

Program G
SUSTAINABLE TOURISM DEVELOPMENT ALONG CORRIDORS & CIRCUITS

Title	Countries	Estimated costs	Priority class.	Contacts
G.8. Laos-Vietnam Cross-Border Community-Based Tourism Zone	Lao PDR, Viet Nam	US \$ 24.2 mln ²	3	Christine Jacquemin, project coordinator, Mekong Tourism (Coordination) Office. Email: cjacquemin@adb.org , christine@MekongTourism.org ; website: www.MekongTourism.org . GMS National Tourism

1. Title of Proposed Project: Laos-Vietnam Cross-border Community-based Tourism Circuit
2. Location and Geographic Scope: This project aims to prepare the way for community-based tourism development that is environmentally sustainable and pro-poor in character in the area containing Luang Prabang/Houaphan/Xien Khouang in Lao PDR, and Son La/Dien Bien/Lao Cai in Vietnam.
3. Name of Project Leading Agency: Related National Tourism Organization
4. Name of Principal Sponsor/s: The countries of Lao PDR and Vietnam and development partners (ADB-WTO/UNDP, NGOs etc.).
5. Sector or Division (Market, Infrastructure, Circuit, Border Zone, Corridor, Study, HRD, Culture, Protected Area, Investment Support): Study, Border Zone, Protected Area, Culture, Infrastructure and Investment.
6. Type of Proposed Project (Technical Assistance or Loan): Technical Assistance (TA)/Loans
7. Government Priority (High, Medium, Low): High
8. Project Background and Rationale: The proposed project aims to harness the potential of tourism in Houaphanh Province. Currently, the Province receives virtually no international tourism (less than one international tourist per day) due to poor air and road access, lack of tourism knowledge and capacity among local stakeholders, lack of tourism development funds, and lack of basic standards for hospitality services. With the appropriate infrastructure and capacity improvements, it is estimated that the Province can average 100,000 international tourists per year, over the next 10 to 15 years. Moreover, the project will support tourism development in NW Vietnam and NE Laos through cross-border collaboration and coordination, and the upgrading of border checkpoint services.
9. Project Objectives: The key objectives of the proposed project will be: <ul style="list-style-type: none"> • Formulation of a Regional CBT Development Master Plan (NW of Vietnam and NE of Lao PDR) and coordinated tourism product development and planning between local authorities • Formulation of CBT Master Plans in Sa Pa District (Lao Cai Province), Dien Bien Dong District (Dien Bien Province), Muong La District (Son La Province) of Vietnam, and Ngoi District (Luang Prabang Province), Viengxay District (Houaphan) of Lao PDR. • Capacity-building support to local tourism authorities in each district. • Development of a CBT model in each district, including product design, institutional development, awareness-raising and training, stakeholder coordination, marketing and promotion, and investments in construction of village infrastructure for CBT. • Support to other tourism-related stakeholders and poverty alleviation initiatives in the region, such as handicraft production and marketing, training of ethnic minority tour guides, BDS support to the private sector. • Utilisation of study tours, exchange visits, and coordination meetings to capitalise on the advantage of a shared market and similar products. • Development of Viet-Laos cross-border CBT tour itineraries in conjunction with the private sector. • Coordinated promotion and marketing of the region. • Upgrading of border checkpoint facilities, including infrastructure, roads, training of staff, and support for visa issuing. Support national governments in opening select checkpoints for international traffic (i.e. Nasone).

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10. Project Scope and Description:

The caves at Viengkay have significant tourism potential and constitute the Province's most important tourism resource. To realize the Province's potential, there is a need to:

- Upgrade the airstrip at Xam Nua to allow entry for larger aircraft and address landing problems associated with poor weather conditions;
- upgrade Road 1 between Vieng Kham (Luang Prabang Province) and Vieng Thong (Houaphanh Province).

These improvements will improve access to the area, and complement efforts to further facilitate travel through the issuance of visas at the international border with Vietnam. These will provide access to the Hanoi tourism market (in excess of one million international visitors per year), just 2-3 hours from the border.

11. Links with GMS Countries and to Other Project/Donor Initiatives, etc:

As Houaphanh is linked to Vietnam the potential benefits in terms of cross-border tourism are significant. Moreover, there is potential to develop tours that embrace a series of sites associated with the Indo-China conflict (Dien Bien Phu, Viengkay, Ho Chi Minh trail, etc.)

12. Expected Outputs and Overall Outcomes:

The project will deliver:

- A tourism development plan and implementation programme.
- Enhanced capacities for tourism development and management by national, provincial and local officials.
- Enhanced participation by the private sector including linkages between the larger tourist facilities and local providers at the community level in the area.
- Protection of key natural and cultural resources of importance to tourism.
- Economic growth centres and nodes.
- Communities with the capacity to effectively participate in the development of the area's tourism resources.
- An environmental and socio-cultural management plan and implementation programme.

The overall outcome will be to initiate the overall development of the area on a sustainable basis leading to substantial reductions in the level of poverty in line with the MDGs targets.

13. Impact on Poverty Alleviation:

Major impact. The overall impact of the project will help lift Houaphanh from its status as the country's poorest province.

14. Impact on the Natural, Cultural and Social Environment and Mitigation Measures:

The preparation of an integrated plan for the development of the tourism sector in the area is intended to ensure that the impact of any related developments will be managed, minimised and where necessary mitigated

15. Participatory Development Issues, if any:

A key element of this project will be the effective participation of local communities, the private sector, the development partners, the NTOs and the public sector agencies at a local, provincial, and national level in each country.

16. Sustainability and Financial Viability of the Project:

The project will lead to the sustainable development of the area and with good market and product development; and provide the foundation for an economically viable tourism sector. In terms of international tourism, the area is starting from an extremely low base figure. Given the ecological, cultural and historic significance of the areas tourism assets, as well as the opportunity to integrate these resources into a major tourism circuit – with convenient access to a growing tourist gateway in Hanoi, the economic viability of the project is perceived very positively. As noted earlier, it is forecast, that the project will be able attract an average of 100,000 international tourists per year within 10-15 years. The level of visitation, with careful planning and an average stay of 3 nights in the province could provide an annual income of between \$10-18 million per year.

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17. Expected Impact on Target Beneficiaries:

Tourism arrivals to Houaphanh are currently very low – less than one arrival per day from the international market. If the level of visitation identified above can be achieved, the socio-economic impact upon the Province would be highly significant. A volume of 100,000 tourists, staying for an average of 3 nights would, require some 900,000 meals per year. The potential benefits to local farmers, who will supply much of the inputs to these meals, would clearly be significant. In addition, the creation of alternative sources of income for local farmers would contribute to the ongoing work to reduce local opium cultivation.

Other benefits include:

- Facilitating visitor flows between NE Laos and NW Vietnam through the opening and improvement of border facilities
- Supporting tourist authorities, communities, and businesses coordinate tourism planning and development across borders, to create a cohesive tourism zone
- Developing tourism products that will provide an additional livelihood strategy for remote and impoverished border communities of both countries

18. Private Sector Participation:

The project will require substantial private sector participation in the area of tourism related-infrastructure, tourism-related commercial development in the growth centres in the area, and in the development of tourism related products and their marketing.

19. Proposed Development Partners (Donors/Funding Sources):

Given the extensive range of ecosystems and resources of the area, and its size, the development of the area for tourism purposes will have to involve a wide range of development partners including the ADB, UNDP, WB, EC, INGOs Wildlife International, IUCN, WWF, etc.

20. Proposed Implementing Agency:

The NTOs of Lao PDR and Vietnam

21. Project Readiness (local approvals; availability of pre-feasibility study, etc):

It is not clear what the infrastructure costs would be for the airstrip or Road 1. The section of Road 1 requiring repairs is estimated to be between 50 and 80 km. It is not clear what work is required at the airstrip in Xam Nua, but it is understood that the ADB has already looked into site improvements through its northern areas infrastructure support programme. Preliminary TA and feasibility studies will likely be required for both projects.

22. Implementation (incl. preparations) Arrangements:

To be implemented by a Task Force under the leadership of one GMS country with technical assistance and financing support of relevant development partners.

23. Initial Estimated Cost:

A total indicative cost of \$24.20 million is proposed.

24. Implementation schedule:

Elements	2006				2007				2008				2009				2010			
A. Project Preparation	x	x	x	x																
B. Social, Economic, Site, other Technical Surveys					x	x	x	x												
C. Site and Strategy Planning							x	x												
D. Recommendations and Implementation									x	x	x	x	x	x	x	x	x	x	x	X
E. Evaluation										x				x					x	

25. Major Constraints and Risks:

Not known but environmental impact and related social studies related to, for example, Indigenous Groups and Resettlement plans, economic and financial sustainability will aim at identifying/minimising/mitigating any negative impacts and constraints and devising institutions and mechanisms to enhance the positive aspects. Studies according to ADB Guidelines and Government regulations.