Nepal is growing in popularity as a tourist destination due to its rich cultural heritage and natural attractions. Tourism has tremendous potential to promote economic growth and alleviate poverty in Nepal, especially if it is community-based. A few projects based on the community model already exist; they need to be replicated in other villages. Appropriate infrastructure development, research partnerships between practitioners and academics using a transdisciplinary approach, and local-context-specific codes of conduct are required for community-based sustainable tourism to achieve its potential.

**Policy message**

- A broad shift from mainstream conventional tourism to community-based rural tourism with local participation and ownership is crucial to fulfil Nepal’s tourism potential.
- Reliable infrastructure, trained human resources and enhanced absorptive capacity are prerequisites for sustainable tourism.
- Applying a code of conduct in tourism practice is vital to make tourism responsible and peace-promoting.
- More research and exchange among academics, practitioners, and local communities would result in mutual learning and concerted actions for sustainable tourism policy and practice.

Tourism as a means of economic growth

Tourism is the largest industry in Nepal. According to the Nepal Tourism Board, gross foreign currency earning from tourism in 2009 was almost USD 377 million, 7.2% more than that in the previous year (MoTCA 2010). It provides 200,000 direct and 1.2 million indirect jobs, and has significant multiplier effects.

The Maoist-led armed conflict (1996-2006) had only minor effects up to 1999 because the insurgency was then largely confined to the western parts of Nepal. The Visit Nepal Year campaign in 1998 also boosted visitor numbers. But the royal massacre in June 2000, which coincided with the intensification of the insurgency, caused a rapid decline in tourist arrivals. This decline recovered only after the Comprehensive Peace Agreement between the Maoists and the government in November 2006 (Figure 1). Since then, the number of visitors has continued to rebound, albeit with fluctuations, as the armed conflict has ended and new hopes of peace emerge. But tourism cannot sustain its growth if other sectors are weak and the overall socio-political environment is unsupportive.

Need for a shift to community-based tourism

Tourism will be sustainable only if local people benefit from it. This can be achieved by promoting community-based tourism that allows local ownership. For this to work, local
Featured Case Study

The Machhapuchhre Model Trek

The Annapurna Conservation Area around Mt Machhapuchhre (“Fishtail”) in mid-western Nepal is the country’s one of the most popular tourist attractions. However, the popular Annapurna Circuit route is almost saturated and is restricted to a fixed number of tourists.

Together with various partners, NCCR North-South has developed an alternative route in the Annapurna area through an initiative known as the “Machhapuchhre Model Trek”. This new tourist attraction has three distinctive features:

- Trek with campsites and support- ers’ (porters’) shelters along the route.
- Homestay provisions where tourists can enjoy local hospitality in seven villages along the route.
- Commonly agreed code of conduct to ascertain sustainability and peace.

The project has enhanced the knowledge, skills, and capacity of local people by training local women in culinary and hospitality skills.

The first trekkers walked the route in December 2009, and tourism activities have subsequently increased, boosting local people’s confidence in community-based rural tourism.

This initiative offers an example of effective collaboration among researchers, private sector and local people, and it can be replicated in other areas.

... participation in planning, decision making and control mechanisms are necessary, local people need to be trained, and local institutions be developed to provide them with support. The Machhapuchhre Model Trek, an alternative trekking route developed in the Annapurna region, is a good example of such an approach (see case study). It is often the micro- and small-scale enterprises that sustain the local economy in remote places. Creating economic opportunities in tourism for such enterprises would boost local investment and build capacity there. They would benefit many aspects of the local economy: food producers, transport operators, guides, retailers, restaurants, guesthouses, handicraft makers, and so on.

It is equally important to increase the absorptive capacity of the local economy so the community can benefit from tourist spending. To do this, promoting private investment should go hand in hand with expanding the reach of the benefits. Information on tourist arrivals and their preferences should be provided to local stakeholders so that they can benefit more from the tourists’ spending.

Strengthening tourism infrastructure

There is an urgent need to develop new trekking and hiking trails in Nepal. Many existing trails are well known and are already saturated. But numerous routes remain unexplored and undeveloped; they have the potential to lure in both first-time and repeat visitors.

Tourism code of conduct to promote peace

Nepal has recently emerged from a decade-long armed conflict which severely affected the tourism sector. It is vital to the sector as a whole that everyone concerned, from local people to the tourists themselves, follow and respect a code of conduct to maintain harmony and promote peace while sustaining the industry. Such a code of conduct was formulated after intense debates and discussions among all the stakeholders during the NCCR North-South-supported project “Developing a community-based tourism model in Kaski district in western Nepal”. This code of conduct covers five main aspects of tourism: planning and management, socio-culture, economy, environment, and safety and security of tourists (Upadhayaya and Upreti 2009). Neglecting such issues could trigger renewed conflict and jeopardise the whole industry. Such a code of conduct should be spread more widely, agreed at a national level, and promoted throughout the country.

NCCR North-South has been promoting this issue with concerned stakeholders at both local and national levels.

Education, research and linkages with practice

Tourism is a business, so it attracts those interested in its commercial value. But this brings with it a risk of over-exploitation, deterring those possible visitors whom Nepal wishes to attract. So, tourism is too important to be left to commercial interests alone.

Given the importance of tourism to Nepal, greater emphasis is needed on both research and education. A sufficient number of qualified researchers are essential to plan tourism enterprises at local and national levels and to develop information to guide policymakers. Tourism education must be strengthened and interlinked with the tourism industry to ensure that the...
industry is sustainable. Tourism education covers aspects such as culture, history, environment, and conservation that are intrinsically related to tourism. Shortcomings in such areas could disappoint tourists and damage local tour operators, employment, and foreign exchange earnings. Such harmful impacts are already visible in some areas which have neglected the conservation of Nepal's cultural heritage and local development. Improved tourism education would help avoid such problems.

Definitions

**Peace-sensitive code of conduct**: Peace-sensitive code of conduct is policies, strategic actions, and adaptations related to the tourism sector that minimise the negative effects of conflict and promote peace. Peace-sensitive code of conduct benefits the local people by promoting, protecting and sustaining the value of peace and harmony in a responsible approach.

**Community-based rural tourism**: Community-based rural tourism is a tourism industry that is managed and owned by the community with the purpose of enabling visitors to increase their awareness and learn about the community and local ways of life (Pandey 2008). It does not simply aim at maximising profits for investors; it emerges from a community development strategy that uses tourism to strengthen rural community organisations that manage tourism resources with the participation of local people. It empowers local people to make decisions on tourism development that benefits the wider community.
Policy implications of NCCR North-South research

Community-based rural tourism

Local communities and regional policymakers have realised the importance of community-based rural tourism from the experience of the Machhapuchhre Model Trek route, a newly opened community-based tourism route linked with the ongoing NCCR North-South research on tourism, conflict, and peace. Such consultations should be continued at national level to enhance the local ownership of community-based rural tourism and to make tourism sustainable.

Building reliable infrastructure

New trekking routes should be developed to increase the reach of tourism to less-explored areas, and surface access should be improved to connect tourists to remote areas. The national airline should be restructured, and more human resources should be trained for the tourism sector.

Code of conduct to promote peace in tourism

A code of conduct composed of voluntary and self-regulatory rules, commitments, and core values of tourism has helped build awareness and realise its essence for the sustainability of rural tourism. Lessons from the Machhapuchhre Model Trek route can be used to formulate a manual for such a code of conduct for local areas as well as at the national level. This would promote a positive environment to prevent and mitigate unwarranted conflicts resulting from irresponsible tourism conducts.

Further reading


The NCCR North-South is co-financed by the Swiss National Science Foundation (SNSF), the Swiss Agency for Development and Cooperation (SDC) and the participating institutions. The views expressed in evidence for policy do not necessarily reflect those of the funding agencies or other institutions.