1. BACKGROUND

Tourism is an important contributor to the economy of Khyber Pakhtunkhwa province (KP) of Pakistan. The number of domestic tourists traveling to KP keeps growing rapidly. According to the World Travel & Tourism Council, the total contribution of travel and tourism to Pakistan’s GDP was USD 22,286.3 million, or 7.4% of GDP in 2017, and further growth for 2018 was expected to be 5.8%. The total contribution of this sector to employment including jobs indirectly supported by the industry was 6.5% of total employment and was expected to rise further by 2.3% in 2018 and travel and tourism investment, 9.1% of total investments in 2017 is expected to rise by 5.2% in 2018.

With the devolution of federal tourism ministry after the passage of 18th amendment to the constitution in 2010, the responsibility to manage and promote tourism was shifted to the provinces. KP has a diverse range of tourism assets, including mountains, valleys, forests and rivers. Furthermore, it is also at the confluence of the world’s three highest mountain ranges, the Himalaya, the Karakoram and the Hindukush. Moreover, the province has rich history and is home to the Gandhara civilization.

KP’s rising interest in the sector is also evident from the fact that its expenditure in tourism sector rose from Rs. 86.23 million in the financial year 2012-13 to Rs.
791 million in financial year 2018-19.

Due to recent ‘over tourism’, KP province and its residents are at risk of missing the potential positive impact of tourism through job creation, income and improved service delivery. There is a real possibility of dilapidated destinations and heritage sites, negatively impacting the visitor experience. Early signs include traffic congestion, littering & unplanned waste collection, land and river pollution and road degradation amongst others. There is therefore a need for destination planning, identification of critical investment gaps and site management to amplify the opportunities for revenue generation and site/heritage preservation.

KP has the means to attract private sector investment and increase the value generated per visitor through a structured destination development approach.

2. RATIONALE

The federal and provincial governments in Pakistan have identified tourism as a means to revitalize economic growth and job creation, and its gathering inputs from the provinces on the roadmap for tourism sector promotion and development.

In this context, the World Bank Group (WBG) through the Multi Donor Trust Fund (MDTF) is supporting the Government of KP’s commitment to accelerate growth and diversify tourism offering in priority destinations. The WBG’s support through International Development Association (IDA) loan of US$70 million was confirmed in November 2019, with the signing of KP Integrated Tourism Development (KITE) project. The project development objective is to improve tourism-enabling infrastructure, enhance tourism assets, and strengthen destination management for sustainable tourism development in Khyber Pakhtunkhwa. The plans prepared under this consultancy will have to also consider the needs of women, disabled, families and elderly.

3. CONSULTANCY OBJECTIVES

This activity will assist the Government of KP in preparing Destination Investment & Management Plans (DIMPs) and Visitor Management Plans (VMPs) for the sustainable development of tourism in selected priority destinations. This Consultancy is informed by the 2018 “Tourism Sector Analysis by the GoKP” and aims to;

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1 Annual Development Plan 2018-19
2 GoKP/ERKF funded: KP Tourism Sector Analysis of Kalam, Swat, Galiyat and Naran. October 2018
(a) prepare destination management plans for the three selected destinations comprising carrying capacities, visitor flow, growth/conservation nodes and stake-holder responsibilities;
(b) prepare a detailed destination investment plan comprising (i) a public domain component that identifies local/provincial government investments in tourism infrastructure and (ii) a private sector opportunity component that identifies new enterprise investments as well as improvements to standards in hotels, food & beverage industry, etc. together with the estimated cost of each identified investment for each priority destination; and
(c) prepare specific and detailed visitors management plans (VMPs) for popular sites (including access traffic flows) including operational modalities and the costs involved. Deliverables of this Consultancy will help inform subsequent implementation of key activities through KITE and other resources. Pre-designs and detailed costing of identified infrastructure investments will be carried out by other technical specialists and are not part of this Consultancy. It is expected that this approach to management and detailed investment planning can be replicated at other destinations which may not be part of this assignment. Depending on the satisfactory performance, the same consultant could be requested to develop similar plans for additional destinations. However, client reserve the rights to initiate the procurement for other sites on competitive basis at any time on need basis.

The focus of the Consultancy will be on three priority tourism destinations in KP province reflecting the geographical and resource scope and in different stages of the product lifecycle currently identified as: Kalam, Kumrat and Chitral. Annex 1 has the details of the detailed geographic scope of this assignment in destinations.

4. SCOPE OF WORK

The Consultancy will include the following phased activities:

4.1 Baseline survey for Chitral

1. The survey will cover a broad range of information related to tourism in the Chitral. Following is an indicative list of information that should at least be covered during the survey. A complete list of required information will be finalized during the inception phase of the study in discussion with the client.

Tourism Assets/Attractions

2. The study will include a detailed assessment of the tourism assets/attractions in the Chitral. The consultants should use relevant, up-to-date secondary sources where possible and identify in the inception phase where field inventory is required to ensure that following key elements of this analysis that will at least include:
i. Complete inventory of existing and potential tourism assets/attractions (related to scenic beauty leisure and scenery, historical, archeological, religious/cultural, adventure, medical or any other type of tourism)

ii. Evaluation of the inventoried assets (significance, physical infrastructure, tourism potential, tourist access, current tourist facilities, etc.)

iii. Identify and describe whatever exists at the destination in terms of a visitor product. Inventory of products and offerings; including tourism attractions and specialties of the areas (foods, clothes, handicrafts, list of festivals, fairs, sporting events, etc.)

**Tourism Enterprises**

3. The survey will map the local tourism enterprises that include the business establishments that directly cater to tourists and visitors; including hotels, motels, lodges, restaurants, eateries, home stays, campsite renting, food kiosks, tour operators, transporters, souvenir/gift shops, etc. Information covered under the survey should include at least the following:

   i. Number & Enterprises with classification based on type, size, location, number of employees (gender segregation), revenues, etc.
   ii. Products/services being offered by the identified enterprises

Complete details about the information to be collected about the tourism enterprises will be finalized in the inception meeting.

**Tourism Human Resource/Jobs**

   i. Current number of people employed (direct and indirect) in tourism sector.
      o Segregation by subsectors
      o Segregation by public sector and private sector
      o Segregation by gender
      o Segregation by job description (managers, waiters, tourist guides, drivers, etc.)
   ii. Wage analysis (sample based research, details to be finalized in the inception meeting)
   iii. Skill level analysis (sample based research, details to be finalized in inception meeting)
   iv. Tourism HR/labor/employees’ requirements projections for next five to ten years, given the Tourism Policy 2015, and FY18 ADP target of new jobs in KP.
v. Training requirements of the private sector (managers, hotel staff, tourist guides, drivers, etc.)
vi. Tourism Skills development institutes in and around target locations

**Tourism Infrastructure**

i. Accommodation facilities for the tourists. Number of hotels, motels, rest houses, private homes; villas/cottages, apartments; along with their complete details (location, quality/star rating, price list, room capacity, guest facilities/services, no. of employees, no. of beds, etc.)

ii. Average occupancy rates of accommodation facilities during the year

iii. Number of restaurants, eateries, etc. along with their details such as food type, price segment, seating capacity, value added services, etc.

iv. Road infrastructure to reach the identified tourist sites (length of road, different routes, connectivity with main highways/roads, quality of road, average travel time, etc.)

v. Number of commercial vehicles available for tourists; along with a review of their service quality

vi. Tourist information centers (by government or private tour operators)

vii. Tourist facilities such as transport, restrooms, call centers, emergency help centers, shopping areas, etc.

viii. Exclusive tourist facilities available for women and children, and identify the gaps.

ix. ICT infrastructure in the locations (mobile phones, internet services, etc.) and potential use of ICT in industry’s promotion.

**Tourist Demand (For Kalam and Kumrat, this will be mostly informed by the KP Tourism Sector Analysis October 2018, which has most of the data)**

i. Size and scope of the travel market - what is the market and how big is it

ii. Tourists profiles with respect to age, gender, education, occupation, income, purpose of visit (leisure, business, visit friends and relatives (VFR), religious pilgrimage, medical, etc.), country of origin, duration of stay, mode of journey, use of package tour, etc.

iii. Growth trends of number of tourists and frequency of visits

iv. Tourist (local and foreign) flow patterns on annual and seasonal basis–to analyze that where, when, how and why do the tourists visit a specific destination
v. Number, nature and durations of stay (no. of overnight visitors versus same-day visitors; use of accommodation options; hotels, friends or relatives, camping, etc.)

vi. Expenditure pattern of the tourists (local and foreign) (how much, when and on what); expenditure segregation by package tour, accommodation, food/drinks, transport, recreation, shopping, etc.)

vii. Travel taste of the tourism consumers – what are the characteristic of the travel consumers, their likes and dislikes when traveling in terms of accommodation, activities, food, purchases, etc.

viii. Visitor assessment of their vacation – how do visitors rate their travel experience.

ix. Access response of tourists towards camping pods and at which other places it is suitable to be established

**Economic Contribution of Tourism**

i. Share of local population engaged in tourism-related activities (number of households, type of activities, seasonality effect, etc.)

ii. Characteristics of tourism employment versus that in other sectors (seasonal, daily wage, etc.)

iii. Average incomes of households engaged in tourism and other sectors (poverty comparison)

iv. Tourism contribution to the economy of the target locations

v. Government’s revenue collection from tourism-related businesses (tax from hotels and restaurants, roads toll money, entry tickets to tourism places, etc.

vi. Government’ expenditure (budgeted and actual) on tourism in the selected locations

**4. Desk study of the supply and market analysis per destination (informed by the KP Tourism Sector Analysis for Kalam and Kumrat (completed by Government of KP in August 2018) and Tourism Policy of KP to:**

- present historical trend data and project a low, medium and high growth scenario and its outlook for the target areas;
- reflect on the restrictions and opportunities created by seasonality pattern of the destinations;
- provide a comprehensive listing of management responsibilities per type of attraction and assess the relevance and appropriateness in relation to social and environmental strengths and weaknesses regarding tourism development;
• compare management approaches with one or two benchmark global competitors (relevant selection to be agreed).

• Mapping of stakeholders including Local authority – key departments/functions: transport; environment. Civil society organizations (community, civic, environmental. Wider economic partners), that are influenced by or have influence on tourism.

**Destination Management Plan**

The consultant shall undertake the following activities, in each case providing sound justification:

• Describe the current management system of existing attractions and sites and assess their effectiveness and efficiency; including environment and social infrastructure (such as existence of citizen engagement systems, grievance redress mechanisms)

• Document the roles and other institutional details (charter, year of establishment, staffing, capacity etc.) of the applicable management authority that govern tourism site and overall destination at both provincial and federal levels;

• Propose a sustainable and effective management system for existing assets and anticipated (proposed) activities following the low, medium and high growth scenario;

• Propose institutional and regulatory changes to support the envisaged management system and indicate realistic revenue options;

• Assess the feasibility for establishing a destination level tourism management entity (Destination Management Organisation) and formulate a road-map for its establishment;

• Reflect on international best practice in support of proposed management systems;

• Reflect on the current and proposed policy and regulatory tourism environment at provincial and federal level in support of the proposed destination management system.

**Destination Investment Plan**

Provide an analysis of:

• Constraints to investments, including but not limited to access to capital, land (including settlement status, existence of revenue record based on individual or communal ownership), other inputs and security of tenure;
• Regulatory processes for tourism investments and to what extent they impede/encourage diversification, innovation and quality;
• The investor market for each destination, levels of FDI and domestic investment, types of tourism projects in each category and asset class (existing and pipeline), identify specific investors and categorize types of investors, access and availability of finance, size of projects, target market segment and typical structure of deals.
• What do existing investors such as Serena, Hashoo group, major hotel owners think about the destinations;
• Identify and quantify the major infrastructure and destination facility barriers (and risks) related to tourism development in and around these destination areas, and recommend appropriate investments assessing operating and maintenance costs;
• Inventory of existing development plans, and rules regarding their preparation by district, the province and other public bodies;
• Inventory of priority connectivity/transport/utilities infrastructures (including air and road connection, water management, waste management) at destination level and timing required to fill the gaps identified (reflecting seasonality conditions);
• Inventory and needs of tourism-related public sector infrastructure (including visitor information centres, signage, lighting, parking, access to lakes, viewpoints, villages and hilltops, archaeological sites and artefacts, construction and renovation of tourism infrastructure in protected areas to improve trekking and scenic trails, safe drinking water, viewpoints, shelters, etc.);
• Details of potential/new private sector enterprises/projects serving the destinations especially in terms of capacity, brand, and quality, or new capital projects that will have an impact on tourism development at the destination level;
• Provide an indication of how many properties/businesses could be supported in each destination based on supply/demand analysis. This should identify the requirements for meeting the demands of different segments of tourists and include standard setting for hotels service and food & beverage industry
• Provide an indication of which destination areas (and areas in/around them) are most market-ready for tourism development to attract selected market segments.
• Analysis of how the various products should be developed in terms of phasing. Which types of products can be brought to the market first, and in/around which destination areas;
• The investment plan should propose budget holders and procurement entities for each of the investments;
• Formulate an investment plan based on the quantification of demand indicators such as peak visitor loads (at both the destination and key site level), numbers of additional hotel rooms, additional capacity of transport networks (roads, airports etc.), together with specific investment opportunities and indicative cost of each investment/project.

Visitors Management Plan
• Based on the priority site-specific issues identified in the KP Tourism Sector Analysis, through desk research and consultations with stakeholders, especially Police, Deputy Commissioner Office, Himalayan Wildlife Foundation and DTS (KP), suggest actionable items to address these specific problems based on home grown (for example, Fairy Meadows, Poonj Lake in Gilgit and AJK and global solutions; including:
  1. Access & traffic management;
  2. Solid waste management and required training and equipment for local authorities and communities;
  3. Reducing and recycling plastics and glass (empty bottles etc.);
  4. Signage and visitors’ management (barriers) during on and off-peak seasons.

The VMPs, and DIMPs should include environmental and social considerations as required under World Bank operational policies applicable on KITE Project.

5. METHODOLOGY

5.1 Desk research and assessment of existing development plans. Prior to field work, the consultancy should conduct a thorough desk research of the tourism sector in KP, already mentioned in earlier sections of this document, as well as other relevant policies and plans at the national and province level and development authorities, and assess their feasibility, results if implemented, and need for update and/or comprehensive restructuring.

5.2 Field visits and stakeholders’ consultations. In addition to desk review and data analysis, the consultant will undertake stakeholders’ consultations, field visits, and prepare detailed maps showing the baseline and impact of proposed development of each destination in tourism areas within each destination. The Consultancy will provide creative assistance for the
presentation/publication of highly visual and easy to read information for public dissemination.

5.3 **Identification of successful tourism models in diversifying tourism.** The consultancy should describe and analyse successful tourism development models and destination management plans from around the world and within Pakistan (especially AJK and Gilgit Baltistan) that might be adapted to the priority destinations. This description would showcase key lessons learned related to utilizing natural and heritage assets to develop tourism that benefits local populations and supports inclusive and sustainable economic growth, in particular in the areas of eco-tourism, adventure, culture, gastronomy, sports (traditional, water, motor and winter sports) and mountain tourism.

5.4 **Special consideration must be given to the previously ignored segments of tourists, including foreigners, overseas Pakistanis, women, disabled, families with children and elderly.** The DIMPs and VMPs will have to be sensitive to their needs and suggest specific activities for this segment if supported by the demand assessment.

5.5. **Consultations with World Bank team, Government officials and private sector.** The Consultancy must proceed within a framework of high level and frequent consultation with World Bank (WBG) and International Finance Corporation (IFC) and GoKP officials. This consultation will receive technical oversight of the WBG team on specific deliverables i.e., inception report, draft report and final report. The key counterparts from the Government of KP will be the Secretary Tourism as well as the Secretary Communications and Works Department (KP), local development authorities in the selected destinations (including Kaghan Development Authority and Dir Development Authority or similar structure for Kumrat), relevant technical agencies that include the Environment Protection Agency, Department of Forest and Wildlife, Directorate of Archaeology, Department of Tourist Services and private sector including the local hotels and restaurants associations, transporters association, business associations/chambers, Careem/Uber, Airbnb, Hashoo Group, Serena Hotels, Agha Khan Foundation, UNESCO, local civil society organizations, Himalayan Wildlife Foundation, Bank of Khyber, and Hazara University etc.

6. **DELIVERABLES & TIMELINE**

The key deliverables for this Consultancy are detailed DIMPS and VMPs reports, detailed maps and summary PowerPoint presentations for each selected destination covering the main phased activities. Deliverables should be at such detail that they directly inform the implementation of future investments in the destinations. An indicative program for specific deliverables and expected timing is shown below:
<table>
<thead>
<tr>
<th>Steps</th>
<th>Deliverables</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inception report providing:</td>
<td>Within 1 week of contract signature</td>
</tr>
<tr>
<td></td>
<td>- Conceptual/analytical framework to identify all relevant research and analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- List of all stakeholders to be consulted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Detailed analytical approach and work plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Timelines for the entire assignment in a Gant Chart</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Table of content of final report to identify the sections of the final report</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Suggested information required through the survey questionnaires</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Summary report or presentation of key findings from desk research</td>
<td>Within 2 weeks of contract signature</td>
</tr>
<tr>
<td>3</td>
<td>Field survey and stakeholder consultations under which a stakeholder workshop is required to be carried out at a location specified by the PMU</td>
<td>Within 2-4 weeks of contract signatures</td>
</tr>
<tr>
<td>4</td>
<td>Draft Investment Needs Reports</td>
<td>Within 8 weeks of contract signature</td>
</tr>
<tr>
<td>5</td>
<td>Draft Destination Management Plan</td>
<td>Within 10 weeks of contract signature</td>
</tr>
<tr>
<td>6</td>
<td>Draft Report on VMPs</td>
<td>Within 10 weeks of contract signature</td>
</tr>
<tr>
<td>7</td>
<td>Final DIMP and VMPs report together with a well written executive summary</td>
<td>Within 14 weeks of contract signature</td>
</tr>
<tr>
<td>8</td>
<td>Dissemination of the DIMP and Visitors Plans through workshops in Islamabad and Peshawar</td>
<td>Within 18 weeks of contract signature</td>
</tr>
</tbody>
</table>

The total level of effort for the assignment is estimated at 6 technical staff months. This does not include research analyst and other support staff.
7. QUALIFICATIONS OF THE CONSULTANCY FIRM

The Consultant must demonstrate the skills and experience required to undertake the tasks set out in these terms of reference. The following shall be the shortlisting criteria

<table>
<thead>
<tr>
<th>s.no</th>
<th>Selection Criterion</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ten (10) years post registration experience in market analysis for the tourism sector, in analyzing the tourism and travel industry, and good understanding of the structure and operations of the industry. Details of assignment including client name, worth and duration to be provided and registration certificate should be provided.</td>
<td>10</td>
</tr>
</tbody>
</table>
|      | • 10Years = 05 Marks  
• Above 10 Y= 01 Mark P/Y up to maximum of 10.                                                                                                      |       |
| 2    | Five (5) years of experience in carrying out research work and preparation of actionable and detailed plans for destination development in cultural, heritage and adventure tourism. International Experience will be accorded due weightage.  
Details of assignment including client name, worth and duration to be provided.                                                                 | 30    |
|      | • 5 Years = 15M  
• Above 5 Years= 02M for P/Y up to maximum of 25.  
• International experience= 1Mark per project.  
(Project of US $ 1 Million or above will be considered)                                                                                           |       |
| 3    | Should have completed at least 10 assignments in the area of developing spatial, product or engineering concept designs and associated description to implement the site development plan either directly or through an                                                                 | 30    |
|      | 10 Completed projects = 20marks  
Above 10 Projects 2marks per Project up to maximum of 30  
(Project of US $ 1 Million or above will be considered)                                                                                            |       |
association with a consortium partner during last five years.

Details of assignment including client name, worth and duration to be provided.

<table>
<thead>
<tr>
<th>4</th>
<th>Should have carried out at least 3 assignments of Destination Development during last 5 years that has been successfully implemented. Details of assignment including client name, worth and duration to be provided.</th>
</tr>
</thead>
</table>
| 10 | 3 Project = 6marks
Above 3 = 1 Mark Per Project. (Project of US $ 1 Million or above will be considered) |

<table>
<thead>
<tr>
<th>5</th>
<th>The Net Worth of the firm shall be positive for the last three years. And should have average current assets &amp; revenue of US $ 5 million. The firm must provide evidence of audited financial statements</th>
</tr>
</thead>
</table>
| 20 | Current Assets: (10Mark)
- US $ 10M = 6
- Additional 1 mark for each 2 million.

Revenue: (10Mark)
- US $ 10M = 6
- Additional 1 mark for each 2 million. |

The final report and its executive summary should be well-written and proofread, edited and formatted. The consultant may be requested to prepare presentations, info graphs of the interim and final deliverables as and when requested by the client. Management of the final workshops (deliverable no. 8 mentioned above) will be done jointly by GoKP and the consultancy firm and there will be strict adherence to the communications policy of the GoKP and WBG.
8. WORKING ARRANGEMENTS

The Consultant will be required to present the findings of the various components of the studies to GoKP and WBG representatives at key milestones during the Consultancy. The Consultancy will be extended advisory support from the WBG on its policies and the project, as appropriate, not binding however. The Consultancy will also be extended full support from the relevant agencies of the Government of KP through their designated representatives, regarding access to sites (by obtaining necessary clearances and NOCs), available data and information relevant to the preparation of the documents as well as to other key agencies and other stakeholders.

However, it is the sole responsibility of the qualified firm to contact the identified stakeholders, gather the necessary information, synthesize and analyze it as well as prepare all the assignment deliverables satisfactory to the Government of KP. The same consultant firm may be tasked to prepare similar plans for additional destinations depending upon satisfactory performance in this assignment.

The Consultant will report to the Project Director KITE (PMU-DoT) and Project Director, ERKF (KP-PMU).
### Priority Tourism Destinations and Boundaries

<table>
<thead>
<tr>
<th>Destination</th>
<th>Main Gateway District</th>
<th>To include areas and locations:</th>
<th>Municipalities, Population and Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalam</td>
<td>Swat</td>
<td>Miandam, Madyan, Matiltan and the valleys of Bashigram, Mankial, Utror and Gabral. Mahodand lake</td>
<td>Estimated annual tourist arrivals 0.4 million (KP Tourism Sector Analysis)</td>
</tr>
</tbody>
</table>
| Kumrat      | Dir                   | Main Kumrat, valley, Darderelli Pass, all potential tourism attraction site, valleys, lakes, within the boundaries of Kumrat. | Estimated population 50,000 (census 2017)
Number of annual tourist arrivals: more than 50,000 |
| Chitral     |                       | Qaqlasht, Kalash valleys Bamburet, Barir, Rambur, Madkhlasth, Golen, Laspur, | Estimated population of chitral districts: 414,000. |