



INTERIM NARRATIVE REPORT 1

(1st July 2020 to 30th June 2021)



SUSTOUR Bhutan

*Replicating EU tourism industry SCP best practices into
a Bhutanese sustainable tourism model*

ACA/2020/415-853

Association of Bhutanese Tour Operators (ABTO)

In partnership with

**European Centre for Eco Agro Tourism (ECEAT)
Hotel and Restaurant Association of Bhutan (HRAB)
German Travel Association (ASR)**



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1. Description

- 1.1. **Name of beneficiary of grant contract:** Association of Bhutanese Tour Operators (ABTO)
- 1.2. **Name and title of the Contact person:** Mr Sonam Dorji, Director
- 1.3. **Beneficiary(ies) and affiliated entity(ies) in the Action:** European Centre for Eco Agro Tourism (ECEAT), Hotel and Restaurant Association of Bhutan (HRAB), German Travel Association (ASR)
- 1.4. **Title of the Action:** SUSTOUR - Replicating EU tourism industry SCP best practices into a Bhutanese sustainable tourism model
- 1.5. **Contract number:** ACA/2020/415-853
- 1.6. **Start date: and end date of the reporting period:** July 1, 2020 - June 30, 2021
- 1.7. **Target country(ies) or region(s):** Bhutan
- 1.8. **Final beneficiaries &/or target groups**¹ (if different) (including numbers of women and men):

The target group(s):

- 750+ Bhutanese inbound tour operators, representing 50% of the EU-Bhutanese trade
- 500+ MSME key suppliers (eg accommodations, guides, transport providers)
- 100+ committed tour operators
- National Tourism Associations
- 100,000+ tourist clients of participating TOs and FIT's
- staff from ABTO (6), HBAB (3)
- tour operators (TOs)
- hotels and guest houses (including rural facilities)
- restaurants
- tour guides (including rural communities)
- enterprises/cottage industries providing crafts, agri produce & trade supplies to the tourism sector, focussing on rural & disadvantaged groups
- regional and international Tourists
- staff from key agencies: Tourism Council of Bhutan (TCB), Ministry of Economic Affairs (MoEA), Ministry of Agriculture and Forest (MoAF), Gross National Happiness Commission (GNHC) National Environment Commission (NEC), Royal Society for Protection of Nature (RSPN), Hotel Tourism and Management Training Institute (HTMTI).
- Financial service organisations
- regional governments
- Community development organizations

Final beneficiaries:

- 20000+ employees of Bhutanese Tour Operators, Hotels and Restaurants
- 9500+ employees of MSME's in the local tourism supply chain
- 25000+ people in local communities including about 3% PWDs
- 100000+ tourists buying from certified / more sustainable tourism MSMEs
- Entire value chain of tourism sector including industries, rural / disadvantaged communities & government agencies
- Citizens of Bhutan benefitting from improved economic prospects, poverty reduction and environmental conservation
- Domestic and global tourists

- 1.9. **Country(ies) in which the activities take place (if different from 1.7):** Bhutan.

¹ "Target groups" are the groups/entities who will be directly positively affected by the project at the Project Purpose level, and "final beneficiaries" are those who will benefit from the project in the long term at the level of the society or sector at large.

2. Assessment of implementation of Action activities

2.1. Executive Summary

Global overview of the Action's implementation for the reporting period (no more than ½ page).

The report provides an overview of the progress during year 1 of the project since its start in July 2020. Overall, the project has achieved most of its main targets scheduled for the first year in spite of the travel ban and strict global and particularly the national protocols due to the COVID-19 pandemic. Some of the activities had to be rescheduled or postponed several times within the year to align with and accommodate the pandemic restrictions in place.

A total stop to visitor entry into Bhutan leading to the complete shutdown of the tourism industry, compounded by several rounds of very strict lockdowns and travel restrictions, forced the stakeholders in the industry to close shop, leave the industry and find alternative sources of business and livelihood. Almost all Hotels were closed and the ones that remained open were as quarantine facilities. This handicapped the Project on engaging the industry target groups and carrying out some of the key activities effectively and optimally.

Some key activities that required travel and gatherings had to be back loaded (that mostly require field visits and interactive engagements in larger gatherings), while some activities scheduled for later years had to be front loaded especially from Activity Cluster (AC) 4, AC 6 and AC 3 as they could be achieved through other means and mediums.

Despite the pandemic and the tight lockdowns in Bhutan, a major portion of the preparatory measures and key activities scheduled for the first year have been carried out. The initial 3-4 months of the project focussed on project set-up and mobilisation activities specifically Activity Cluster 9 and scheduling and initiating the first year activities. In the first month, the project partners signed agreements and developed a common implementation strategy. Key outputs from AC 9 included: establishment of project office and relevant office services, set-up of the project team, establishment of project structures and administration. The overall essence of the Project was presented to the ABTO Board. A kick-off meeting and partners meetings were organized and conducted within Bhutan. Coordination meetings were also held with TCB, HAB and other stakeholders to establish smoother working relationships with project partners and stakeholders and with other entities like the SHINE Project and ADC to propose and collaborate on sustainable community/carbon neutral tourism product development under the Activity Cluster 4.

Following the inception phase, the major focus of the project was on the project's first year that were specifically on AC 1 (strengthen the capacity of Bhutan travel associations to provide relevant and effective services), AC 2 (CSR/SCP practices in Bhutan tour operators and their suppliers), and AC 9 (effective implementation of the project).

However SUSTOUR already conducted a few activities in other ACs, as well. The project implemented a base-line and value chain analysis in AC 4. (strengthens linkages with other sectors in destinations) and conducted a market assesment in AC 6 (integration of proven sustainable suppliers and tour operators into the South Asia-EU value chain; marketing and communication strategy), and worked on AC 3 (MoUs on SCP with tourism associations and community development committees).

Some of the key capacity building (online) trainings that materialized were:

- EU administration and financial guidelines to partners
- communication and visibility standards
- A Toolkit for Effective Project Communications.
- Logframe development
- EU funding and Tendering/OPSYS
- 2020 EU SWITCH-Asia Leadership Academic on Communicating Circular Economy
- Startups for Circular Economy
- Regional Policy Dialogue on Circular Cities - Rapid Urbanization and New Models of Circular Economy Sustainable Cities
- EU SWITCH-Asia-3rd PSC

- Sustainability training for tour operators
- Green/Sustainable Public Procurement
- Carbon Footprint Evaluation

Although the project has delays because of the current travel restrictions into Bhutan, we are still expecting to reach the final targets and outcomes within the scheduled project duration, depending on the length of the pandemic and the restrictions of the RGOB, caused by the pandemic. Although stakeholders are expecting to re-open the country in the coming months, it is uncertain when tourists are allowed into Bhutan, exactly. The intervention logic is still valid and has received strong support from stakeholders in Bhutan.

The logical framework matrix has been indicated in this narrative report to make it more easy to read and understand the context.

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2.2. Activities and results

SUSTOUR Bhutan is based on a holistic business-led approach using proven - SCP - supply chain methodologies working closely with tourism MSMEs, consumers and host communities as well as policy stakeholders and enablers. It works at all levels of the value chain with the Bhutanese tour operators as the central actors. They are the prime focus of capacity building and providing tools for SCP implementation. This is in line with the Bhutanese policy that all dollar-paying visitors have to be routed through local tour operators.

The tools developed will make it attractive and affordable to step in while market incentives and benefits will be provided to them. The committed tour operators will further stimulate their suppliers to have a more positive impact on (local) communities and the environment.

SUSTOUR has nine interrelated Activity Clusters (AC). AC 1 supports the capacity of Bhutan travel associations to provide relevant and effective services. Bhutan specific standard, tools, trainings and local SCP support capacity is built in order to enable stakeholders to engaging with producers, retailers and consumers in a complementary way. AC 2 implements CSR/SCP practices within a critical amount of Bhutan tour operators and commits and capacitates them to work with their suppliers in a proven sustainable supply chain approach. AC 3 works upstream the value chain (sustainable production). 200 suppliers of tour operators are trained and supported to implement and comply to relevant standards. AC 4. strengthens linkages with other sectors and follows a (pilot) destination approach. AC 5. establishes an enabling financial environment by creating a Green Financing Scheme. AC 6 encourages the downstream (sustainable consumption) integration of proven sustainable suppliers and tour operators into the South Asia-EU value chain in close partnership with EU travel associations and tour operators. AC 7 supports the development of a supportive policy environment and the integration the developed standards into Bhutan and South Asian policies. AC 8 ensures that lessons learned and concepts developed are disseminated within other countries in South Asia. AC 9 guarantees an effective implementation of the project and its post project sustainability.

Activity Cluster 1: Standards, training and tools development

Based on the experience of travel associations, like ABTA (UK), ANVR (The Netherlands) and ASR (Germany), SUSTOUR will build capacity and tailor and adapt specific SCP tools and instruments, jointly developed by ECEAT and these EU travel associations, in order for ABTO, HRAB and other Bhutan associations to better support their members.

The development of Standards and tools in regard to the soft components involving criteria, codes, platforms, standards and systems are mostly completed or in advanced stages of progress. All these outputs and actions require implementation of crucial workshops, trainings and inputs from stakeholders to be comprehensive, fine tuned, endorsed or finalized. These trainings and workshops have been postponed due to the strict COVID-19 protocols in Bhutan and the fact that most industry players had alternative businesses and livelihoods to take care of and were not in a position to involve actively in the process. However, standards, codes, management platforms, checklists have been for the most part developed and ready for finalization process.

Activities planned to be initiated or completed during the reporting period and their status are as follows:

1.1 Bhutan specific EMAS compatible CSR reporting and compliance requirements for tour operators

The international EMAS III compatible Travelife tour operator standard has been tailored to the Bhutan context. The more than 200 criteria include environmental, social, cultural, human rights, biodiversity and Occupational Health & Safety (OH&S) aspects and involve all tour operators' management fields including office operations, suppliers, destination management and consumers. **Basic and advanced requirements** are being proposed.

The activity was planned to be initiated by August 2020 and completed by December 2020 which also involved two multi stakeholder standard workshops during the process. In the absence of active participation and concrete inputs from the stakeholders, a proposal report on Bhutan Certification standard (*more than 200 criteria that include environmental, social, cultural, human rights, biodiversity, Occupational Health & Safety (OH&S) aspects, as well as tour operators' management fields including office operations, suppliers, destination management and consumers*) and Bhutan CSR requirements (more than 100 criteria) have been developed which will be adapted and agreed upon during a multi-stakeholder workshop once the situation in Bhutan, improves.

1.2 Common Suppliers CSR standards and codes for different sub sectors

Sustainability standards and criteria for different types of tour operator suppliers are being agreed upon including transport services, accommodations, excursions (hiking, community visits) and guiding. The activity requires 5 sub-sectoral multi stakeholder meetings to understand and garner appropriate and relevant inputs to the Common Suppliers CSR standards and codes for the different sub sectors. Unable to convene these meetings, not only because of the strict national pandemic protocols but also due to the absence of industry participants, ECEAT and ABTO/HRAB are however, preparing drafts which will be discussed and agreed upon in partnership with sub-sectoral and local associations during multi-stakeholder meetings. Minimum requirements and best practice are being defined in compliance with the UN Global GSTC Criteria. The standards will be presented in attractive PDFs and widely distributed among relevant suppliers.

1.3 Consumer Code of conducts

The choices and behaviour of visitors can have positive and negative impacts on the environment and local communities. To create awareness and support consumers in their choices, code of conducts (CoC)/guidelines for specific activities (e.g. trekking, visiting communities, home-stays, bird watching) will be developed in partnership with TCB. The development of the sub-sectoral consumer codes has been initiated.

The CoC will be tested with clients, designed and printed in PDF and (laminated) hard copies during the 2nd and 3rd year of the project. TOs can add their logo and tailor them to specific excursions. Active distribution will take place on the ABTO website, upon arrival in Bhutan, at specific activities such as community visits or during the online visa application process during which visitors actually could under subscribe the general code. Active distribution will also be a requirement for certification.

1.4 EMAS compatible online CSR management /reporting system

The existing online Travelife planning and reporting platform has been further improved. The following tools have been developed in 2020:

- A Bhutan specific section with direct access for ABTO, specific Bhutan guidance
- A tool to **share reports** between business partners
- Auditing tools
- Supplier management tools
- An excursion management tool

In-house training and coaching was provided to ABTO for using the platform and user manuals for companies and group managers have been developed.

A reporting section for **Hotels** will be added in order for TCB to manage its **green hotel scheme**. The tools and training materials (see 1.5 /1.10) will be added to support Bhutan Hotels in their sustainability implementation.

1.5 Guidance and toolbox for tour operators and their suppliers

To support TOs, Bhutan's guidance and implementation tools have been developed for each of the 200+ criteria, including: policy templates, checklists, communication formats, measurement tools, etc. It will also include 400+ **best sustainability practices** from already (certified) tour operators and suppliers. Developed sustainability policy for ABTO members.

These policies and guidance will be presented in an **interactive** user friendly navigation format (graphics, pop-ups, subpages) and whenever relevant be translated into Dzongkha language.

1.6 Bhutan specific audit and certification system

ABTO has signed an agreement with ECEAT (Travelife for Tour Operators) to act as its Bhutan representative and auditing body in line with the Global Sustainable Tourism Council accreditation standard for certification schemes.

GSTC Accreditation

A formal application was launched at the GSTC Accreditation body Accreditation Services International (www.accreditation-services.com), in order to comply with the UN GSTC and ISEAL requirements.

Bhutan Green Hotels' Standard

TCB Green Hotel standard and indicators will be aligned with the international by ABTA developed Travelife for Hotels standard and a **mutual recognition agreement** will be signed (in line with earlier agreements with Rainforest Alliance for Latin America and Ecotourism Kenya).

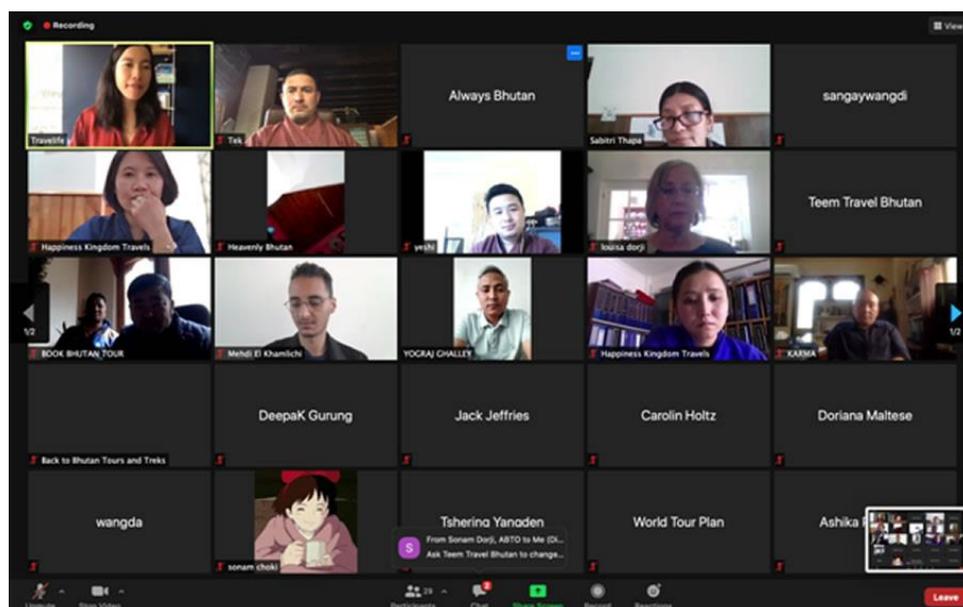
Auditor and Certification standards

Based on the GSTC requirements **auditor and certification standards** have been developed in the frame of the Travelife Certified certification. These are also applicable for Bhutan and will be developed into a Bhutan specific model.

1.7 South Asian auditor and advisors training

An intensive 5-day advisor and auditor trainings is conducted in Bhutan by GSTC accredited trainers. Tourism educational institutes, e.g. Royal Institute for Tourism and Hospitality (RITH), Institute for Professional Studies (IPS), Bhutan International School for Tourism and Hospitality (BISTH), Institute for Management Studies (IMS) and Bhutan Tourism and Hospitality Institute were invited in order to disseminate knowledge into their curricula for future professionals. In addition to trainees from Bhutan participants also from Nepal, Sri Lanka, India and Bangladesh were invited. The trainings included auditing and coaching skills for tour operators, CBT's, hotels and other supplier types and will consider different standards (TCB Green Hotel standard, Travelife, EMAS III and ISO 14001).

The activity will continue in the 2nd year and carried on till the 3rd year (Feb 2022 – Dec 2022) of the project. **More than 15 Bhutan coaches have been trained** in preparation to the 20 one-day coaching classes for the tour operators (AC 2.3) and key suppliers (AC 3.3).



1.8 Shared suppliers data-base and global certified product database

An online database was built which will enable suppliers of tour operators to complete and share their sustainability report with existing and potential business partners. Checklists are **dynamically generated** based on the type of supplier. In addition to tourism value chain suppliers, it can also include other supplier types such as petrol companies, car companies, vehicle repair companies, and printing companies.

A global database for certified tourism products from Bhutan and other countries visible to market-based tour operators and **global distribution and booking platforms** (e.g. booking.com, Expedia, Trip advisor) has been built. The sustainability awarded tour operators and suppliers will be integrated into this **global database** of sustainable tourism suppliers in partnership with the GSTC-based a signed MoU between ECEAT and the GSTC. Currently, there is no global overview yet, see also AC 6.

The activity is scheduled to begin from the latter half of the 2nd year or 3rd year (Oct 2021 – June 2023) of the project since the activity require active participation and involvement of the industry stakeholders especially the tour operators and suppliers who are not fully reachable or available for active engagement.

1.9 Travel package carbon management and compensation tool

Carbon Management tool for Tour operators (CARMATOP) calculating the carbon impact of a **complete tourism package** (transport, accommodation, activities) is connected with global hotel data-bases and IATA for detailed flight information. The GHG information is used by TOs and its clients to reduce carbon impact, promote sustainable product development, and support carbon off-set.

Tailoring of the tool for Bhutan inbound TOs including calculation of **carbon impact** of key Bhutanese travel activities as benchmark and for Carbon off-set (e.g. mountain and trekking tours in various circumstances) and **technical integration** with national booking and TO management software. The Carbon calculator has been **technically integrated** into the Travelife reporting platform and suppliers' evaluation platform.

The originally planned 2-day **training** provided by CARMACAL team (NHTV) to the Bhutan auditors and tour operators will be replaced by a Green Destinations training (see below). It has been agreed between ECEAT and ABTO to replace the carbon training for a training on Green Destinations (www.greendestinations.org). The Bhutan stakeholders are highly interested to join the Green Destination programme. The objective is now to merge both initiatives.

Establish **Carbon off-set scheme** in partnership with a local NGO promoting national off-set (e.g. biodiversity protection, reforestation, sustainable energy).

1.10 Online training development

The existing 80 page Travelife online **introduction training courses** "Tour operators and sustainability" and "Sustainability management" has been updated and tailored for the Bhutan conditions.

In addition the following new online **theme trainings** have been developed:

- Office environmental management training
- Sustainable and responsible guiding (general introduction)

Each training unit contains 4-8 modules (4 pages each) and is concluded with an online exam and personal certificate. They are available online and will be used as a basis for the face-2-face training workshops (3.2).

The following trainings are still under development:

Tour operators

- Responsible excursions training
- Carbon management and compensation training
- Working with and visiting local communities

Hotels

- Green hotels guidelines
- Energy and water management training

Guides

- Do and don'ts

AC 1 outputs and results

The outputs of Activity Cluster 1	Status
1. Draft / provisional Bhutan Certification Standard (200+ criteria)	- Completed
2. Draft / provisional Basic and advanced Bhutan CSR requirements (100+ criteria)	- Completed
3. Common Suppliers CSR standards and codes for different sub sectors	- in progress
4. Consumer Code of conducts /guidelines	- initiated
5. Bhutan online reporting and suppliers management platform	- in progress
6. TCB green scheme online reporting, auditing and admin platform	- in progress
7. Guidance (200 criteria) and tools (40)	- in progress
8. Sustainability policy for ABTO members	- first version complete
9. Interactive online learning platform	- almost completed
10. Bhutan specific audit and certification procedures	- in progress
11. Accreditation of audit procedures by the GSTC	- completed
12. 15 (of 30) auditors/advisors training	- in progress
13. Customized Bhutan Carbon management tool integrated in reporting tool	- in progress
14. Bhutan tourism sector carbon compensation scheme establishment	- completed
15. Two customized online introduction trainings	- partly completed
16. Advanced trainings	- partly completed
The Indicators of Result 1	Level of achievement
<ul style="list-style-type: none">• Bhutan certification standard and criteria• CSR requirement criteria• Training materials and tools supporting tour operators and their suppliers towards overall resource efficiency, reduced GHG emissions, poverty alleviation and CSR in the tourism value chains. Bhutan tourism associations provide member support services / standards to "green" their members (supply chain).	Mostly achieved Mostly achieved - in progress

Activity Cluster 2: Integration of SCP practice within Bhutan tour operators

Many Bhutan tour operators lack capacity and market knowledge in order to benefit from the growing market opportunities in sustainable tourism. As a key result of SUSTOUR 25+ Bhutanese tour operators (exporters) will be trained based on the latest professional knowledge in order to increase their business capacity and turnover leading to more employment in their companies and the supply chain. Special focus is given to women-owned companies. Proven methodologies of the Dutch Centre for the Promotion of Imports from Developing Countries (CBI) and the International Trade Centre (ITC) for which ECEAT acts as external expert will be applied. Local business consultants will be trained leading a sustained system of capacity building.

With the support of developed standards, tools and trained experts, ABTO will motivate and support its members towards SCP. Through a so called pyramid approach with three scaling-up cycles TOs will be guided to different performance levels (engaged -> trained -> committed -> certified). MSMEs will obtain technical advisory services on SCP issues (e.g. resource efficiency, eco-innovation, product life cycles, eco-labelling, sustainability reporting, marketing and trade opportunities). As a result,

Bhutanese TOs representing 50 % of EU-Bhutanese B2B and B2C trade will have integrated SCP practices and committed to “pull” their suppliers towards sustainability (see AC 3).

Specific activities planned and implemented during the reporting period include:

2.1 Engagement of ABTO tour operators

All 750+ ABTO members have been informed and sensitized towards sustainability and **SCP commitment**. A first **ABTO** newsletter has been sent and a presentation was provided at the 2018 ABTO general assemblies (100 participants). Several media outreach activities took place via general tourism and trade media. The growing group of first movers (a group of 15 ABTO members is already committed at this moment) will motivate the other ABTO members.

In addition, Bhutan tour operators have been motivated through their **European business partners**. ECEAT has conducted an analysis of EU tour operators who are catering for Bhutan. This was supported through partnerships with European travel associations (ABTA, ANVR, ASR, etc.). All tour operators have been added in the Travelife online database and matched with their specific Asian destination. This will enable to send newsletters to them and keep record on their business partners.

In order to inform them about the project and attract their engagement, a questionnaire was developed and distributed among more than 200 operators. Follow-up was done by telephone. More than 20 EU outbound tour operators catering for the Asian and Bhutan market are already committed to inform, stimulate and require their local Bhutan (and wider Asian) partners to join the initiative and work towards sustainability. For relevant attachments see **section 5.1**.

2.2 Classroom introduction trainings for engaged Bhutan tour operators

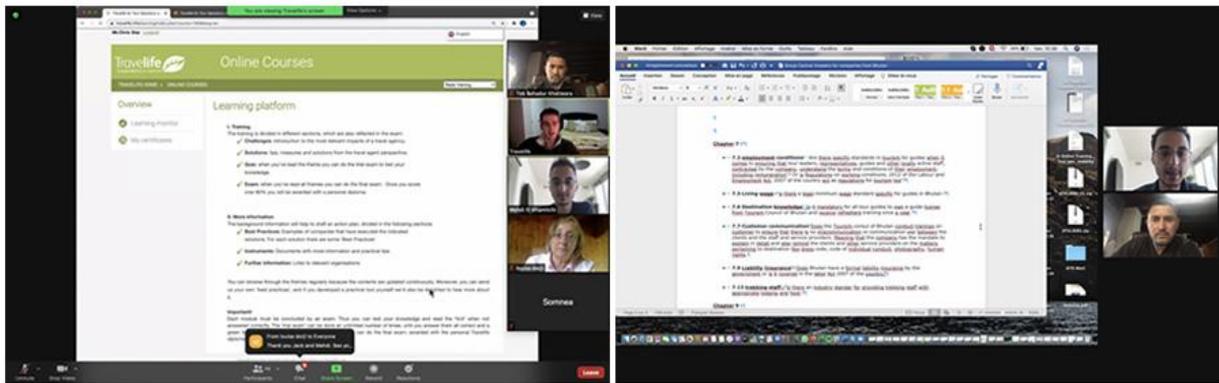
The former ABTA sustainability manager, Chris Thompson, has provided two 2-day introduction trainings for in total 79 persons from 56 tour operators. An additional round of trainings is planned for Bhutan. Originally a training was planned in Mombasa but this was moved to Thimphu as of the limited interest from Mombasa tour operators. Possibly one of the second round trainings will be in Mombasa. Participants have obtained a personal internationally recognised “*certified sustainability manager*” certificate. After the training, they are required to guide the implementation of the agreed CSR standards (see 1.1) in their company.

ECEAT prepared an online registration portal on the Travelife website for all the interested participants in all the 3 trainings. Ecotourism Bhutan and ABTO were tasked with the responsibility to send out invitations to all participants except those for the hotel auditors/advisors who were being sourced for by Travelife for Hotels. HRAB was also to secure a venue for all these trainings. ABTO took the lead in sending invitations to their members through various email communications and circulars.

2.3 Coaching tour operators on SCP implementation

30+ ABTO tour operator members will receive personal **distance guidance** and **in-house coaching** by Travelife in order to comply and report on the agreed minimum CSR standards. They will report in the online reporting tool which has been tailored for Bhutan (1.4). As a preparation to the 20 one-day **coaching classes, 15+ Bhutan coaches have been trained (1.7)** 20+ in-house coaching meetings have been conducted for the tour operators.

The activity follows the implementation of activity 1.7, where the auditors and advisors trainings is conducted. 15+ Bhutan coaches have been trained, who are also part of the TO members and coached and trained on SCP implementation. The auditors/advisors will be implementing the coaching meetings. Therefore, the activity is scheduled to be implemented for 2nd and 3rd year (July 2021 – May 2023) of the project.



2.4 Audit and certification of 75+ tour operators

This activity follows the implementation of activities 1.7 and 2.3, where the auditors and advisors trainings will be conducted followed by coaching meetings and classes. The auditors/advisors will be implementing the coaching meetings/classes. Therefore, the activity is rescheduled for 2nd and 3rd year (Nov 2021 – June 2023) of the project following activities 1.7 and 2.3.

AC 2 outputs and results

The outputs of Activity Cluster 2	Status
<ol style="list-style-type: none"> 1. ABTO members outreach (440 TOs) (GA and Newsletters) 2. TOs committed (80) 3. 7 (of 30) EU TOs committed to engage South Asian partners 4. 25 (of 100) tour operator sustainability managers trained and certified 5. 25 (of 100) one-day in-house coaching meetings 6. 50 TOs basic level certification 25 TOs GSTC approved certification 	<ul style="list-style-type: none"> - Ongoing and recurrent till end of Project - 60+ TOs committed - in progress (5 TOs committed) - 1st training conducted (15 TOs) - 20+ coaching meetings conducted - 12 TOs basic certification GSTC accredited certification
The Indicators of Result 2	Level of achievement
100+ Bhutan TOs have obtained knowledge, have integrated SCP and comply to the best practices.	- In progress

Activity Cluster 3: Integration of SCP practices within the tour operators supply chain

All activities planned for initiation and implementation in this Activity Cluster have been **back loaded** to be initiated at least towards the **second half of the 2nd year** till the end of the project since it has to follow the finalization of the tools and other trainings in Activity Clusters 1 and Activity Clusters 2 and the impossibility of conducting the activities due to COVID 19 protocols. However, few activities were carried out in spite of the difficult situation.

The activities in the cluster are:

3.1 MoUs on SCP with tourism associations and regional tourism development committees

The activity was scheduled to be initiated by second half of the reporting period (Jan 2021 – Dec 2023) but rescheduled to be started in the second year of the project (July 2021 – Dec 2023) as field

visits and meetings were mostly restricted especially inter-district, not feasible because of the pandemic protocols. Commitment of the key tourism associations namely, Guide Association of Bhutan (GAB), Handicrafts Association of Bhutan (HAB) and Hotel and Restaurant Association of Bhutan (HRAB) was assured.

In spite of the constrained circumstances effort was made to initiate and implement some activities as part of the action for development of sustainable innovative community travel packages. A stakeholders' consultation and engagement in development of community tourism packages (in Gidakom and Bjemina in Thimphu) was initiated. A project working committee (PWC) was formed comprising of the local government, TCB and ABTO and four representatives from the community. Two rounds of community meetings, awareness generation drives were conducted and community representatives for the PWC were elected.



3.2 Concerted approach towards suppliers

Scheduled to be initiated by second half of the 1st year (May 2021 – June 2023), the implementation of the activity was neither practical nor possible as the industry is shut down and most industry entities and actors were unreachable, unavailable or focused on alternative business or livelihood to be concerned with engagement in the activity. The activity is rescheduled to be initiated only by later half of the 2nd year to be implemented till the 4th year (Nov 2021 – Dec 2023).

3.3 Classroom training courses for key suppliers (e.g. hotels, guides, and drivers)

The activity scheduled for second half of the first year (May 2021 – Dec 2022) has been rescheduled to be started from 2nd year (Nov 21 – June 2023). The hotels and suppliers have to be first certified following other trainings that are yet to be implemented and the tourism industry in turn need to be substantially operational to conduct the certified suppliers and certified hotel sustainability managers training.

3.4 CSR assessment of 200+ ABTO tour operator key suppliers

The activity scheduled to be started only by second half of the 2nd year (Jan 2022 – Dec 2023) is still on schedule, but it is however rescheduled for initiation only by 3rd year (July 2022 – June 2024) and implemented till the end of the Project due the circumstances leading to the inability in implementation of the preceding activities.

3.5 Certification of suppliers

The activity can only happen after all the prior and preceding activities that lead to qualification and the certification of the enterprises.

AC 3 outputs and results

The outputs of Activity Cluster 3	Status
1. MoUs and commitment of 5+ suppliers associations / committees 2. Suppliers committed to SCP	- commitment of 3 associations; 2 community committees. - Gidakom and Bjemina community development Committee committed to SCP
The (relevant) Indicators of Result 3	Level of achievement
• No of MoUs and commitment to SCP integration	- partly achieved

Activity Cluster 4: Supply chain integration with destinations and related sectors

With the support of committed tour operators and tourism sub sector associations suppliers will be motivated and supported to implement SCP practices. As a result, 800+ Bhutan suppliers (MSMEs) will have improved their SCP practices. 50+ additional suppliers are eco-certified. This will lead to increased resource efficiency and poverty reduction in the Bhutan tourism supply chain. Community services are stronger integrated in the tourism value chain, the position of women is improved, less energy is used, biodiversity is protected and waste is reduced and properly disposed. The local economy can benefit from tourism suppliers who prefer green and local (rather than imported) products. For example, preferences for local vegetables, meat, cheese, beverages in restaurants can rise from 5% to 20% (which is possible in most destinations), thus creating new jobs and raise employment levels in other sectors, such as agriculture, local food and drinks producers.

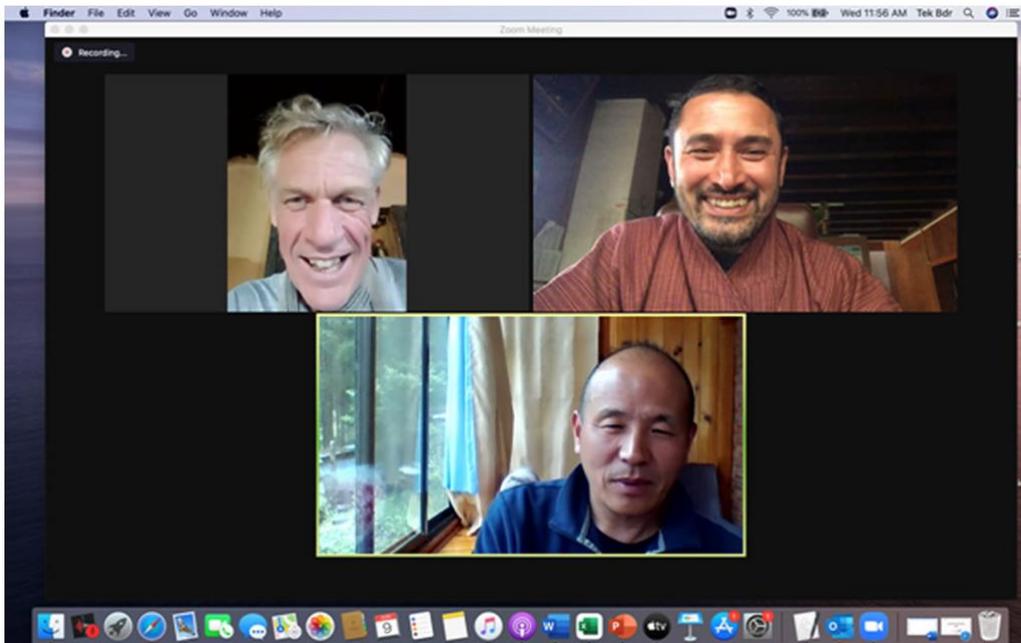
Activities that were planned to be initiated or carried out for the cluster are:

4.1 Value chain analysis of sectors and pilot regions

The activity has been initiated and is **mostly achieved**. The final analysis report needs to incorporate actual field inputs and data that were not possible to be acquired due to the close down in tourism industry rendering the entities and stakeholders unable to participate. However, all major steps have been accomplished and the analysis report is mostly complete and ready.

Value chain analysis for key tour operators, markets, supply chains and suppliers and destination analysis of 3 pilot regions is being conducted and the following steps were undertaken:

- Recruitment of trainer/researcher
- Desk research and reviews
- Inception Report and Guidelines to carry out the study developed
- Work coordination and compilation of identified list of interviewees
- Developed and shared online questionnaire with suppliers and partners
- Data collection – From database(s) of various organizations and stakeholders were mostly acquired. Actual field data collections are on hold due to Covid-19 restrictions.
- Value Chain Analysis ongoing with concrete and real time field data to be incorporated and finalized (Draft analysis report completed)



Works carried out during the reporting period include:

- Compilation of background and research documents providing information on each tourism sub-sector (e.g. Tour operators, hotels, restaurants, guides, eco-lodges, etc), environmental and tourism legislation and guidelines, Bhutan's ecotourism policy framework etc.
- Design of comprehensive questionnaire by ECEAT expert with inputs from project team. A total of two comprehensive questionnaires were developed for the survey of the following key sectors:
 - Tourism Enterprises
 - Government, donor agencies, NGO and membership organizations

These questionnaires cover: 1) background information on enterprise such as nature of business, areas of operation, ownership, employment (with gender makeup) age group and remunerations; customers information such as their origin, duration of stay, group size etc; Operational information covering costs and revenue, products and services offered and bought etc.; Market access and marketing information covering channels of marketing and challenges; additional information covering their linkages with other enterprises and their SCP status and practices; 2) Background information on organizations associated with the industry; their objectives and activities; their roles and position in the value chain; organizational opportunities and synergies; constraints, risks and opportunities of tourism growth to EU and the region; and their organizational SCP etc.

The aims of the questionnaires are to fully understand and develop an in-depth understanding of:

- Key tour operators in Bhutan and their supply chains, focusing on their main activities and supplies;
- Stakeholder mapping of the policy environment of the tourism sector;
- The key sustainability/greening and commercial drivers and relations/backward linkages of tour operators to other sectors, e.g. agriculture/food, transportation, water supply and management, energy supply and waste management in the selected pilot destinations, and their interaction with local communities;
- The obstacles which hinder tour operators in increasing sustainable exports to European and Asian markets and opportunities to overcome these obstacles.

This in turn will fulfil the following objectives of comprehending and answering the following:

- Product profile covering inventory of supply chain actors, products and competitiveness
- Institutional environment and opportunities for creating synergy
- Sustainability and social responsibility
- Value chain constraints, risks and opportunities

The survey in the midst of the pandemic restrictions was mostly undertaken via online and would require actual field visits and reconfirmation of actual data at a later stage when the restrictions are lifted and the tourism business is operational.

A total of 550 tourist enterprises and other organizations have been provided with questionnaires to-date. The data collection is in progress:

Major challenge of the baseline survey included getting response from tourism enterprises since most of the businesses remained closed.

4.2 Pilot waste management project in destinations (Thimphu, Paro and Punakha)

The activity was scheduled to be initiated by second half of the reporting period and carried on till the end of the project. The activity had to be **rescheduled** to be started only by the **second half of the 2nd year** considering the likely scenario of the Bhutan tourism industry to be reasonably active only by then. This is because the activity involves the experts' travel to the country (visitor entry completely stopped) and holding stakeholder workshops (highly restricted, very strict protocols and limitations for nationals on gatherings).

4.3 Hotel energy efficiency standard and training

The activity is initiated and in progress. HRAB communicated to around 50 tourist standard hotels, out of which 30 have shown interest.

4.4 Cluster approaches with handicrafts, local food and activities (e.g. community tours, ecotours)

4.4 A. Model for sustainable / carbon neutral packages

The activity is scheduled to be implemented in the 3rd year of the project and still on course.

4.4 B. 16 sustainable innovative travel packages

Although the activity is scheduled to be carried out only in the 3rd year of the project (July 2022 – June 2023), the opportunity and the need to front load at least part of the activity was at feasible.

In spite of the constrained circumstances efforts were made to initiate and implement some activities as part of the action for development of sustainable innovative community travel packages. A stakeholders' consultation and engagement in development of community tourism packages (in Gidakom and Bjemina) for women livelihood enhancement was initiated. The activity was also made known to the ABTO Board for views and endorsement. A project working committee (PWC) was formed comprising of the Gewog administration, TCB and ABTO and four representatives from the community. Two rounds of community meetings, awareness generation drives were conducted and community representatives for the PWC were elected.

Gidakom village, located about 20 kilometres from Thimphu was identified and considered for sustainable tourism packages development. The community with 50 households and around 250 people (majority female) though situated between urban towns and tourist popular tourism destinations of Paro and Thimphu remained unexplored for tourism. The primary means of livelihood are subsistence farming and livestock production and the community has typical Bhutanese houses and traditional way of life that are ideal for community tourism packages development. The community was also considered with the intention to involve active participation and enhance the livelihood of vulnerable women and girls in the locality.



The activity was carried out by the project team in ABTO in consultation and partnership with the local administration, TCB and the community stakeholders. The process involved identification of the destination for development, several consultation meetings, appraisal to the ABTO Board for views and endorsement, and the formation of the project working committee (PWC) comprising of the Gewog administration, TCB, ABTO and four elected representatives from the community (all women) as under:

1. Aum Tshering Om (Geog Tshogpa/Bjemina community representative, Chair)
2. Aum Daga Zam (Gidakom Community representative)
3. Aum Sangay Lham (Gidakom Community representative, Vice Chair)
4. Aum Pema Yudenn (Bjemina Community Representative)
5. Aum Tshering Pelmo (Mewang Gewog)
6. Mr. Rinzin Jamtsho (Chief Product Dev. Officer, TCB)
7. Mr. Tshewang Rinchen (ABTO)
8. Mr. Tek Bahadur Khatiwara (ABTO)



The development of the community tourism packages involved several rounds of community meetings, awareness generation drives and capacity building. Establishing business linkages with tour operators and marketing are minimally done to be broadened once the tourism industry is fully operational.



Four different trainings were conducted for the community participants:

1. Authentic product development and packaging
2. Basic hospitality
3. Book keeping, communication, reservation,
4. Waste, resource and fund management (SCP)



Five sustainable packages have been developed with the possibility for additional packages to be developed in future.

4.4 C Handicrafts assessment and improvement strategy

The activity is also scheduled for the 3rd year of the project but phases of the action that were possible are front loaded and carried out such as the Consultations and way forward arrangement and plan with the Handicrafts Association of Bhutan (HAB). Several consultations and partnership working meetings have been held and collaborative actions tabled to be carried out as scheduled in the 3rd year of the project.

AC 4 outputs and results

	The outputs of Activity Cluster 4 include:	Status
	1. Draft Value Chain Analysis report	- Completed

	2. Sustainable community tourism packages (promoting local food and activities) promoting women livelihood development	- Action for development of 5 community tourism packages completed
	3. Handicrafts assessment and improvement strategy (in partnership with Handicrafts Association of Bhutan)	- in progress
	The (relevant) indicators of Result 4	Level of achievement
	<ul style="list-style-type: none"> • SCP practices integrated within destinations tourism related sectors • Packages are developed and promoted by tour operators 	<ul style="list-style-type: none"> - initiated - 30% (5 of 16) package development complete

Activity Cluster 5: Green Financing scheme supporting 20+ MSMEs(e.g. hotels)

Sustainability needs investments in new technologies. This is specifically relevant for hotels and transport companies. These investments often have a healthy return on investment and can therefore be subject to financial credits and support. The activity will push for at least one financial institution to offer green finance for tourism MSMEs.

Activities scheduled to be **initiated** during the reporting period to be carried out and implemented till the end of the project in the Activity Cluster 5 have been **rescheduled to** be initiated at least by the later half of the **2nd year** of the project, since it requires the involvement of all stakeholders, financial institutions and an external expert to advise and assist the local partners to initiate, lead and guide the process. The discussion at stakeholders' level was initiated but no concrete scheme identified due to government and financial institution priority towards supporting livelihood development for COVID-19 pandemic impacted individual and industry including tourism.

The involvement of the FIs and external experts will be feasible and rational only when the pandemic protocols are relaxed and the industry is ready to participate significantly.

However, any possible steps such as the acquisition of information on existing credit schemes, desk research of best practices (activity 5.1), identification of possible model hotel and guesthouse (activity 5.4) etc have been initiated.

Activity Cluster 6: Integration of “green” service and products in the supply chain

This Activity Cluster will lead to increased relative market share and demand for “green” products in the European and Asian markets. “Green” Bhutanese value chains as created under AC 3 and 4 will be actively promoted among the European and Asian business and consumer markets leading to stronger demand and further incentives to work towards SCP. B2B buyers and B2C consumers are committed to uptake “green” /certified products in the EU-Bhutanese / intra-Asia supply chain.

The activities under the Cluster are:

6.1 Bhutan EU and India market and destination analysis

ECEAT, in partnership with ABTA has conducted an extensive assessment of the existing tourism trade relations between Bhutan and the EU. It included:

I. Assessment of 150 key EU outbound operators, representing 90 % of the EU-Bhutan B2B trade regarding their interest in sustainability; their general perception of Bhutan as a destination and their constraints and suggestions for improvements.

II. 30+ leading EU tour operators have been committed to “green” their Bhutan and Asian supply chains by increasing the amount to certified inbound partners and suppliers and to inform their customers on sustainable choices and behavior in Bhutan.

III. An analysis of the existing clients of Bhutan tour operators (survey, personal interviews, focus groups) is under preparation by ABTO.

IV. ECEAT has conducted an assessment of consumer perception of different EU markets (DE, NL, UK, FR and Scandinavia) on Bhutan and sustainable tourism, e.g. by surveys on fairs, social media and through national research agencies. The **ABTA destinations department** which has strong experience in destination analysis and advise has support this effort and has liaison directly with KTB and the Tourism Council of Bhutan. In June 2018, a personal meeting took place between ABTA representative Clare Jenkinson and the Tourism Council of Bhutan. Based on that ABTA will deliver input of the **policy improvements** from the perspective of the market.

6.2 Marketing and Communication Strategy

Though it was not possible to hold the two day strategy workshop crucial for the development of comprehensive “Bhutan Green Destination marketing and communication strategy/plan”, as scheduled due to the restrictions, an interim plan/strategy is developed by the project team with inputs from some of the stakeholders to at least fulfil the project communication and visibility plan.

Several rounds of discussions and working meetings were held with participants from:

- ABTO (Project Director, Project Manager, Communication Officer, Researcher)
- HRAB (ED, Liaison)
- HAB (ED)
- TCB (Chief, Product Development)

The following activities have been implemented during the report duration:

- Development of a Graphic representation of the Project (logo)

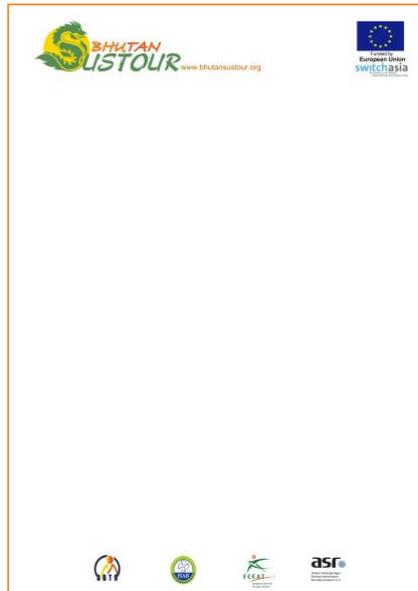


Project Logo

- Development and dissemination of a press release materials among all stakeholders
The Press release and other materials are planned to be released during the actual physical workshops and training sessions that will be held once the restrictions on the pandemic protocols are relaxed and the industry activities are in effect and the participant numbers are meaningful and optimal.
- Development of standardised templates (presentations, letters, cards etc)

Powerpoint presentation template

Letterhead template



- Development of a project banner template to be used during workshops, trainings etc.



- A Newsletter template titled “The Emerald Thread” has been developed and this will be circulated on a quarterly basis from year 2 onwards amongst all project stakeholders and target groups



- Project visibility elements in all the trainings and workshops (stickers, notebooks and training materials with project logo and communication)

6.3 Eco Messages in promotions of 100+ Bhutan / EU tour operators

The activity is scheduled to be initiated by later half of the 2nd year of the Project and carried on till the end of the Project. Therefore, the activity is expected to be initiated on schedule and implemented as planned.

6.4 Establish “sustainable” destination and product branding capacity within TCB and ABTO

The activity though was scheduled to be conducted during the reporting period is rescheduled to be initiated by later half of the 2nd year of the Project due to restrictions on experts’ entry to Bhutan for conducting workshops.

6.5 Innovative (social) media campaign

The activity is scheduled and on track to be initiated by the later half of the 2nd year and carried out till the end of the Project and beyond.

6.6 Product development / matchmaking to increase green suppliers into the Bhutan-EU supply chain

The activity is also scheduled and on track to be initiated by the later half of the 2nd year and carried out till the end of the Project and beyond.

6.7 EU-Bhutan B2B and visibility at ITB Berlin Trade Fair

The activity is also scheduled and on track to be initiated by the later half of the 2nd year and carried out till the end of the Project but could be rescheduled to 3rd year considering the postponement of most of the activities that are key to have meaningful participation engagement during the Fair.

AC 6 outputs and results

The outputs of Activity Cluster 6	Status
1. Analysis report on European B2B market to Bhutan 2. Committed Tour operators 3. Communication strategy/plan 4. Project communication and visibility materials	- Completed - 12 TOs committed -partly completed (provisional) - mostly developed
The Indicators of Results 6	Level of achievement
<ul style="list-style-type: none"> • Increased market share and demand for “green” products in European and Asian markets • “Green” Bhutanese offers actively promoted in EU and Asian markets • “Green” destination image for Bhutan 	- pending - pending - pending

Activity Cluster 7: Integration of SCP principles in Bhutan and South Asian Policies

This AC will lead to public policy guidelines that support the integration of SCP into the Bhutan tourism value chain. Bhutanese associations will establish an active policy dialogue with relevant public institutions. Key policy guidelines bottlenecks and opportunities will be identified and tackled on the basis of a widely accepted sustainable tourism strategy defining the roles and responsibility of different stakeholders. Specific attention will be provided to solve waste management, carbon emissions and constraints and challenges involving local communities in the tourism supply chain. Best practices will be shared at Asian level. Close co-operation will take place with the SWITCH Asia Policy Support Component (PSC) as managed by UNEP and SCP Facility.

Though the activities under 7.1, 7.2 and 7.3 under the AC 7 were scheduled to be **initiated** during the reporting period, to continually implement till the end of the project, the activities had to be rescheduled to be initiated and implemented only when the industry stakeholders can actively participate in the chronological process of the activities involved. Activity 7.4 can only be implemented following or after substantial progress has been made in preceding activities.

Activity Cluster 8: Knowledge transfer, replication and exploitation

SUSTOUR aims to replicate and scale-up the successful project practices to the wider South Asian region. Exchange of experiences and trainings are part of the work packages (AC 1.7 –auditor training and AC 6 Market connection). Through the international networks of ECEAT and the project partners, lessons learned and standard and (training) tools developed will be disseminated to 3 other South Asian countries.

Though only activity 8.1 had been scheduled to be **initiated** and carried on till the end of the project period, the activity can only be followed by implementation of preceding activities. The activities under 8.2, 8.3 and 8.4 are still scheduled for later half of year 2 to be carried out till the end of the project. Therefore, still on schedule to be implemented after the developments in preceding activities in order to transfer and replicate the outcomes.

Activity Cluster 9: Project Management, Monitoring and Reporting

9.1 Kick-off and partner meetings

A two day kick-off meeting with key partners leading to a detailed implementation plan with tasks, timelines and responsibilities was held in Sonamgang Hotel in Punakha from 31st August to 2nd September before the onset of the serious COVID-19 restrictions and protocols were in place.



Following the Kick-off meeting and drawing up of the detailed implementation plan with tasks, more than 4 partner meetings between ABTO project team and HRAB team were held in Thimphu at the Project Office and conveyed to EU Partner:

- To ensure all partners were familiarised with the project activities, outputs and the expected results.
- Partner roles were specified and Terms of Reference made clear:
 - ABTO (Beneficiary) responsible for overall contract implementation, technical & financial management, logistics, HR management, coordination with stakeholders, and provision of national experts
 - HAB (Partner) responsible for liaison, coordination/participation of hotels & restaurant sectors across all project activities

- ECEAT (EU partner) responsible for technical expertise and technical advice across all activities
- The project office (PO) was established at ABTO. The PO will act as the focus point for the project, house ABTO project staff, national experts, international experts on mission to Bhutan, provide meeting room facilities with stakeholders (upto 15 people) and provide work space for experts and project staff
- Relevant PO arrangements were effected including appropriate office layout, refurbishment and furniture.
- Relevant PO items were procured including office consumables, computers and vehicle rental.
- The following project staff have been allocated/recruited by ABTO and partners for implementation of project activities:
 - ABTO**
 - Project Director (24 months)
 - Project Coordinator (48 months)
 - Project Finance (36 months)
 - Project Assistant/Data manager (24 months)
 - Local Trainer/researcher (48 months)
 - Communication specialist (24 months)
 - HRAB**
 - Project Manager (24 months)
 - Project Coordinator (48 months)
 - Accountant (24 months)
 - ECEAT**
 - Project Manager (6 months)
 - Project Coordinator (24 months)
 - Marketing and communication officer (12 months)
 - IT Officer (14 months)
 - ASR**
 - Project Manager (3 months)
 - Market access and communication expert (6 months)

Project Management Systems

A set of project management systems have been put in place for effective and efficient project implementation work. This includes:

- Technical reporting system
- Financial reporting system
- HR (Human Resource) management system
- Procurement system.

The following project team and partner meetings have been held:

- Partner meeting on 8th July 2020 which discussed detailed action plan for the complete project activities.



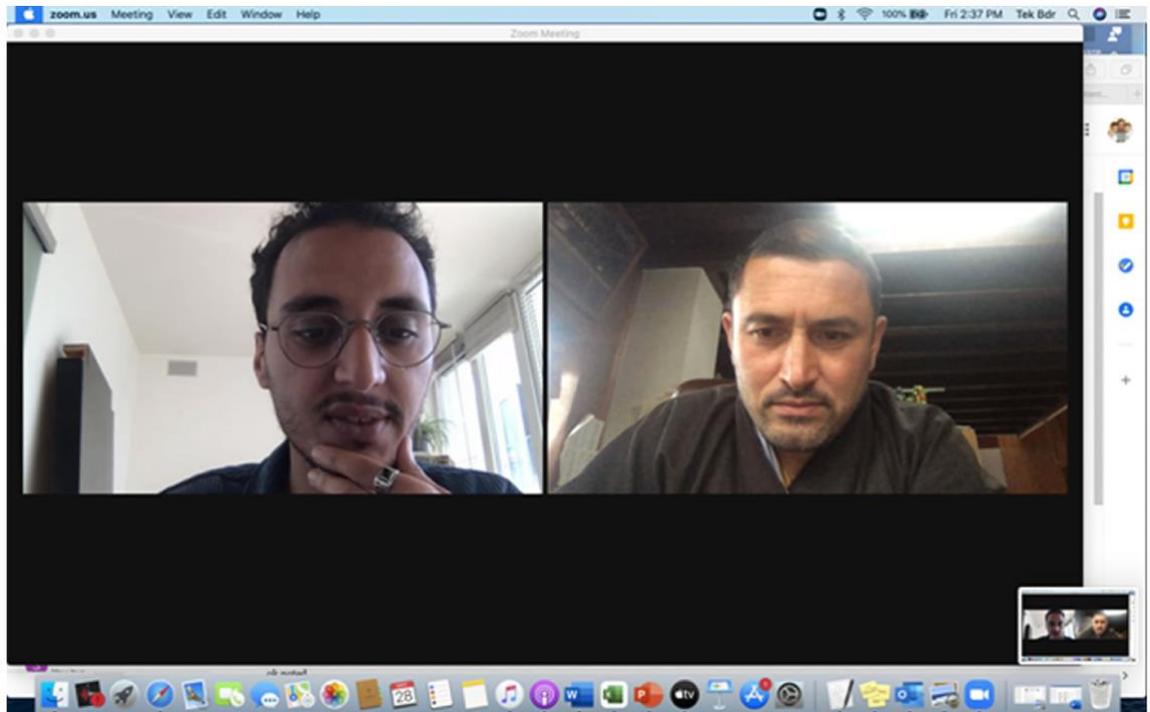
- Partners meeting on 9th February 2021. Discussions were held on the possible collaboration between Trans Bhutan Trail (TBT) and ABTO SUSTOUR project.



- Partners meeting on 13th February 2021 with the SHINE Project team for exploring possible synergy between SUSTOUR and SHINE.



- Partners meeting on 28th May 2021 that discussed the sustainability training conducted for 20 tour operators and way forward for implementation.



Financial Reporting System

The project director, project manager and the project finance officer deliberated on the project contract conditions and based on the contract conditions and the toolkits/guidelines a comprehensive financial system has been put in place

All financial management is run by the project office (project manager and project finance) under the supervision of the project director.

HR (Human Resource) Management System

A comprehensive HR Management system has been setup which includes:

- TOR (Terms of Reference) for each of the project staff and approved by the project partners
- Service agreements / contracts between the project office / partners and experts (if they are hired outside their current staff cadre)
- Monthly Time sheets and monthly reporting system submitted by each staff member and reviewed/approved by the project director and project manager. These monitor/control staff inputs (time), sub-activities, outputs and outcomes and are cross checked with time sheets
- A leave recording system for paid leave from the project and any leave encashment for unutilised leave in line with employment rules in each country (where staff are employed) and organisational employment contracts

AC 9 outputs and results

The outputs of Activity Cluster 9	Status
1. TORs and partner agreements with each partner	- Completed
2. Establishment of project office and relevant office services	- Completed
3. Set-up of project team including allocation of staff to the project by project partners and recruitment of external staff	- Completed
4. Establishment of project structures including	
a. Technical reporting system and monthly reports from project staff	
b. Financial reporting system	- Established
c. HR Management System	- Conducted
5. Kick off meeting	- 4 meetings conducted
6. Partner meetings	- Completed
7. Detailed implementation plans and tasks	
The Indicators of Results 9	Level of achievement
• Mobilisation of all project partners and project staff	- Achieved
• Recruitment, procurement of equipment and other resources	- Achieved
• Management and administrative procedures in place to facilitate smooth functioning and implementation of project activities	- Achieved

2.3. Please list activities that were planned and that you were not able to implement, explaining the reasons for these.

The following major activities that were planned could not take place:

Most or almost entire activities that were planned to be either initiated or implemented under the Activity Clusters 5, 7 and 8 were not implemented since these activities required the physical gathering of participants, actual field visits and travel and the presence of and physical visits by the experts, that were not possible due to the travel ban for visitors and the very strict COVID protocols even for nationals in Bhutan. The tourism business was practically absent and the industry players were forced to scramble for other sources of business and livelihood. This also made the participation from the industry players very difficult and unrealistic.

Even in other Activity Clusters, activities that were planned, most of which shared similar scenario to above, had to be rescheduled for later dates where the restrictions and protocols are likely to be relaxed and the tourism business is expected to be operational and participants in the industry are reachable and responsive.

Remedial steps to reschedule were undertaken by the project team. This included bringing forward (front loaded) some of the activities that could be achieved via online and postponing the activities that were not possible and impractical as explained above.

2.4. Assessment of the results of the Action so far?

During the reporting period, the project has implemented a substantial proportion of activities under each Activity Clusters (scheduled for implementation) with achievement of significant outputs. The COVID-19 pandemic and its related fallout had serious impact on the schedule and participation of the stakeholders and the industry, compounded by the total ban on travel to Bhutan for the responsible experts.

Activities had to be either back loaded or in certain areas front loaded and the medium and processes needed adaptations to accommodate the COVID-19 situation. The strict protocols in place and the absence of industry players affected the pace and the quantitative and qualitative aspects of the activities and need to be boosted and remedied when the restrictions are relaxed and the industry stakeholders and participants are available for full engagement.

The outputs in most part met the targets as per schedule and as projected in the Logframe. Although it is relatively early in the project, the project has achieved initial outcomes that will ensure the smooth

implementation and completion of the Project on schedule, if the restrictions of the pandemic are relaxed timely and the rescheduled activities are on target to be implemented as planned.

2.5 List of all contracts (works, supplies, services) for ABTO project team¹

The following were recruited as national experts to fill the specified project roles. These experts were recruited as per the requirement and as proposed in the Project document.

Contract Employee	Units	Unit Cost (Euro)	Approximate Total (Euro)	Role in Project
Mr. Wangchuk	48 months			Researcher
Ms. Sonam Deki	24 months			Communication expert
Mr. Karma Tshering	40 days			National Expert for Value Chain Analysis

The Award procedure followed included:

- Development of TOR for each role
- Search for suitable candidates through notices at key stakeholder institutes and at partner offices
- Short listing of most suitable candidates
- Review of shortlisted candidates according to technical criteria meeting the TOR
- Interviews and
- Negotiation of contract terms
- Contracting

2.6 Updated action plan ²

YEAR 2

Title	Description of Activity	Responsible	2nd yr																			
			Half 1 - 2021						Half 2 - 2022													
			J	A	S	O	N	D	J	F	M	A	M	J								
AC 1	Standards, training and tools development																					
1.1	Bhutan specific EMAS compatible CSR reporting and compliance requirements for TOs																					
	A	EMAS compatible Bhutan Certification standard (200+ criteria)																				
	B	Basic and advanced Bhutan CSR requirements (100+ criteria)																				
	C	Two multi stakeholder standard workshops 2x20+ participants																				
1.2	Common Suppliers CSR standards and codes for different sub sectors																					
	A	1+ (of 5) sub-sectoral multi stakeholder meetings, each 15 participants																				
	B	5 sub-sectoral suppliers standards and codes																				
1.3	Consumer Code of conducts																					
	A	5 sub-sectoral consumer codes																				
	B	1000 Laminated code of conducts																				
	C	5000 consumers receive code of conducts																				
1.4	EMAS compatible online CSR management / reporting system																					
	A	Bhutan online reporting and suppliers management platform																				
	B	TCB green hotel scheme online reporting, auditing and admin platform																				
1.5	Guidance and toolbox for tour operators and their suppliers																					
	A	Guidance for 200 criteria (50 pages) and 40 tools																				
	B	Interactive online learning platform in Dzongkha																				
1.6	Bhutan specific audit and certification system																					

² This plan will cover the financial period between the interim report and the next report.

3.2. Assessment of relationship with State authorities

The relationship with key state authorities is summarised below.

- Tourism Council of Bhutan (TCB)

TCB as the apex Tourism Agency is part of and key to the project implementation. TCB is actively involved particularly in activities that involve policy aspects and development of green tourism packages and services and its promotion. TCB together with the stakeholders will be pursuing to promote Bhutan as a Green and Carbon Neutral Destination as cross cutting theme in all tourism related activities in the country.

The project will provide some supplement essence to positioning of Bhutan as a Green and Carbon Neutral Destination. The project will provide comprehensive tourism sector value chain baseline analysis and data for informed decision making and planning for the sector.

- National Environment Commission (NEC)

NEC as an apex governmental body overseeing all environmental regulatory frameworks, legislation and clearances in the country is one of the key stakeholders for the project. The NEC will be taking a key role in the technical outcome and final policy interventions regarding green guidelines and carbon trade, and clearance on activities that need governmental interference, particularly green products and packages.

The Commission will also be involved in technical inputs and advisory role on creation of the national CF benchmarks, standards.

- Gross National Happiness Commission (GNHC)

All developmental activities in the country have to be aligned with the National development philosophy and the new development paradigm of Gross National Happiness (GNH). This process is managed by the Gross National Happiness Commission (GNHC) which includes 4 pillars of GNH development and various screening tools to ensure development activities in Bhutan are aligned accordingly. The project has created awareness amongst the GNHC and established linkages.

3.3. Relationship with other organisations involved in implementing the Action

Established organisational relationship between ABTO, TCB and local government under Thimphu district, through development of community travel packages as part of the action for promoting ecotour, authentic and sustainable travel packages. The project also maintains a very cordial working relationship with Handicrafts Association of Bhutan (HAB), Guides Association of Bhutan (GAB), Royal Institute of Tourism and Hospitality (RITH), Bhutan Institute of Tourism and Hospitality (BITH), Institute of Management Studies (IMS) and the Regional and local governments of Paro, Punakha and Chukha in addition to Thimphu.

3.4. Links and synergies developed with other actions.

ABTO has had consultation meeting with the project team from SHINE project on the possibility of coordination and working together on activities that have similar or shared objectives, outputs and goals. Similarly, explored possible marketing areas for collaboration with committed local tour operators for marketing travel and tour packages developed by Trans Bhutan Trail (TBT) project.

3.5. If your organisation has received previous EU grants in view of strengthening the same target group, in how far has this Action been able to build upon/complement the previous one(s)? (List all previous relevant EU grants).

The beneficiaries of the earlier low carbon tourism project (2012-2016) such as tour operators and hoteliers were included for joining the capacity development and certification scheme of the action. The activity will continue and actual impact can be seen from second year onwards.

4. VISIBILITY

How is the visibility of the EU contribution being ensured in the Action?

Communication and visibility activities are carried out via a dedicated and comprehensive Activity Cluster with several activities. These activities are in line with the project communication/visibility plan of the project and the EU communication and visibility manual and templates. Furthermore all project activities provide visibility to:

- EU funding and the Switch Asia programme including prominent position of EU and Switch Asia logos
- The Kingdom of Bhutan flag
- Project Partners and co-financers (ABTO, HRAB, ECEAT, ASR) including positioning of their logos

AC 6 of Section 6.2 of this report describes the substantial communication and visibility activities undertaken during the reporting period.

The European Commission may wish to publicise the results of Actions. Do you have any objection to this report being published on the EuropeAid website?

NO

Name of the contact person for the Action: Mr Sonam Dorji

Signature:

Location:

Date report due: 30 June 2021

Date report sent: 30 September 2021

Annexes

Attached with the document

1. Administration and Financial manual
2. Sustainability Policy for ABTO members
3. Project Communication and Visibility Plan/Strategy

Separate documents

4. Travelife Bhutan Guidance
5. Tourism VCA Report
6. Bhutan Tourism market report – European and Regional travelers