordance with international standards. The air quality issue of the valley is primarily attributable to a rapid rise in the number of petrol and diesel vehicles and lacking enforcement of vehicles emission standards.

Transport emissions not only strongly influence air quality; they also constitute a large portion of gaseous emissions that are linked to climate change. Rhino Resort, in recognition of their contribution to the local air quality issues and the global concerns of climate change, committed themselves to evaluating green mobility options.

### Method/How Accomplished

Rhino Resort evaluated a number of greener mobility options to transport guests to and from sightseeing venues in the resort's vicinity and selected a bull-drawn cart. This option benefits not only the environment through reduced emissions, it also benefits the local community in that the resort now employs a community member to drive the bull-drawn cart.

### Impacts

By providing greener mobility options for their clients transportation needs, Rhino Resort is reducing a percentage of their greenhouse gas emissions which are known contributors to global warming. Their selection among greener mobility options has also provided income earning opportunities to rural community members. Furthermore, this new mobility option provides a unique marketing advantage by providing an interesting and different way for clients to see the surrounding countryside.

Rhino Resorts estimates that they provide approximately 70 local tourism trips a year. Assuming that these trips are completely replaced with the greener mobility option, the resort estimates it will save approximately 1.6 E-4 metric tons of carbon dioxide in their annual vehicle emissions.

Furthermore, by employing a local bull-cart driver, the resort's green mobility option has also created job opportunities for local community members. They estimate that the local, part-time bull-cart driver will earn approximately 180 Euros within the first year of the greener mobility option.

**Lessons Learned**

There are a number of green mobility options open to tourism companies. These include but are not limited to bicycles, electric scooters/cars, emissions inspected vehicles, horses, and bull-drawn carts. When initiating greener mobility projects it is important companies take into account the physical locations of their operations and the limitations these may have on their transportation options. Quality and safety should be the top priorities in selection a green mobility option. For example, a bull-drawn cart is probably not a viable green mobility option for a hotel located in downtown Kathmandu as the automobile vehicle traffic would pose a health and safety hazard to the bulls, cart driver, and tourists.

Companies should brief incoming clients on their greener mobility initiatives and provide information on the rationale for using these options along with tips to keep in mind when using the green mobility option. For example, tourists that would like to cycle to a nearby attraction should be equipped with the appropriate health and safety gear (helmet), a laminated reusable map of the main tourism locations in the vicinity, and informed of the Nepali traffic rules.

Once a greener mobility option is selected, it is imperative that the company allocate the appropriate funds to maintain the mode of transportation. This ensures a constant level of quality and safety. For example, the bull-cart should be inspected frequently for wear and tear and properly maintained. Likewise, bicycle breaks and tires should be checked each time the unit is returned. This will ensure the safety of clients and the quality of the tourism product.

# Case Study

## Energy efficiency

<b>Company Context/Baseline/ Action Objective</b>	<p>There are three primary energy supply sources in Nepal: biomass, commercial, and alternative energy. While the bulk of Nepal's energy supply comes from hydropower, its supplemental use of biomass and commercial energy sources contributes to greenhouse gas emissions. It stands that efforts to reduce energy consumption serve to reduce the volume of greenhouse gas emissions. On a global level, energy efficiency (EE) is widely recognized as a cost-effective means to reduce energy consumption and subsequently mitigate the adverse effects of climate change. The World Bank estimates that reductions in energy consumption and emissions achieved through EE could potentially account for more than half of the energy abatement potential achievable within the next 20-40 years.</p>
	<p>While the positive environment impacts are an important incentive for EE there are positive impacts for the business case as well. The reduction of energy consumption is accompanied with lower utility bills and once the initial investment is paid off, businesses are able to reallocate what would have been spent on electricity bills towards other aspects of their business. The Last Resort is one of many members of the MAST-Nepal project to recognize the environmental and business incentives of EE investments and commit to action.</p>
<b>Method/How Accomplished</b>	<p>The internal management of The Last Resort approved a discretionary retrofit of the company's incandescent lighting infrastructure. As part of this retrofit, the resort invested 480 Euros in new energy efficient light bulbs and prematurely replaced the existing incandescent lighting technology before the end of its useful life for the primary purpose of improving EE. The retrofit was completed in April 2007.</p>
<b>Impacts</b>	<p>The Last Resort conducted a comparison of electric utility bills antecedent to and directly following the completion of the EE retrofit. Care was taken to select comparison bills from months with similar resort occupancy and per unit electricity price. The bill comparison demonstrated a 15 percent savings which has been directly attributed to the EE retrofit. The money that would have otherwise been spent on the electric utility bill was reinvested in the resort.</p> <p>In addition to the positive economic returns resulting from this action there are indirect environmental benefits as well. Through reduced consumption of electricity, The Last Resort has reduced greenhouse gas emissions resulting from Nepal's commercial energy use. It is anticipated that the EE actions initiated as part of the MAST-Nepal project have served to reduce greenhouse gas emissions resulting from the country's commercial energy sources. Furthermore, it is hoped that these initiatives will serve as a good example to neighboring countries that are more reliant on coal-fired power plants for energy generation.</p>



**Lessons Learned**

As part of the EE actions implemented by a number of the companies in the MAST-Nepal project it was noted that a common problem among the companies was tracing and obtaining historical utility bills from the utility companies. Only companies with book keeping systems employed as part of their operations were able to provide comparison bill for EE projects. It is anticipated that this will be a common problem for assessing project impacts among EE actions implemented by small and medium-sized enterprises in developing countries where business is conducted in an informal manner without transaction records. It is recommended that at the inception of an EE project action, efforts be made for companies to contact the appropriate agencies on utility record requests in efforts to obtain the bill by the completion of the EE action.

As in all business investments, companies integrating sustainable practices in their operations should seek to maintain or enhance the quality of their services. No sustainable action should compromise the quality of the product because that in and of itself renders the project unsustainable. Companies interested in initiating a discretionary retrofit of their incandescent lighting infrastructure with EE light bulbs should ensure the EE project does not affect client comfort and take action to protect the warm and inviting ambiance of the facility. A common client complaint of EE light bulbs is that the lighting can be harsh and blinding, companies should therefore invest in lamp shades to create a warm ambiance with the EE light bulbs.

To maximize the energy saving benefits of discretionary retrofitting, companies should develop a light schedule or install motion sensors on the new light fixtures so that the lights are not permanently on (which wastes electricity unnecessarily). The lights should be turned off during the day when natural light is available and turned on later in evening in high traffic areas. Accommodation companies should also share energy saving methods with clients by posting placards in rooms. For example, "please turn the lights off when not in use to preserve the environment."

# Case Study

## Renewable energy

### Company Context/Baseline/ Action Objective

Energy consumption accounts for a large portion of the total operating expenditures among the tourism sector and heavily influences the "bottom line" of company profits. The generation and use of electricity can also carry significant expense to the environment and to the local community. These indirect costs are highly relevant to the tourism industry as they reduce the desirability of travel destinations. This is true for Nepal as a portion of the commercial energy source is provided by fossil fuels, a known contributor to air and water pollution, toxic waste and climate change.

Companies in the tourism industry are responding to the indirect costs of fossil fuel energy consumption by diversifying their energy portfolio to include renewable energy sources. Renewable energy sources can include solar, wind, biomass, geothermal, hydropower, and ocean resources. When used in a sustainable manner these energy sources serve to mitigate the environmental and social expenses incurred by the explicit use of fossil fuels. Renewable energy offers an exciting opportunity to the tourism sector as renewable energy is abundant, clean, and inexhaustible. Furthermore, in the case of Nepal, renewable energy sources are particularly cost-effective for tourism companies operating in remote locations where there is no electricity supply or where the supply is erratic. In general, it is estimated that water heating in the hospitality business accounts for approximately 12 percent of total energy costs (20 percent of energy use). Solar water heaters can lower fuel and electricity bills, provide a buffer against rising energy prices and compensate for unreliable energy grids.

Himalayan Encounters is a MAST-Nepal project company that recognized the advantage of renewable energy options and committed themselves to action. The company wanted to upgrade its whitewater base camp facilities to include hot showers. However, with its remote location, access to the electric grid would require a substantial investment. To enhance the sustainability of their product and find a cost effective solution to their non-access to the electricity grid, Himalayan Encounters committed to the installation of a solar hot water system.

### Method/How Accomplished

The internal management of Himalayan Encounters approved the purchase and installation of a solar hot water system. The company invested 380 Euros for the equipment and company staff provided the labor to install the system. The small domestic application was installed in Fall 2007 and is comprised of seven solar panels (dimensions 0.5 by 1 meter) and a 100 Liter, insulated storage tank.

**Impacts**

The impacts resulting from this action are twofold. First the company has enhanced its facility to offer better services to incoming clients. After the installation of the solar hot water system the facility is estimated to supply 8 showers a day with water temperatures of 45 to 55 degrees Celsius. Secondly the company has avoided a costly investment to connect to the electrical grid which would have also resulted in direct costs in terms of electricity bills and indirect environmental and social costs.

**Lessons Learned**

While the current technology of solar water heaters is such that the majority of systems can work for up to 20 years with relatively little maintenance, training staff on basic system maintenance remains an important issue when employing this renewable technology. Past experience with solar energy systems in Nepal have shown that many failures have resulted from lack of maintenance or inappropriate operation.

It is also important that companies interested in utilizing this renewable technology be aware of its limitations. Solar cells generate electricity only when light is available. If no auxiliary system is in place, solar heat is only available during sunlight hours. Furthermore system heating capacity is reduced when overcast weather conditions are present. Educating guests on the technology, rationale for use, hot water schedule and weather induced limitations will go a long way to reduce customer complaints.

# Water Conservation

Water is a fundamental necessity for human life; furthermore it is crucial for the preservation of ecosystems on which our lives depend. With the dramatic increase in the human global population and the demographic shift to urban living, many regions are pushing the consumption of potable water beyond its sustainable supply. In some areas competing demands for finite water resources among rural and urban communities threaten regional or national food security.

The tourism industry is a major consumer of water as many tourist complexes require exorbitant quantities of water to maintain operations. It can be said that a secure source of potable water is vital for successful tourism operations and that access to a supply of clean and safe drinking water is critical in developing new tourism destinations or ensuring the viability of existing operations. It is therefore important that tourism companies properly manage water resources to better ensure the long-term vitality of business operations.

Water is a major issue in many parts of the world and competition by tourism for scarce water supplies has led to instances of water diversion from farmers, effectively driving them out of agriculture and their livelihoods. Furthermore, improper wastewater management from tourism operations can contaminate local water supplies, spread disease, and threaten public health.

Water conservation and management are the most effective means to combat the declining supply of potable water and better protect water resources. Many actions can be taken by tourism companies to reduce their negative impact on local potable water supplies and enhance the sustainability of their operations.

Water conservation actions include low flow toilets, water-saving shower heads or flow restrictors, rainwater collection, hot water schedules, recycling gray-water systems, water efficient utilities (for example water-efficient washing machines in hotels), asking guests to recycle towels and reduce changing bed linens during their stay, basic maintenance (ensure faucets are not leaking and toilets are not running), and landscaping with local plants.

Companies can employ a number of options to better manage their wastewater. Depending on the size of the company and the scale of its operations managers can hire engineers to design advanced wastewater treatment systems complete with leaching fields, septic tanks, and holding ponds to accommodate and treat large quantities of wastewater or in the case of smaller wastewater generators, companies can design their own natural wastewater treatment systems that use soil and vegetation to treat wastewater.

The water scenario in Nepal reflects global trends. In the Kathmandu Valley surface and groundwater supplies are being used beyond capacity. As a result the groundwater level in the Valley is lowering due to excessive withdrawals and inadequate recharge from the surrounding watersheds. The total sustainable withdrawal of groundwater from the Valley's aquifers is approximately 26.3 million liters per day (mld) but groundwater extraction rates are approximately 58.6 mld. Depletion of the local water table impacts poorer families and communities as they cannot afford to install deeper water wells to access groundwater resources. Furthermore, lowering water tables can cause community water supply sources to become intermittent or permanently dry.

Wastewater effluent and leachate from improperly disposed waste has severely degraded water quality in Nepal's urban areas. The Bagmati is the major Kathmandu Valley river in terms of drinking water source, irrigation source, and religious importance. Unfortunately it is also known as the most polluted river in Nepal and as a result tap water in the Kathmandu Valley is not drinkable without boiling.

The following case study highlights one example of a best management practice in water conservation completed by a MAST-Nepal company.

## Case Study

# Water resource management

### Company

### Context/Baseline/ Action Objective

Syangboche Panorama Hotel is located in northeastern Nepal in the remote but renowned Everest region. Prior to the MAST-Nepal project, the hotel used the local public drinking water supply as their primary source of potable water and supplemented this source with a 60,000 liter capacity rainwater/snowmelt harvesting system. As part of the MAST-Nepal project the internal management of the hotel evaluated their business operations to identify opportunities to improve their sustainability. As part of this activity, Syangboche recognized the business incentives and social advantages to the local community of increasing the capacity of their rainwater and snow collection system.

### Method/How Accomplished

The internal management of Syangboche Panoramic Resort procured the construction supplies required to expand the 60,000 liter rainwater and snow collection system to 180,000 liter capacity. Local labor was hired to construct the system. The resort invested 1,690 Euros to install and the construction was completed by the end of summer 2007.

The construction specifications for the expanded system included installing a new tank to increase the system capacity to 180,000 liters and furthermore increasing the sand filtration system to adequately purify and accommodate the increased capacity. The existing system was subsurface so the new design required excavation, construction, and backfilling once the construction details were completed.

### Impacts

By expanding the capacity of their rainwater/snowmelt harvest system, Syangboche Panorama Hotel has reduced its reliance on the local community water resources by 60 percent. This frees up water supplies for the local residents which has positive social and environmental impacts. Furthermore, in expanding the capacity of their rainwater and snowmelt harvesting system they estimate they now save 51 percent a month on their water utility bill. Furthermore, in constructing the rainwater and snow collection system, 570 Euros were invested in local labor, which has positive implications for poverty alleviation and social welfare.

### Lessons Learned

It is important that companies interested in utilizing rainwater and snowmelt collection systems for potable water supply educate staff on basic maintenance details. Furthermore, it is important companies be aware of the limitations of precipitation collection systems. The effectiveness of this water supply system relies on local precipitation patterns and might not be a viable water supply source in arid regions. Furthermore, drought conditions should be considered when designing the system and the retention tank should be large enough to provide water throughout seasonal drought periods.

## Waste management

The environmentally acceptable management of waste has become a global challenge due to increasing consumption trends among rapidly growing populations, urbanization, industrialization, and limited resources for proper disposal. The tourism industry is a large contributor to the global waste issue. In 2001 it was estimated that the world's 692.5 million tourists produced 4.8 million tons of solid waste and this volume has undoubtedly increased in recent years. The improper disposal of waste is responsible for a host of environmental, economic, and social health problems. These problems include the contamination of surface and groundwater resources, denigration of local flora and fauna, increase in disease and a general decrease of the aesthetic qualities of destinations.

Waste management in Nepal is in a state of crisis. This is particularly true for the urban areas as they have grown at unprecedented rates in a haphazard manner without provisions or plans for appropriate infrastructure and waste management services. No municipality outside the Kathmandu valley uses sanitary landfills or other means of sanitary disposal facilities for waste management. The traditional waste management practice in most municipalities includes depositing refuse in uncovered designated dump sites in open fields and along the local rivers. While tourism companies might be limited in their role to provide better waste management infrastructure they have immense control over the quantity of waste they produce. In Nepal, less waste generated means less waste along the rivers and streams. The following case studies highlight a few actions undertaken by the MAST-Nepal companies to bolster waste management efforts in Nepal.



# Case Study

## Plastic reduction

<b>Company Context/Baseline/ Action Objective</b>	<p>The Last Resort is located northeast of Kathmandu along the Bhote Kosi River and is a medium-capacity establishment (approximately 45 people per day during the tourism season). To minimize their environmental impact the resort evaluated actions to reduce their waste volume.</p>
<b>Method/How Accomplished</b>	<p>The resort performed a cursory waste audit and identified plastic water bottles as a culprit in bulk waste generation. The resort created a "refill your own water bottle" policy targeted to reduce the purchase and subsequent disposal of plastic water bottles. To implement this policy, in the summer of 2007 the company invested 40 Euros in the purchase of a cold water dispenser to supply guests and staff with drinking water. To better educate tourists on their efforts to reduce plastic consumption, incoming clients are briefed on plastic reduction measures and encouraged to bring reusable water containers.</p>
<b>Impacts</b>	<p>As a result of the plastic reduction initiative, the resort estimates that it has reduced its total waste stream by 20 percent. The resort's reduced waste stream has positive indirect impacts on the environment. Furthermore, the resort has used the plastic reduction policy to create a marketing advantage. The effectiveness of this strategy is evidenced through the overwhelming positive response from clients on the resort's waste reduction efforts.</p>
<b>Lessons Learned</b>	<p>Companies interested in employing waste reduction measures as part of sustainability enhancement efforts are advised to conduct a thorough solid waste management audit. During the waste audit quantities of various waste materials (paper, plastic, glass, metals, organic materials, etc.) should be recorded in terms of volume and/or weight, percentages of the total waste stream, and cost of different waste management techniques (it should cost more to dispose of hazardous wastes). Accurately quantifying the waste stream prior to action establishes the baseline. Another solid waste audit should be conducted following the implementation of the waste management action. This will enable companies to quantify the impact of their efforts. For example, the amount of waste reduced or the amount of paper now recycled.</p>

## Case Study

# Environmental awareness training

### Company Context/Baseline/Action Objective

Many of the small and medium enterprises participating in the MAST-Nepal project lacked a fundamental understanding of the environmental impacts of their day-to-day operations at the start of the project. They were unaware that some of their business practices were devaluing the destinations on which their company's profits depended. A few of the more sustainably advanced MAST-Nepal project companies recognized this problem and organized a joint training initiative to promote environmental awareness and build company capacity for green action.

### Method/How Accomplished

MAST-Nepal project companies socialtours.com travels & socialtreks.com adventures and Highlander Trekking & Expedition joined together with local trekking company Hima Adventure Int'l to organize an environmental conservation awareness workshop. The workshop effort was further supported by MAST-Nepal project partner NTB. Together these organizations developed a free training event for the Nepal based trekking tourism companies in July 2007 to promote environmental awareness. The training emphasized the fragility of mountain ecosystems and a trip was taken to the International Center for Integrated Mountain Development (ICIMOD) demonstration site where attendees learned about proper waste management protocols (separating waste into biodegradable and non-biodegradable components and employing composting techniques to manage biodegradable waste).

socialtours.com travels & socialtreks.com adventures invested 55 Euros to finance the group trip to the ICIMOD demonstration site. The remaining organizers donated either their time or facilities to support the training effort.

### Impacts

In total, 41 local guides/tea house and home stay owners, porters, and trekking company representatives were trained on environmental awareness issues. It is anticipated that this and other training efforts conducted on behalf of the MAST-Nepal project have contributed to a greater environmental awareness which will ultimately serve to protect Nepal as a quality tourism destination.

The training participants provided positive feedback to the donating agencies. The following testimonies are from training attendees:

"It was a great initiative by Highlander, socialtours.com travels & socialtreks.com adventures and Hima Adventure Int'l, I have learned a lot about waste disposal and properly separating waste and I am sure I will spread the message wherever I travel around the Himalayas and will do my best to save the environment in the upcoming trips."

-Roshan Subedi  
Senior Guide

Highlander Trekking & Expedition



**Impacts Cont.**

"I was so lucky to be able to attend the workshop. We have had a great presentation from our resource person who helped us to think and plan about saving our cultures and environment. The practical session at ICIMOD was unforgettable. I have learned a lot about waste management and how to properly dispose waste to minimize negative environmental impacts. I heartily thank Highlander, socialtours.com travels & socialtreks.com adventures and Hima Adventure Int'l."

-Junga Bahadur Lama  
Marketing Manager  
Sunny travel and Treks Pvt.Ltd

**Lessons Learned**

Training initiatives are critical for increasing local capacity and raising awareness. They also serve to bolster relationships within a community that is otherwise closed due to the competitive nature of tourism. While training efforts are critical to raise environmental awareness, it is often difficult to assess the impact and effectiveness of training efforts. It is recommended that group exercises conducted on behalf of the training include the environmental task identification. Once trainees commit to task implementation, action specific performance indicators should be established by trainers. Follow up training is necessary to assess the implementation and impact of training actions.



4

Economic

Sustainability



## Economic Sustainability

Tourism is widely recognized as one of the biggest industries in the world and offers great potential to both developed and developing countries in terms of foreign exchange earnings. In 2004, it was estimated that over 764 million international tourists generate more than 509 billion Euros in annual receipts. With such a large market, it comes as no surprise that over the last 20 years, the role of tourism as a possible economic development strategy has been increasingly realized as tourism is one of the few sectors in which the bountiful cultural and natural resources of developing nations offer a comparative economic advantage over more developed countries.

Furthermore, tourism wields great power in terms of pro-poor initiatives as many of its job positions are labor-intensive and accordingly have low entry barriers. In rural and urban areas of developing countries, the tourism industry offers a number of job positions which are accessible to low and medium-skilled local people, many of which have little or no formal education. The industry presents a distinct economic advantage to rural communities in that many of these regions are remote, can be difficult to access, and have few natural resources; all of which can serve to limit job opportunities and the earning potential of inhabitants. While these factors are often inhibitors to traditional forms of developmental methods, they can be the very characteristics that attract international tourists.

It is estimated that the developmental effects of tourism will only further increase in future years as the industry is expected to grow by more than four percent over the next 20 years. If managed properly, tourism will continue to assist countries in their development strategies by providing a new source of revenue to disadvantaged groups and more specifically in rural communities where the vast majority of the poor reside.

It should be noted that although tourism has the potential to assist developing countries with their developmental goals, when not managed properly, the industry can yield great social and environmental costs with little to no economic benefit to the local communities. Such is the case with improperly managed, foreign owned tourism companies in developing countries; unfortunately the majority of tourist spending under these companies will not reach the local communities or contribute to the national growth but rather be redirected to foreign companies' base of business operations (leakages).

Nepal is among the poorest and least developed countries in the world with almost one-third of its population living below the poverty line. It is estimated the country's gross national income per capita is less than 200 Euros. However, the country's rich cultural heritage, various ethnic groups, Himalayan Mountains, rivers, and jungles presents a host of tourism activities and a wealth of economic opportunities to the Nepalese people by accessing the tourism market. Tourism in Nepal has been one of the top three foreign exchange earning industries every year during 1996-2003. While the industry is clearly benefiting the country's economic development, it is important that capacity building initiatives within tourism companies provide insight on how their business operations can be modified to improve the lives of the poor.

The following chapter contains an introduction to the economic impacts of the tourism industry and is followed by case studies of real actions taken by the MAST-Nepal companies to improve economic sustainability in the Nepalese tourism industry. There is a portfolio section for women empowerment with case studies highlighting efforts to extend equal employment opportunities to women, build their skill capacity, and better facilitate female economic independence. Other case studies outline company efforts to support local vendors in their purchasing policies and hire local community members to fill their employment needs. Several of the MAST-Nepal project companies undertook actions to increase the flow of tourism dollars to marginalized community members and enhance the pro-poor nature of their operations. This chapter highlights actions taken by the MAST-Nepal companies with a selection of representative case studies from the project.

## Women empowerment

In Nepal, gender plays a large role in one's likelihood to be economically independent as land is inherited universally in all communities from the father to the son. In light of this, women generally face much greater economic insecurity than men since their access to what has traditionally been the primary means of production has always been indirect or dependent on their relation as daughter, wife, or mother to a land owning male. Nepal's patriarchal society often serves to limit income generating opportunities for women.

Women empowerment is a subset of social inclusion. Social inclusion is one of the most serious challenges to making inroads in pro-poor efforts in Nepal. Despite the establishment of democracy in 1990, several of the country's citizens remain on the margins of virtually every beneficial aspect of the state. So - who are these unfortunate members of Nepal's society? They are largely women, the formerly "untouchable" castes who now call themselves Dalits, the ethnic groups of Janajatis, the Muslims and the plains dwellers or Madhesis.

The marginalized members of Nepal's society are an important target group in promoting economic sustainability within businesses because this group is largely underrepresented in the Nepalese work force. Nepal's ridged social hierarchy often serves to limit income generating opportunities of these marginalized community members. A study conducted by the Department for International Development found that with the exception of a few of the very poorest households, the concern of most of the poor is not subsistence, but rather better opportunities to earn cash income.

To wield the power of the tourism dollar to pro-poor action and achieve the goals of the economic pillar of sustainability requires a concerted effort among the industry to increase employment opportunities to marginalized citizens and develop channels to the poor. The following collection of case studies exemplifies the actions of a number of MAST-Nepal companies. Social inclusion actions implemented by MAST-Nepal companies focused on female empowerment. However, tourism companies looking to enhance the economic sustainability of their business operation should keep in mind the larger picture of social inclusion.

# Case Study

## Skill building

### Company Context/Baseline/ Action Objective

3 Sisters Adventure and Trekking is a woman owned and operated trekking company that is dedicated to empowering the women of Nepal, specifically by promoting gender diversity within the trekking tourism industry. Nepalese women often do not have the same education and employment opportunities as men and there is a great need to develop skills among Nepalese women to increase their self esteem, qualifications, and overall job eligibility. Furthermore, there is a need to promote gender diversity in Nepal's workplace to increase employment opportunities for women.

In partnership with their sister organization, Empowering Women of Nepal (EWN), 3 Sisters Adventure and Trekking hosts free biannual training events for women to promote their mission of female empowerment and inclusion. These events last four weeks, and afterwards the women are offered a paid apprenticeship with 3 Sisters to receive on-the-job training. To better serve the women of Nepal, 3 Sisters Adventure and Trekking recognized the need to update their training materials for their fall 2007 training session. The following outlines the steps and impacts of their actions.

### Method/How Accomplished

Together with EWN, 3 Sisters Adventure and Trekking evaluated their existing training curriculum to identify outdated information and look for ways to expand and improve their training materials. They updated the general subjects of English communication, Nepal geography and history, map reading, first aid, and tourism hospitality. They also added a new course for more advanced students, rock climbing.

### Impacts

The training session started in August and extended to September 2007. As part of the initiative, 46 women were trained with the new and improved curriculum. 3 Sisters invested approximately 2,080 Euros to support this event. Of the 46 women trained, 37 remained at 3 Sisters Adventure and Trekking as paid apprentices. The apprenticeship program lasted for six months, and it is estimated that each apprentice earned between 30 to 130 Euros a month (depending on the number of treks scheduled).

3 Sisters commitment to woman empowerment and financial investments in the training and apprentice program has not only provided earning opportunities to women, it has provided future earning potential as well. It is anticipated that as these women continue to refine their skills they will become more confident and eligible to compete for other paid guide positions within Nepal's trekking industry. Furthermore, proficiency in the English language increases their marketability in other fields as well.

**Lessons Learned**

It was noted that when conducting training efforts in Nepal, especially among both urban and rural community members, trainees should be divided into two groups based on language skills, the first having a good command of the English language and the second having a basic understanding. This strategy engages and challenges all trainees and serves to limit the frustration faced by attendants who are not able to follow or understand the course material.

In terms of identifying project impact, it should be noted that when conducting extensive training efforts like those of 3 Sisters Adventure and Trekking it is necessary to catalogue the names and contact information for students graduating from the training course. Trainers should remain in touch and updated on graduate employment status and income levels. This information yields the necessary data to assess impact of training efforts, for example, the number of women with permanent paid job positions, the percentage increase in their wages, and job placement information.



## Case Study

# Rural organic farming initiative

### Company Context/Baseline/ Action Objective

Prior to the MAST-Nepal project, The Last Resort imported the vast majority of its vegetables from Kathmandu, which is approximately 100 km southwest of their location, despite the fact that the resort is located in a farming area. Unfortunately, there was not a large enough supply of fresh vegetables available in the local area to completely meet the resort's produce needs. To better serve clients with a constant supply of fresh produce, save money on transporting food supplies, and support local women in the community, The Last Resort launched the Local Women's Organic Farming Initiative.

### Method/How Accomplished

Historically, the resort had provided literacy classes for a local women's organization. In starting this project, the resort contacted the same local women's organization and proposed an organic farming initiative as a micro finance project, to which the women readily agreed. The female farming group was named "Mahila Jana Jagaran Samuha" which translates to "Women Empowerment Group."

To launch the project, the women leased the plot of land from a local farmer with funding from the resort (cost 55 Euros). The resort further invested 200 Euros to hire a local farming expert to train the women in organic farming methods. To start the project, the resort also invested approximately 140 Euros in vegetable seeds and farming equipment.

The local women have been operating the project for two growing seasons. While the resort purchases produce from women farmers, they also encourage the group to sell their produce to the local community. It is hoped that this will help establish the group's financial independence from the resort and impart a sense of project ownership among the female farming participants. These elements are essential for the women's farming project to be sustainable.

A second micro finance project was started with the same group of women in November 2007. The group received a two-day briquette making training at the ICIMOD training centre in Godawari (cost 330 Euros plus food and accommodation) and the women began making charcoal briquettes in December 2007 to sell to the resort, Kathmandu and to use themselves.

### Impacts

There are many positive economic impacts resulting from this project. From a business perspective, the resort has improved their services to clients by providing a secure source of fresh, organic produce to prepare meals. Furthermore, they have reduced the amount of money and time devoted to transporting produce from Kathmandu. The initiative has also bolstered the lives of women in the local community by



**Impacts cont.**

providing them with training and establishing new sources of income. The project has improved the social status of women in the community and made them less reliant on their male counterparts. There are currently 22 women in the Mahila Jana Jagaran Samuha which have directly benefited from the farming initiative. To date, the resort has purchased around 100 Euros worth of produce and briquettes from the women farming group.

**Lessons Learned**

When initiating projects similar to this, it is important to include capacity building or training efforts to ensure the local community possesses the knowledge necessary to sustain the long-term vitality of the projects. Furthermore, a measured purchasing strategy should be taken by the initial donors (in this case, by the resort) to facilitate other business partnerships to ensure that groups do not become solely reliant on the initial project funders. Every measure should be taken to impart ownership of the project to the local community to ensure that it is a sustainable initiative.

## Case Study

# Promoting gender diversity in the workplace

### Company

### Context/Baseline/ Action Objective

Himalayan Encounters is a medium-sized trekking and whitewater rafting tourism company. Due to increased product demand (i.e. higher business volume), the company identified the need to grow the size of their staff to better meet the needs of clients. As part of the MAST-Nepal project, Himalayan Encounters adopted a gender diversity employment initiative and committed themselves to hiring female staff.

### Method/How Accomplished

In April 2007, Himalayan Encounters advertised job positions in the local communities in which they operate (Bandipur, Pokhara, and Kathmandu). They evaluated applicants and hired eight women (two in April 2007 and six in July 2007). Six of the women were hired as fulltime salary staff and the remaining two as trekking guides (paid on a per trek basis). Additionally, the company provided on-the-job training for each of the new staff members to increase their skills in the hospitality/tourism sector.

### Impacts

From a business perspective, Himalayan Encounters' gender diversity employment initiative has increased their services to women clients in that they now provide female guides for those that prefer female guided trips. This initiative is also accompanied by immense positive social impacts in that the company has increased job opportunities to women who are largely underrepresented in Nepal's workforce. The company added eight female staff members to its payroll, and in 2007 it was estimated that salary female staff members each earned 30 Euros per month and the trekking guides 20 Euros a month. In 2008 the salary female staff members received a raise and now earn 35 Euros per month. In total, the company has paid the new female staff members 2,348 Euros and in many instances this initiative has created economic independence among women who were previously dependent on their male counterparts.

### Lessons Learned and/or Additional Considerations

It is recommended that companies promoting gender diversity through hiring female staff also provide gender sensitivity training to all staff members. In a country whose workforce is predominantly male, there is an increased likelihood that male employees might have misconceptions about the job roles of their new female colleagues, and in some cases Nepal's cultural norms might lead them to resent the inclusion of female staff in their job environment. It is therefore important that employers brief staff on the job roles and responsibilities of incoming female employees and clearly outline the professional nature of male/female interactions in the workplace to prevent sexual harassment from occurring.

## Promoting equitable distribution of tourism revenue

When not managed properly, the tourism industry can have a negative economic impact on host destinations. This can happen when the revenues from tourism operations are not equitably distributed among the local inhabitants. Pro-poor tourism arose because of the realization in some developing countries that although tourism was helping the country and the economy, most of the benefits were being reaped by persons or groups who were already wealthy by the standards of the country.

One challenge for companies looking to better direct visitor spending towards pro-poor action is to identify the best strategies to link their product to pro-poor efforts. It is important that tourism companies work to build the capacity of local producers and products and incorporate these items in their day-to-day business operations. Examples of this are purchasing produce and goods from local vendors, hiring local guides, and building capacity within local community members to offer products. Not only do these efforts catalyze pro-poor revenues they also infuse unique cultural aspects into products thereby enhancing authenticity and increasing their consumer value.

The key for companies to better direct tourism revenue to pro-poor efforts is for them to analyze every aspect of their operations and write down all of the resources or inputs they use to make their product or output. For example, a restaurant purchases supplies to prepare food. The inputs of the company are the local vendor, the farmer, the techniques the farmer uses to grow/raise produce (does the farmer use pesticides/herbicides, antibiotics, steroids, genetically engineered seeds or is their produce organic), the employees the restaurant pays to prepare and serve the food, if the employees are well trained in hygienic food preparation and dispose of waste in an environmentally conscious manner, the physical conditions/operations of the building (does the restaurant use EE light bulbs and utilities and low water flow toilets). All of these components are part of the restaurant's supply chain and there are a number of options along this supply chain for restaurant owners to enhance the equitable distribution of tourism revenue among local community members in need. For example, purchase produce from a local, organic farmer or prioritize the hiring of disadvantaged people for staff positions.

Sustainable tourism is a good option for poverty alleviation because it is a labor intensive activity and accordingly has low entry barriers. While this is an advantage in that it provides many jobs to low and medium-skilled people, it can also be a challenge in that these jobs can be low-paid and limited in terms of upward mobility and essentially become a trap by which individuals find themselves members of the working poor. It is therefore important for tourism companies to commit themselves to reversing the tendency for tourism jobs to be low paid. The following case studies demonstrate how companies in the MAST-Nepal project successfully enhanced the equitable distribution of tourism revenues among local community members.



# Case Study

## Economic development through supply chain management

<b>Company Context/Baseline/Action Objective</b>	<p>Syangboche Panorama Resort was seeking to enhance the warm and inviting ambiance of their resort in the Everest Region as well as support Nepal's economy. To achieve both, they committed to purchasing decorative rugs from Nepalese vendors.</p>
<b>Method/How Accomplished</b>	<p>To achieve both the goals of purchasing décor and supporting Nepal's economy, they first looked for artisans within their local community in the Everest region; however they were not able to find any rug vendors. They then expanded their search to the Kathmandu Valley, where they evaluated several companies and commissioned Everest Handicraft Industries, a fair trade rug organization, to fill their order. Everest Handicraft Industries promotes social inclusion of marginalized citizens (primarily women) through training and skill sharing and is certified as child labor free.</p>
<b>Impacts</b>	<p>As part of their redecorating efforts, Syangboche invested approximately 470 Euros in fair trade purchases for their resort. In evaluating the supply chain impacts for their purchases, they were able to ensure their investments supported marginalized groups and directly contributed to pro-poor efforts.</p>
<b>Lessons Learned</b>	<p>Syangboche noted the need to revitalize craftsmanship and handicraft production in local regions. Through their efforts to purchase local products, they were surprised at not being able to find rug manufacturers in their region and furthermore only a small number of handicraft stores in operation. It is important to build capacity within local areas in the production of unique and high quality crafts to maximize the distribution of tourism revenues to the local community members. Furthermore, it is important for members of the tourism industry in Nepal to inform their clients of the location of local craft stores and the importance of purchasing local products.</p> <p>Companies looking to upgrade their accommodations should research a number of aspects among purchasing options. Care should be taken to select local producers that have sound employment and environmental policies. For example, does the company guarantee their products are child labor free, do they offer equal employment opportunities or prioritize hiring of marginalized groups, do they have sound environmental practices?</p> <p>Consumer demands have great potential to shift manufacturing trends, and if more consumers demand products from good social and environmental stewards, more companies will strive to meet these qualities. Furthermore, companies that offer equal employment opportunities or quotas of marginalized groups have more impact in terms of poverty alleviation. Therefore it is important that tourism companies to the greatest extent possible use fair trade organizations or companies with sound employment and environmental policies when making purchases.</p>

# Case Study

## Cultural performances to benefit local community

<b>Company Context/Baseline/ Action Objective</b>	<p>Dhulikhel Mountain Resort is a medium-capacity establishment and caters to clients seeking relaxing getaways. To increase their services to clients, they evaluated entertainment options for the resort and elected to invest in a local community group to perform cultural shows for clients. In selecting this action, the resort not only increased their services to guests but also established a direct link between tourists and the local community to provide a new source of revenue to the local inhabitants.</p>
<b>Method/How Accomplished</b>	<p>Dhulikhel Mountain Resort hired a professional choreographer from Kathmandu to train members of the local community in traditional Nepalese dance methods and techniques in order to perform cultural dance programs for tourists. The resort invested approximately 733 Euros to hire the dance instructor, and the training sessions initiated in July 2007 and lasted through December 2007.</p> <p>Dhulikhel is currently processing the paperwork required to register the dance troupe as the "Gauri Shanker Cultural Club" with government officials to establish legal recognition of the troupe. The resort has also promoted the dance program to other companies in the Nepal tourism industry to maximize the troupe's earning potential.</p>
<b>Impacts</b>	<p>As a result of the training investment, 16 under privileged/lower income earning members of the local community were instructed in the theatrical performance of traditional Nepalese dance techniques. The trainees learned 15 different authentic Nepalese cultural dance routines from various regions of Nepal.</p> <p>The resort now commissions the local dance troupe to perform cultural shows for their clients. The resort estimates that from December 2007 to February 2008 the local dance troupe has earned over 1,000 Euros from their cultural dance performances at the resort.</p>
<b>Lessons Learned</b>	<p>In evaluating mechanisms to benefit the local community, companies should not limit their outlook to cultural dance troupes as tourists and tour operators seek to incorporate a variety of options and activities in their itinerary. Attractive alternatives to cultural dance troupes include cooking lessons with local people, painting or handicraft lessons. Companies developing these programs should keep in mind that an hour to an hour and a half is the common timeframe used by companies to keep guests engaged in the activities or event.</p>

# Case Study

## Local tender policy

<p><b>Company Context/Baseline/ Action Objective</b></p>	<p>The Last Resort is a medium-volume tourism company and requires a substantial amount of supplies to support their business operations. Prior to the MAST-Nepal project, they primarily purchased and transported their supplies from Kathmandu. However, after joining the project they committed to changing their Kathmandu purchasing policy to a local tender policy in order to save money and time on transportation costs and to better channel tourism dollars to the local community.</p>
<p><b>Method/How Accomplished</b></p>	<p>To transition to the local tender policy, the resort scheduled a meeting with the elders of the local community to discuss the new local purchasing policy. The resort drew up the policy terms and placed public notice requesting local bids be submitted on a variety of products (e.g. beaten rice, spaghetti, alcoholic drinks, sugar, spices, and petrol). Three local community groups submitted bids and of the three, The Last Resort selected the youth club from the nearby village Thyangthali. Since July 2007 the youth club has been providing the resort with its supplies.</p>
<p><b>Impacts</b></p>	<p>Since the resort changed its purchasing policy from Kathmandu suppliers to the local community, they have saved in terms of time and transportation costs and furthermore established the framework to better ensure a continuous supply of staple goods to the resort (supplies from Kathmandu are occasionally interrupted due to strikes in the capital city that can stem the flow of traffic). Furthermore, the resort does not face price fluctuations on the market since the prices in the tender with the local community are fixed for a year. As of March 2008, the resort has purchased approximately 4,000 Euros in supplies from the local youth club. This has stimulated the local economy and furthermore generating goodwill between the community and the resort.</p>
<p><b>Lessons Learned</b></p>	<p>So far the tender agreement between The Last Resort and the local community has been mutually beneficial. Only during times of fuel shortages were a few non-essential items unavailable through their local tender partner.</p>

## Case Study

### Employing local people to improve client services and the local economy

<b>Company Context/Baseline/ Action Objective</b>	<p>Mowgli's Eco Adventure Tours is a small-sized tourism company that specializes in bird watching expeditions. Mowgli needed to hire a new staff member to guide groups and began looking to hire a qualified local member of the community. The company's objective was to not only fill the position but to benefit the local community as well.</p>
<b>Method/How Accomplished</b>	<p>Mowgli provided guide training to local community members and hired one of its students that showed potential and had a clear interest in conservation initiatives. The company hired the new staff member in September 2007 and afterwards provided on-the-job training to further enhance his knowledge on conducting sustainable tourism trips.</p>
<b>Impacts</b>	<p>As a result of this action, Mowgli increased their marketability in the tourism industry by offering clients trips conducted by a highly trained staff member equipped with local perspectives and capable of sharing unique facts and fables of the tour destination with clients. Furthermore, the employment policy has provided a local member of the community with a new source of income and increased his earning potential through the training efforts. The new employee has earned approximately 125 Euros in his first five months of employment with Mowgli's Eco Adventure Tours.</p>
<b>Lessons Learned</b>	<p>It is important to note that when hiring local employees in rural areas, the most qualified applicants are not necessarily those with the greatest need. To enhance pro-poor initiatives in rural areas it is important that companies make every effort to channel tourism money to individuals demonstrating economic need. While it can be said that these applicants require more capacity building initiatives and oversight training to ensure that they are able to adequately interface with clients, it is important from a pro-poor perspective that marginalized community members are included in the employment process. One inclusion option is that companies establish a staff quota for marginalized members of the local community, meaning that a certain percentage of their staff would be comprised of marginalized local community members.</p>







Socio-Cultural

Sustainability



## Socio-Cultural Sustainability

Tourism activities often involve the merging of two very different and distinct cultures. The interaction between tourists and host community members is accompanied with the potential for both positive and negative socio-cultural impacts. The negative socio-cultural impacts of tourism development on host communities are not always immediately apparent. The presence of tourists with different cultural characteristics and higher spending power than local people may lead to discomfort and conflict among host community members. Furthermore, inappropriate behavior among tourists, whether through ignorance of local customs, overt displays of wealth, taking photographs without permission, or wearing inappropriate clothing (e.g. wearing revealing clothing at religious sites) can greatly offend members of the host community and lead to a strong resentment of tourist presence.

If not managed properly, tourism can begin to alter local value systems and behavior, leading to a loss of indigenous identity, the erosion of traditional community structure and changes in family relationships, traditional lifestyles, ceremonies and values. One common negative impact on host communities that results from tourism is the breakdown of traditional social-structure roles when young people, who are often the beneficiaries of employment opportunities generated by the industry, suddenly gain in wealth and influence relative to the elder generations. Unsustainable tourism can also lead to the commercialization of cultures for tourism purposes, conflicts over resource use (e.g. land, water, food), and the introduction of unwanted activities such as crime, drug trafficking, employment exploitation, and the sexual exploitation of children.

However, if managed properly, tourism can have a positive impact on host destinations. Tourism can provide the means for society to reevaluate the role of marginalized citizens. For instance, women's position in society may be revalued by their ability to earn money in running tourism related enterprises. Tourism can increase understanding between different cultures, foster local pride in cultural traditions, and stem the mass influx of rural populations to urban areas by creating well paying local jobs, and furthermore promote social development through income redistribution and pro-poor efforts.

Tourism companies play a large role in the socio-cultural impacts occurring in destinations in that they serve as the intermediaries between tourists and local community members.

Tourism companies influence the cultural experiences tourists take away from their holidays through the cultural activities they promote or choose to incorporate in their products. By providing tourists with unique and genuine social interactions during their holidays, companies can enhance the experiences of clients and build their brand value as well as a positive reputation among consumers. In short, socio-cultural sustainable practices can increase revenue and shareholder value particularly through the generation of more repeat business and acquisition of new clients.

Tourism companies can decrease negative socio-cultural impacts by briefing incoming clients on local customs to reduce the chances of tourists inadvertently offending local community members. Furthermore, companies can increase positive socio-cultural impacts by providing tourists the opportunity to experience or become actively involved in projects that are geared to their specific areas of interest, be it community development or cultural/ecological preservation. By offering these sorts of products, tourism companies are better able to meet the travel objectives of tourists and at the same time deliver credible social outputs to local communities.

Tourism companies, to a certain degree, also influence the attitude of their employees and local community members towards tourists. If companies do not employ sound labor policies or do not make an effort to equitably distribute tourism revenues among local community members, there is an increased potential for conflict and animosity among local inhabitants towards the tourism industry. In striving to integrate socio-cultural sustainability into business practices, companies create better relationships with suppliers, staff and local communities, increase their respect as a partner in destinations, and limit the risk of problems or conflicts. A strong positive reputation and a low risk of conflict can lead to increased access to key resources such as capital, the ability to develop products in an increasingly competitive market, and motivated and loyal staff.

The following chapter contains an introduction to the socio-cultural impacts of the tourism industry, each of which is followed by case studies of real actions taken by the MAST-Nepal companies to improve socio-cultural sustainability in the Nepalese tourism industry. This chapter highlights actions taken by the MAST-Nepal companies to better respect human rights, promote the equitable distribution of tourism benefits to local community members, and focus on societal development. All of these elements serve to protect the societies of host destinations.



## Labor and employment policies

Responsible labor practices are important to a company's long-term business health as well as its overall competitiveness in the industry. Tourism is a people-centered service industry, and tourists are often looking for friendly people and enjoyable social interactions when booking their holidays. If a company's employees are treated fairly and have good working conditions, they are more likely to be satisfied and committed to doing a good job and providing efficient, high-quality service to clients.

As tourism is a labor-intensive activity and accordingly has low entry barriers, it serves as a means to supply low-entry workers with more job opportunities. However, if not managed properly tourism companies can exploit the low-entry workers to increase their profit margins. This serves the dual purpose of degrading the wellbeing of society members in host destinations and undermining the goodwill between society and the tourism industry. Examples of labor exploitation in Nepal are the use of child labor, sexual exploitation of children, inadequate pay for services, and in the case of porters, heavy loads with inadequate provisions (shoes, warm clothing) in extreme climates. By ensuring fair and equitable conditions of staff, companies will increase the sustainability and the long-term business health by enhancing staff morale, increasing productivity, and improving quality, and thus the demand for a company's products.

While none of the MAST-Nepal companies defined actions to combat the sexual exploitation of children under this project, it is an important topic to address as it has historically been an issue in Asian countries. Unfortunately, the commercial sexual exploitation of children is a growing problem in tourist destination countries. It is important that tourism companies acknowledge that this problem is linked with tourism and that the sexual exploitation of children is a fundamental abuse of a child's human rights and dignity. Furthermore, it is vital that they educate their staff on the issue and methods to identify and immediately report perpetrators. It is important that tourism companies adopt a code of conduct to protect children from sexual exploitation.

The following case studies highlight actions taken by MAST-Nepal companies to improve the working conditions of employees and build employee job skills.



## Case Study

### Porter code of conduct

<b>Company Context/Baseline/ Action Objective</b>	<p>Highlander Trekking and Expedition is a medium-sized trekking agency in Nepal. Prior to the MAST-Nepal project, the company had no formal employee policy outlining work environment standards to ensure the wellbeing of their porters. In recognizing their need to protect the health and safety of their staff and to set a good example for all trekking companies in Nepal, Highlander has instituted a porter code of conduct that establishes minimum work environment standards to protect the wellbeing of their porters.</p>
<b>Method/How Accomplished</b>	<p>The internal management of Highlander drafted the terms of the trekking code of conduct for porters and adopted the policy. Their code states that porters will be provided with appropriate clothing, shelter, sleeping bags, food, life insurance, and a high standard of medical care during treks. It also states that porters will not be allowed to leave the group trek without careful examination from the trek leader and will never be unaccompanied when leaving the group due to illness. Furthermore, the code establishes weight restrictions on porter loads (maximum 20 kg). The code went into effect in July 2007.</p>
<b>Impacts</b>	<p>Ensuring porters a minimum standard of care and fair treatment on the job goes a long way towards the good will of employees to their employers. In being mindful of porter health and safety, trekking companies bolster the very qualities many trekkers seek on their trips: team work and trust. Furthermore, protecting porters serves to protect the social fabric of the trekking community and the cultural significance of porters on trips.</p> <p>The following testimony was provided by one of Highlander's porters regarding the porter code of conduct.</p> <p>"My name is Gyaljen Lama and I am a porter for Highlander. I am grateful for the Highlander porter code of conduct. By giving me good equipment to use on treks and limiting the amount I carry, they are protecting me and my future. I am very happy to be on the Highlander trekking team."</p>
	<p style="text-align: right;">-Gyaljen Lama Porter Highlander Trekking and Expedition</p>
<b>Lessons Learned</b>	<p>While tourism companies may have undocumented employee policies that serve to protect the wellbeing of their staff these policies should be formalized in a written code of conduct. Written documentation of company policies provides a clear understanding between employers and employees on the roles and responsibilities of each party and prevents miscommunication and misunderstanding between employers and staff.</p>

## Case Study

# Increasing staff skills and wellbeing through yoga training

<p><b>Company Context/Baseline/ Action Objective</b></p>	<p>As part of the MAST-Nepal project, Eco Trek International began evaluating different strategies to create a marketing advantage over other trekking agencies in Nepal. The company elected to start offering clients the option to upgrade their treks with daily yoga sessions. In selecting this action, Eco Trek was also aware of the indirect benefits it extended to their staff (daily exercise and relaxation sessions for physical and mental health and advanced training opportunities to increase staff marketability in the workforce).</p>
<p><b>Method/How Accomplished</b></p>	<p>Eco Trek hired a professional yoga instructor from Kathmandu to train their staff members on yoga postures, breathing, and instruction techniques. The company hired a yoga instructor and the training sessions started in February 2007 and were reportedly still being held at the time this publication was written.</p>
<p><b>Impacts</b></p>	<p>As a result of the yoga training investment, 3 staff members have received instruction in yoga postures, breathing techniques, and teaching methods. Eco Trek has already begun offering yoga upgrades for their treks and also offers daily sessions at their hotel in Kathmandu (Holy Himalaya). While the yoga sessions are free of charge for hotel guests, the trekking company charges an additional 25 Euros per person for yoga upgrades on treks. The company estimates that they have made an additional 150 Euros in three months of offering yoga upgrades and have already booked three treks for 2008.</p> <p>Aside from its positive business implications, this action has also benefited the company's employees by increasing their skill repertoire and marketability in a competitive industry. Furthermore, their employees have provided positive feedback on increased mental and physical health resulting from the yoga instruction.</p>
<p><b>Lessons Learned</b></p>	<p>Eco Trek noted that it has taken time to develop yoga skills within their staff. While training has been offered several times a month over the last year, only one guide has advanced to instructor level and the other two remain in yoga apprentice positions. It is important for companies offering specialty upgrades to ensure that the staff members guiding clients are properly trained and meet quality guidelines. For example, yoga instructors receive a teacher certification through a nationally recognized agency). Well-trained staff help ensure client expectations are met and the safety of clients is not compromised.</p>

## Training staff and local community members on socio-cultural conservation

One of the most effective ways companies can improve their socio-cultural sustainability is to better educate their staff and local community members on the mechanisms by which tourism can degrade the social structure and unique cultural aspects of destinations as well as methods to mitigate these impacts. The understanding, commitment, and active participation of all stakeholders will better ensure the preservation of local society and culture, benefit the local communities, and enhance the experiences of tourists. By offering training to staff and local community members, companies can facilitate the understanding of stakeholders on the importance and issues surrounding socio-cultural sustainability and provide insight on how they can contribute to the sustainability strategy within their day-to-day activities.

There are various methods companies can use to conduct training. For individual training, some of the least expensive options include structured reading and on-the-job training, while coaching, mentoring and information-based technology training are more expensive. Common group training options include lectures, group discussions, and audio-visual presentations. Workshop training events are very effective for training large groups of people, however, this is also one of the most expensive and time consuming options as they have to be well-planned and well-executed as well as being challenging and interesting to a number of participants.

The objectives of a training session should be clearly established in advance and based on a training needs assessment. Examples of socio-cultural training needs in Nepal are gender sensitivity in the workplace, conducting tourism in a way that protects historical sites (e.g. World Heritage Sites, religious temples and landmarks), combating the sexual exploitation of children, and methods to preserve the unique cultural aspects of locations and customs of local people.

While training initiatives are an important means to increase local capacity and raise awareness, it is often difficult to evaluate resulting outcomes unless attendees commit to action and are assisted in developing clear indicators and an easy means of monitoring project outcomes. Instructors should include sections during the training in which participants create action plans documenting their dedication to changed practices and assist trainees in establishing indicators and mechanism to monitor project outcomes. Actions should be specific, measurable, achievable, realistic, and time-specific. Follow-up training should be scheduled to monitor project implementation.

The following case studies highlight actions taken by MAST-Nepal companies to train and involve staff and local community members in the preservation of cultural identity in host destinations.



# Case Study

## Raising awareness on cultural heritage sites

### Company

### Context/Baseline/ Action Objective

Dream Nepal Travel and Tours is a small-sized tour operator that specializes in cultural trips to Nepal's World Heritage Sites. In recent years, a general lack of funding in cultural preservation projects has led to declining physical conditions of many of the nation's World Heritage Sites. In efforts to raise awareness on the deteriorating conditions of the World Heritage Sites, minimize the company's negative impacts on these culturally rich and valuable landmarks, and preserve their business operations, Dream Nepal developed an internal training curriculum to instruct guides on conservation measures.

### Method/How Accomplished

In July 2007, Dream Nepal drafted the Nepal World Heritage Site conservation training curriculum and in September the company trained a local tea house owner on the historic and cultural significance of World Heritage Sites, the declining condition of these important sites in Nepal, and measures the owner should employ when guiding tourists at heritage sites to reduce negative impact.

### Impacts

By providing trips lead by well-trained guides, Dream Nepal has increased the value of their product to clients as the experience of their clients will benefit from the guide's knowledge of the historical and cultural significance of Nepal's World Heritage Sites. Furthermore, well-trained guides are able to increase tourist awareness on the fragility of the World Heritage Sites and underline the importance of cultural conservation efforts. By conducting sustainable trips to these sites Dream Nepal is doing its part to preserve the World Heritage Sites that are vital to their business operations.

It is hoped that this action and other similar efforts within the Nepal tourism industry will raise awareness on the declining state of the country's World Heritage Sites and increase funding initiatives to preserve these important cultural sites.

### Lessons Learned

Dream Nepal has received positive feedback from the tea house owner that received the cultural conservation training effort. In response to the positive feedback and in efforts to further increase awareness on the importance of conserving Nepal's cultural sites, Dream Nepal has recognized the value of sharing the conservation training with other companies in the Nepal tourism industry. The company has already contacted four tour/trekking agencies, four hotels, one restaurant, and the local village of Khokana regarding the training initiative and is following up with the companies to arrange the training details.



## Case Study

# Protecting cultural traditions through sustainable honey harvest

### Company

### Context/Baseline/ Action Objective

Ghalegaun Village Resort is located in the northern part of the Lamjung district. This secluded village is home to the Gurung people and one of the resort's main attractions is the village's biannual honey hunting expeditions. Honey hunting has been a mainstay of Gurung culture for centuries and is an important tradition within their society. Honey hunting brings the different villages together in a community setting and also supplies the Gurung's with honey which is a highly prized commodity within their culture.

In recent years the Gurung honey hunting trips have begun to over tax the bee colonies and threaten the wellbeing of the bee ecosystem. In recognition of this, Ghalegaun Village Resort organized a training program for the local honey hunters to help protect the bee ecology, the local community's customs, and the resort's main attraction.

### Method/How Accomplished

The resort researched bee ecology conservation methods and developed two training sessions, one for the local village inhabitants and another specifically for the local honey hunters. Both courses were designed to raise awareness on the fragile nature of bee ecology, the cultural significance of honey hunting among the Gurung villages, and the positive economic impacts honey harvest tourism can have on the local community. The course for the honey hunters provided detailed information on the causes for the declining bee populations and outlined conservation measures the hunters could employ to better protect bee ecology and preserve Gurung culture. In May 2007 the resort posted notice within the local communities regarding the conservation training programs and both training sessions were conducted in June 2007.

### Impacts

As a result of the training efforts 25 local inhabitants from the Taghring, Sidhunga, and Mitra Villages attended the general conservation awareness session and 18 honey hunters attended the detailed training session. The honey hunters were trained on harvesting techniques to conserve bee ecology and the age-old practice of the honey hunting within the Gurung culture. The attendees committed themselves to more sustainable harvesting techniques.

### Lessons Learned

While training initiatives serve as an important means to increase local capacity and raise awareness on the importance of conservation efforts, it is often difficult to evaluate resulting outcomes unless attendee actions are written down and clear indicators and an easy means of monitoring project outcomes are established. In the case of the honey hunter training, it would have been helpful if trainers had assisted the hunters in establishing a baseline for the current bee ecology (number of hives, the number of bees, quantity of honey produced, and quality of honey). Trainees could then commit to conservation techniques and continue to monitor bee ecology to determine the impacts of their conservation measures.

# Case Study

## Sustainable Action Group

### Company Context/Baseline/Action Objective

The Tiger Mountain Group has pioneered environmentally responsible and sustainable conservation tourism in Nepal and other parts of South Asia since the 1960s. As part of the MAST-Nepal project, Tiger Mountain Pokhara Lodge has piloted a Sustainable Action Group (SAG), as part of a range of enhanced sustainability actions. The group consists of interested employees and is designed to monitor and develop sustainability within the company's operations and to develop improved sustainability overall. It is intended that this group will encourage even better enthusiasm and understanding of sustainability among the staff with "trickle down" benefits. It is also intended that this pilot scheme, once well-established, be rolled out in the other companies of the Tiger Mountain Group.

### Method/How Accomplished

The group aims to meet every three months-- a time-frame established early on as viable, bearing in mind the time it takes to undertake works and without putting undue pressure on interested attendees' time during the busy tourist season. To date there have been three meetings of the group with wide-ranging discussions of various aspects of sustainability. Recommendations are being implemented and minutes of the meetings are retained to enable action implementation to be monitored and evaluated.

### Impacts

At the time this case study was written, SAG was in the early stages of development and a work in progress. However, the first indications of the group's potential effectiveness are seen in initiatives to manage plastic bags and reduce packaging waste during shopping for Lodge supplies, as well as in developing improved links with local producers and more effective deployment of staff. Another positive impact has been the growing attendance which has increased 29 percent from the initial meeting (three months prior to the time the case study was written). The lodge estimates that 30 percent of its employees now attend the SAG meetings.

The group's actions and initiatives serve to protect and enhance the socio-cultural wellbeing of the surrounding area. Furthermore, these initiatives serve to establish a marketing advantage for the lodge in the rapidly growing sustainable tourism market.

### Lessons Learned

One lesson learned is that time must be given for any project that is not totally mainstream to the company's direct commercial operations. Early objectives of SAG to meet on a monthly basis proved to be unfeasible during busy periods with guests.

Another lesson is that, although the company has been developing sustainability in a "top down" manner from its inception, there was a reasonable "learning curve" for members of SAG as to the nature and potential of sustainability. Again, this requires time, explanations, discussions, and peer-to-peer support for a fuller understanding and appreciation to develop. Thus the wider deployment of the SAG concept will take longer than initially hoped.

## Case Study

# Sharing best practices in hotelier sustainable business operations

### Company Context/Baseline/Action Objective

Sustainable tourism is the fundamental business philosophy of The Explore Nepal Group, and the company has been at the forefront of sustainable tourism initiatives in Nepal and is widely recognized as a leader in sustainable business practices. As part of the MAST-Nepal project The Explore Nepal Group, Kantipur Temple House identified the value in further increasing awareness on the importance of sustainable initiatives and the best practices from the Kantipur Temple House with other Hotels in the Nepal tourism industry.

### Method/How Accomplished

The Explore Nepal Group gathered a collection of their best practices in sustainable hotel and restaurant operations and published a training manual (on recycled paper). In compiling their best practices the company detailed their policies and outlined easy to follow steps to guide others in implementing more sustainable business practices. The group then organized a training effort for hotels and restaurants to detail the contents of the manual and further discuss their sustainable actions to build capacity within Nepal's tourism industry.

### Impacts

From the business point of view the actions implemented by The Explore Nepal Group serve to promote sustainable tourism operations in Nepal and better link the country to the growing sustainable tourism market. The group printed copies of their manual "Guidelines for a Socially Responsible Hotel and Restaurant in Nepal" and distributed the guides to their colleagues in the Nepal tourism industry and also posted the document on their website.

The company invited 17 hotels to participate in a training session to brief them on the manual and share their experiences in sustainable tourism operations, and the training was conducted in December 2007. As a result of the training effort, four hotels were trained on the importance of sustainable operations from perspectives from each of the three pillars (environment, economic, and socio-cultural) and the business advantages of changing their operations to become more sustainable.

### Lessons Learned

In initiating training seminars it is imperative for organizers to involve managers in the tourism industry in preparing the contents of the agenda and the training session itself. This is to ensure topics covered in the seminar are germane to the issues of the local industry and attention is devoted to details that are not well understood by attending companies. Furthermore, by engaging managers in the training, organizers are involving company policy makers in the process and increasing the likelihood that these decision makers will be vested in positive training outcomes. This vested interest will translate into more companies adopting sound waste management practices to better protect tourism industry assets, promoting the equitable distribution of tourism dollars among local communities by prioritizing local purchases, and seeking to conserve cultural heritage by restoring historical buildings to use for business operations or by designing business structures in traditional styles.

## Philanthropy and charitable donations

Tourism companies can provide social and economic support to disadvantaged members of the local community through donations to social development projects and programmes, either in cash or in kind (which includes staff time and any product or activity that will not require a direct expenditure for a company). These actions can help strengthen goodwill within the communities in which they operate and reduce the likelihood of conflict between tourists and local community members. Furthermore, philanthropic activities can increase the company's reputation among local authorities and government institutions.

In order to ensure that funds donated to a project or programme will have a genuine impact on sustainable development, it is normally essential for companies to make a long term commit to projects. There are numerous examples of projects that have shown initial promise, but which have failed because of the lack of continuing support. In theory, many projects can become self-sustaining, but in practice the barriers to this are simply too overwhelming and some sort of long-term subsidy is likely necessary.

Publicizing the destination charities supported, encouraging tourists to contribute, and possibly enabling tourists to visit the project sites will impart a greater understanding of the challenges of local people and improve a tourist's holiday experience by allowing them to feel that they have contributed to the social wellbeing of their host destination. In addition, allowing and encouraging company staff to spend time in philanthropic activities, such as teaching at a school or working with others to clear a historical site of litter, will improve employee morale and company support for sustainability contributions while benefiting the local communities.

When developing a company strategy and action plan for philanthropic activities, it is important to ensure that projects or programme support bring direct benefits to the local community members of tourism destinations/activities. Examples of philanthropic support relevant to Nepal are education, health, environment, communities, employment, and entrepreneurship. Companies can support education by improving access to schools through scholarships and improving education resources by building schools, providing supplies, and paying teachers. They can improve health and sanitation services and access to facilities and treatment. Moreover companies can support the environment by disseminating educational materials or other resources to foster the conservation of natural resources and promote biodiversity. They can foster community interaction by building community spaces and services. They can enhance economic stability by training and employing disabled workers and marginalized citizens and furthermore support entrepreneurship by incorporating the products of local farmers, handicraft makers, and artisans into their company offerings.



## Case Study

# Community support through local scholarships to children

<b>Company Context/Baseline/ Action Objective</b>	<p>Eco Trek International is a trekking company that strives to improve the sustainability of their operations with rural trekking itineraries and are dedicated to strong community activism. They have demonstrated strong community support to the rural areas in which they operate by building over 30 primary schools and providing scholarships to local children. As part of the MAST-Nepal project they committed to extending this support to the Chepang children of Kurintar village.</p>
<b>Method/How Accomplished</b>	<p>Eco Trek identified seven disadvantaged Chepang children to sponsor through scholarships. In fall 2007, the company contacted the local school to notify the head masters of their intentions to provide scholarship support to the children. As part of the Chepang children's scholarship, Eco Trek provided children with school uniforms, paid their school tuition, stationary/school supplies, and purchased musical instruments for the school.</p> <p>Eco Trek also identified the need for an additional primary school teacher and offered to pay 50 percent of the new teacher's annual salary. The school posted an advertisement for the school teacher position, conducted interviews, and filled the position.</p>
<b>Impacts</b>	<p>As a result of this action, Eco Trek invested approximately 400 Euros to provide support to seven children in the Kurintar village in the form of scholarships, clothing, and school supplies (including musical instruments). They furthermore invested 200 Euros to pay half of the new primary school teacher's annual salary. It is hoped that in providing rural children with better learning opportunities it will increase their eligibility for higher income generating jobs in their adult years. This action and several other similar in scope have given Eco Trek a strong reputation in the community as a company dedicated to community activism. These efforts have established goodwill between the company and community.</p>
<b>Lessons Learned</b>	<p>To reduce the chance of fraudulent use of funds, Eco Trek is transparent in their donations to both the tribal leaders and the community members. They have included all community stakeholders in financial discussions, which has established a system of checks and balances whereby all the involved stakeholders are responsible to one another for the successful implementation of projects and responsible use of the economic funding.</p>



6

Conclusions



## Conclusions

The MAST-Nepal project is the first of its kind in Nepal in that it uses market mechanisms to promote, motivate, and reward sustainable operations among private sector tourism companies. The project incentivized private sector participation in capacity building events and implementation of sustainable action plans by increasing their access to international sustainable tourism markets. Motivating companies with business incentives have increased project performance and furthermore stimulated interest among other companies in Nepal in sustainable tourism business practices.

The MAST-Nepal project companies participated in four training events designed to enhance their understanding of the principles of sustainability, create achievable action plans to increase the sustainability of their operations, and learn to market their newly improved products. The project then promoted these companies at international tourism fairs and assisted them in the development of marketing materials. The companies are working hard to integrate what they have learned in their day-to-day operations and realize that sustainable tourism is a continuous process and requires the constant monitoring of business operations and introduction of new practices to better enhance their sustainability.

The MAST-Nepal project companies have committed themselves to a positive change in their business operations and collectively have had a significant positive impact on the environmental, economic, and socio-cultural landscape of Nepal. These impacts are evidenced through the selection of case studies provided in this publication, which profile actions taken by the MAST-Nepal companies to promote the long-term viability of Nepal as a quality tourism destination.



If you or your company would like to consider replication of the MAST-Nepal project or any of the company actions listed in this publication, please consider the following:

- In selecting sustainable actions, take care that selections are SMART (Specific, Measurable, Achievable, Realistic, and Time-specific)
- Establish a baseline prior to the implementation of SMART actions (a clear understanding of the initial conditions assists in evaluating the impact of actions)
- Establish impact indicators and a monitoring framework whereby project impacts are continually assessed (the indicators and monitoring framework should be as simple and as straightforward as possible)
- Continually monitor and share project performance and lessons learned with other tourism companies interested in sustainable development

Companies interested in increasing the sustainable nature of their business operations should make sure their sustainable actions are comprehensive, credible, and lead to long-term positive changes. It is important to integrate sustainability principles into corporate policy and management systems, and to monitor and report on performance. While each company has a responsibility to individually address the challenges of sustainability, sectoral approaches and tools can effectively complement individual companies' efforts and create synergies throughout the industry.

It is hoped that the MAST-Nepal project will further generate awareness among other tourism companies in Nepal and throughout the global industry on the importance of environmentally, economically, and socio-culturally sound management practices. These actions, along with others implemented among the tourism industry, will increase benefits to the poor and minimize environmental and socio-cultural damage related to tourism activities.





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# Appendix

# Appendix A

The Nepalese tourism businesses participating in the MAST-Nepal project have received extensive training in sustainable tourism practices and are working hard to integrate what they have learned into their day-to-day operations. The following lists the project companies participating in the MAST-Nepal project.

Amazing Tours and Travels  
 Balthali Village Resort  
 Dhulikhel Mountain Resort  
 Dream Nepal Travel & Tours  
 Eco Trek International  
 Gangotri Tours & Travels  
 Ghalegaun Village Resort  
 Highlander Trekking & Expedition  
 Himalayan Encounters  
 Island Jungle Resort  
 Manang Tours & Travels  
 Mowgli's Eco Adventure Tours  
 Naulo Travels  
 Nepal Mountain Bike Tours & Expeditions  
 Raaika Tours & Travels  
 Rhino Resort  
 3 Sisters Adventure & Trekking  
 socialtours.com travels & socialtreks.com adventures  
 Syangboche Panorama Resort  
 The Explore Nepal Group  
 The Last Resort  
 Tiger Mountain Group Nepal  
 Ultimate Descents Nepal

This publication provides case studies from the MAST-Nepal project to demonstrate good practice in action, however, it is important to note that while the project companies have shown an improvement in the sustainability of their operations; neither UNEP nor any of the other project partners have developed a methodological approach to verify the implementation of company action plans or qualify the self assessments provided by the companies. Furthermore, while this document lists the names of the project companies, neither UNEP nor any other project partner specifically endorses these companies.



## **MAST-Nepal**

The MAST-Nepal project has been implemented by three partners: the United Nations Environment Programme (UNEP), SNV Nepal (Netherlands Development Organization) and the Nepal Tourism Board (NTB). The following provides a brief introduction to the project partners.

### **United Nations Environmental Programme (UNEP)**

UNEP, the project applicant and manager, provides leadership for the protection of the environment by inspiring change, informing stakeholders, encouraging partnerships and enabling nations and people to improve their quality of life without compromising that of future generations. UNEP's Division of Technology, Industry and Economics (DTIE) works with governments and various industries to achieve responsible behavior, positive investment and a cleaner environment.

### **Netherlands Development Organization (SNV)**

SNV is a multicultural development agency, which operates in 32 developing countries throughout Africa, Asia, Latin America and Eastern Europe. SNV Nepal has been supporting sustainable development for 25 years in Nepal. SNV is a global leader in Pro-Poor Sustainable Tourism Development with over 60 specialist advisors working with local partner organizations to support responsible and sustainable tourism development.

### **Nepal Tourism Board (NTB)**

NTB is a national organization established in 1998 as a partnership between the Government of Nepal and private sector tourism industries of Nepal to develop and market Nepal as a premier tourist destination. NTB promotes Nepal in domestic and international markets and aims to reposition the image of the country. The Board integrates government commitment with the dynamism of private sector tourism industry and strives to develop sustainable products and build human resource capacity in Nepal.

## **The European Commission**

This project is funded by the European Commission. The European Commission is made up of 25 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders. The European Commission is the EU's executive body.

The Asia Invest programme was launched in 1997 as an initiative of the European Union to promote and support business cooperation between EU Member States and South-East Asia and China. This 5 year programme provides assistance to intermediary organizations to facilitate mutually beneficial partnerships between the EU and Asian companies, in particular small and medium sized enterprises, as well as to strengthen the framework condition to increase trade and investment flows between the two regions.

This publication has been produced with EC assistance. The content of this publication is the sole responsibility of the project partners: UNEP, SNV, and NTB and can in no way be taken to reflect the views of the European Union.

## About the UNEP Division of Technology, Industry and Economics

The UNEP Division of Technology, Industry and Economics (DTIE) helps governments, local authorities and decision-makers in business and industry to develop and implement policies and practices focusing on sustainable development.

The Division works to promote:

- > sustainable consumption and production,
- > the efficient use of renewable energy,
- > adequate management of chemicals,
- > the integration of environmental costs in development policies.

The Office of the Director, located in Paris, coordinates activities through:

- > **The International Environmental Technology Centre - IETC** (Osaka, Shiga), which implements integrated waste, water and disaster management programmes, focusing in particular on Asia.
- > **Production and Consumption** (Paris), which promotes sustainable consumption and production patterns as a contribution to human development through global markets.
- > **Chemicals** (Geneva), which catalyzes global actions to bring about the sound management of chemicals and the improvement of chemical safety worldwide.
- > **Energy** (Paris), which fosters energy and transport policies for sustainable development and encourages investment in renewable energy and energy efficiency.
- > **OzonAction** (Paris), which supports the phase-out of ozone depleting substances in developing countries and countries with economies in transition to ensure implementation of the Montreal Protocol.
- > **Economics and Trade** (Geneva), which helps countries to integrate environmental considerations into economic and trade policies, and works with the finance sector to incorporate sustainable development policies.

*UNEP DTIE activities focus on raising awareness, improving the transfer of knowledge and information, fostering technological cooperation and partnerships, and implementing international conventions and agreements.*

For more information,  
see [www.unep.fr](http://www.unep.fr)

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