

Punjab Tourism for Economic Growth

Final Report

Consortium for Development Policy Research

Draft

ABSTRACT

This report documents the technical support provided by the Design Team, deployed by CDPR, and covers the recommendations for institutional and regulatory reforms as well as a proposed private sector participation framework for tourism sector in Punjab, in the context of religious tourism, to stimulate investment and economic growth.

----- (Back of the title page) -----

This page is intentionally left blank.

TABLE OF CONTENTS

LIST OF ACRONYMS & ABBREVIATIONS	56
LIST OF FIGURES	78
LIST OF TABLES	89
LIST OF BOXES	910
ACKNOWLEDGMENTS	1011
EXECUTIVE SUMMARY	1112
1 BACKGROUND AND CONTEXT	1819
1.1 INTRODUCTION	1819
1.2 PAKISTAN'S TOURISM SECTOR	1819
1.3 TRAVEL AND TOURISM COMPETITIVENESS	2324
1.4 ECONOMIC POTENTIAL OF TOURISM SECTOR	2526
1.4.1 INTERNATIONAL TOURISM	2526
1.4.2 DOMESTIC TOURISM	2627
1.5 ECONOMIC POTENTIAL HERITAGE / RELIGIOUS TOURISM	2728
1.5.1 SIKH TOURISM - A CASE STUDY	2930
1.5.2 BUDDHIST TOURISM - A CASE STUDY	3536
1.6 DEVELOPING TOURISM - KEY ISSUES & CHALLENGES	3738
1.6.1 CHALLENGES FACED BY TOURISM SECTOR IN PUNJAB	3738
1.6.2 CHALLENGES SPECIFIC TO HERITAGE TOURISM	3940
2 EXISTING INSTITUTIONAL ARRANGEMENTS & REGULATORY FRAMEWORK FOR TOURISM SECTOR	4344
2.1 CURRENT INSTITUTIONAL ARRANGEMENTS	4344
2.1.1 YOUTH AFFAIRS, SPORTS, ARCHAEOLOGY AND TOURISM DEPARTMENT (YASA&T)	4445
2.1.2 TOURISM DEVELOPMENT CORPORATION OF PUNJAB (TDCP)	4647
2.1.3 EVACUEE TRUST PROPERTY BOARD (ETPB)	4748
2.1.4 PAKISTAN SIKH GURDWARA PRABANDHAK COMMITTEE (PSGPC)	4950
2.1.5 AUQAF DEPARTMENT	5051
2.1.6 WALLED CITY LAHORE AUTHORITY	5152
2.1.7 ENVIRONMENT PROTECTION AGENCY (EPA)	5253
2.1.8 LAHORE DEVELOPMENT AUTHORITY	5253
2.1.9 INSTITUTE OF TOURISM AND HOTEL MANAGEMENT (ITHM)	5354
2.2 NEED FOR INSTITUTIONAL REFORMS	5455
2.3 CURRENT REGULATORY FRAMEWORK	5455
2.3.1 CONSTITUTIONAL MANDATE AND LEGISLATIVE SPACE	5455
2.3.2 CURRENT LAWS IN PLACE	5556
3 POLICY FRAMEWORK FOR TOURISM DEVELOPMENT	5859
3.1 TOURISM IN THE CONTEXT OF THE PUNJAB GROWTH STRATEGY	5859
3.2 PRINCIPLES OF POLICY FOR TOURISM SECTOR IN PUNJAB	6061

4	PRIVATE SETCOR AND OTHER STAKEHOLDERS' PERSPECTIVE	6364
5	GLOBAL INSIGHTS	6869
6	PROPOSED INSTITUTIONAL & REGULATORY REFORMS	7778
6.1	KEY PRINCIPLES FOR INSTITUTIONAL REFORMS	7778
6.2	PROPOSED INSTITUTIONAL STRUCTURE	7879
6.2.1	FEDERAL-PROVINCIAL COORDINATION AND ALIGNMENT	7879
6.2.2	STRENGTHENED PUBLIC SECTOR CAPACITY FOR TOURISM SECTOR MANAGEMENT	7980
6.2.3	SPECIALIZED INSTITUTIONAL CAPACITY FOR MANAGING HERITAGE SITES	8283
6.2.4	INSTITUTIONAL CAPACITY TO IMPLEMENT RELIGIOUS, CULTURAL & HERITAGE TOURISM PROJECTS	8586
6.2.5	PROMOTING PRIVATE SECTOR-LED GROWTH	8687
6.2.6	STRENGTHENING PRIVATE SECTOR CAPACITY	8889
6.3	PROPOSED LEGAL & REGULATORY REFORMS	9192
6.3.1	LEGAL FRAMEWORK TO SUPPORT INSTITUTIONAL REFORMS	9293
6.3.2	EASING THE PAKISTAN-INDIA VISA REGIME	9394
7	PRIVATE SECTOR PARTICIPATION FRAMEWORK FOR TOURISM SECTOR	9495
7.1	CONSTRAINTS TO PRIVATE INVESTMENTS	9495
7.2	COMPONENT I - PROPOSED PRIVATE SECTOR PARTICIPATION FRAMEWORK FOR TOURISM	9596
7.2.1	NEED FOR A TOURISM PPP FRAMEWORK	9697
7.2.2	THE PROPOSED PPP FRAMEWORK	99100
7.2.3	PROPOSED INSTITUTIONAL FRAMEWORK FOR TOURISM PPPS	100101
7.2.4	PROPOSED TOURISM INFRASTRUCTURE FUND	102103
7.3	COMPONENT II - INVESTMENT POLICY FOR TOURISM INVESTMENTS	103104
7.3.1	USE OF PUBLIC ASSETS AND LAND	103104
7.3.2	APPROVAL FOR ALL PERMITS / DEVELOPMENT PLANS	103104
7.3.3	ONE-WINDOW FACILITATION	103104
7.3.4	FINANCIAL ARRANGEMENTS	104105
7.3.5	TAX POLICY PREDICTABILITY	104105
7.3.6	ALTERNATIVE DISPUTE RESOLUTION	104105
7.4	PRIVATE SECTOR PARTICIPATION IN HOSPITALITY & TOURISM SKILLS DEVELOPMENT	104105
7.4.1	INVESTOR CONFERENCE FOR TOURISM SKILLS	105106
7.4.2	PUBLIC PRIVATE COLLABORATION FOR ESTABLISHMENT OF A HOSPITALITY SCHOOL	105106
8	CONCLUSION	107108
ANNEXURE		108109
ANNEX A: LIST OF STAKEHOLDERS CONSULTED		109110
ANNEX B: CULTURAL HERITAGE OF PUNJAB, PAKISTAN		111112
ANNEX C: CULTURAL HERITAGE OF PUNJAB, PAKISTAN		122123
ANNEX D: FURTHER DETAILS ON PROPOSED TOURISM PPP FRAMEWORK		124125
ANNEX E: COMMUNICATION STRATEGY		126127
ANNEX F: LIST OF DESTINATIONS IN PUNJAB FOR DOMESTIC TOURISM		128129
ANNEX G: ILLUSTRATIVE TOURISM PRODUCTS FOR PUNJAB		140141
ANNEX H: MATRIX OF PROPOSED TOURISM PRODUCTS		141142
ANNEX I: DATA COLLECTION STRATEGY FOR EVIDENCE-BASED DATA COLLECTION		144145
ANNEX J: MAJOR SUFI TOURIST SITES		145146
ANNEX K: MAJOR SIKH TOURIST SITES		146147

LIST OF ACRONYMS & ABBREVIATIONS

ADP	Annual Development Plan
ASCOT	Australian Standing Committee on Tourism
ASMET	Association for Small & Medium Enterprises in Tourism
ATEC	Australian Tourism Export Council
C & W	Communication & Works Department
CCI	Council for Common Interests
CDPR	Consortium for Development Policy Research
COTHM	College of Tourism and Hotel Management
CNT	National Council for Tourism
CPT	Tourism Promotion Council
DGE	Directorate General for Enterprise
DTS	Department for Tourism Services
EPA	Environment Protection Agency
EIA	Environmental Impact Assessment
ETPB	Evacuee Trust Property Board
GDP	Gross Domestic Product
JTA	Japan Tourism Agency
ICT	Information & Communications Technology
IPC	Interprovincial Coordination
IT	Information Technology
ITDC	Indian Tourism Development Corporation
ITHM	Institute of Tourism and Hotel Management
KPK	Khyber Pakhtunkhwa
LDA	Lahore Development Authority
MNC	Multi-National Corporations
MOTC	Ministry of Tourism & Culture
MoTS	Ministry of Tourism & Sports
MOU	Memorandum of Understanding
MyTQA	Malaysia Tourism Quality Assurance
NEASC	New England Association of Schools and Colleges
NOC	Non-Objection Certificate
NTA	National Tourism Alliance
NTO	National Tourism Organization
OTBLS	Online Tourism Business Licensing Service
P & D	Planning & Development
PATO	Pakistan Association of Tour Operators
PGS	Punjab Strategy Growth
PHA	Pakistan Hotels Association
PILDAT	Pakistan Institute of Legislative Development and Transparency
PITHM	Pakistan Institute of Tourism and Hotel Management
PPP	Public Private Partnership
PSGPC	Pakistan Sikh Gurdwara Parabandhak Committee
PTDC	Pakistan Tourism Development Corporation
RMU	Risk Management Unit
SGPC	Shiromani Gurdwara Parbandhak Committee

SLTDA	Sri Lanka Tourism Development Authority
STO	State Tourism Organization
TCI	Tourism Investment Committee
TDCP	Tourism Development Corporation of Punjab
TEPA	Traffic Engineering & Planning Agency
THE – ICE	International Centre of Excellence in Tourism and Hospitality Education
TMC	Tourism Ministers Council
TTF	Tourism and Transport Forum
UNESCO	United Nations Educational, Scientific and Cultural Organization
WAPDA	Water & Power Development Authority
WASA	Water and Sanitation Agency
WCLA	Walled City Lahore Authority
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council
YASA & T	Youth Affairs, Sports, Archaeology & Tourism

Draft

LIST OF FIGURES

Figure 1.1 Tourism and Travel Contribution to GDP and Employment in Pakistan	191
Figure 1.2 GDP Growth and Growth of Tourist Arrivals in Pakistan (%).....	204
Figure 1.3 International Tourism: Number of Arrivals and Receipts.....	212
Figure 1.4 Receipts as a Percentage of GDP.....	212
Figure 1.5 Receipts for Tourism Exports 2014.....	222
Figure 1.6 Receipts from International tourism versus Service Exports, Pakistan 2015.....	222
Figure 1.7 International Tourism Receipts compared with Top Exports 2015,.....	232
Figure 1.8 Travel and tourism competitiveness	242
Figure 1.9 Current and Potential Contribution of International Tourism in Pakistan	262
Figure 1.10 Distribution of Annual Visitors to Historical / Religious Sites in Punjab	262
Figure 2.1 Map of key sites of Religious Significance	282
Figure 2.2 Map of main Gurdwaras in Punjab, Pakistan	Error! Bookmark not defined.31
Figure 2.3 Sikh Religious Tourism in Pakistan, Number of Visitors.....	Error! Bookmark not defined.32
Figure 2.4 Expenditure Patterns of Sikh Tourists	Error! Bookmark not defined.33
Figure 2.5 Map of Buddhist Sites in Punjab.....	363
Figure 2.6 Reasons for Lack of Interest in visiting Pakistan amongst Buddhists.....	413
Figure 3.1 Existing Institutional Mapping for Tourism Sector.....	434
Figure 3.2 Organizational Structure of TDCP.....	474
Figure 7.1 Proposed Institutional Structure for Tourism Sector	787
Figure 8.1 Proposed Private Sector Participation Framework for Tourism Sector	959

LIST OF TABLES

Table 1.1 Inflow of Foreign Visitors compared to other Countries.....	<u>2425</u>
Table 1.2 Estimates for Revenue Collection through Domestic Tourism.....	<u>2728</u>
Table 2.3 Projected Direct Expenditure by Sikh Tourists	<u>3435</u>
Table 2.4 Total Projected Impact of Sikh Tourism.....	<u>3435</u>
Table 2.5 Direct Impact of Buddhist Tourism.....	<u>3637</u>
Table 2.6 Total Projected Impact of Buddhist Tourism.....	<u>3738</u>
Table 3.1 Sikh and Hindu Religious Tourism Traffic	<u>4849</u>
Table 3.2 Snapshot of Existing Regulatory Regime	57
Table 6.1 International Examples for Tourism Institutional Frameworks.....	<u>7074</u>
Table 7.1 Proposed Regulatory Reforms for Tourism Sector.....	<u>9192</u>

Draft

LIST OF BOXES

Box 1.1 Lack of Provincial Level Data.....	21
Box 1.2 Sufi Tourism.....	31
Box 2.1 Preserving Shergarh – A Heritage Town.....	47
Box 2.2 Preserving Heritage at Katas Raj – Role of ETPB.....	51
Box 2.3 EPA and Heritage.....	54
Box 6.1 UNESCO Guidelines for Heritage Sites.....	85
Box 6.2 Preserving the Past to Invest in the Future.....	86
Box 6.3 PRMP’s Capacity to Implement Procurement	88
Box 7.1 Divesture of Commercial Assets Managed by TDCP.....	103

Draft

ACKNOWLEDGMENTS

The final report Punjab Tourism for Economic Growth

Draft

EXECUTIVE SUMMARY

International tourism contributes only US\$ 1bn or 0.4% to Pakistan's GDP which is a mere fraction of the sector's potential. The country is home to one of the oldest civilizations in the world, has innumerable locations of natural beauty, world's highest mountains, unique arts and crafts and, reflecting the diverse and pluralistic tradition of the Indus Valley, many historic sites and religious places that include Muslim shrines, Hindu temples, Sikh Gurdwaras and Buddhist monasteries. It is estimated that with the right policies in place and effective implementation, Punjab alone could contribute three to four fold increase in the country's tourism revenues.

In order to capitalize on this immense potential, there is a need to address a number of bottlenecks faced by the tourism sector. These include: the absence of quality standards and enforcement regime, limited investment, dilapidated or sub-optimal infrastructure, lack of policy relevant data and apprehensions regarding safety and security of tourists. The public sector's limited institutional capacity to modernize the sector further impedes growth.

Commented [HS1]: Lack of private sector focus?
Transport connectivity!

Government of Punjab is keen and committed to developing a comprehensive strategy for putting tourism on a solid footing to realize its full income and employment potential consistent with the objectives of Punjab Growth Strategy. Towards that end, Government of Punjab aims to include World Bank funded 'Regional Cultural and Heritage Tourism' project in its Medium Term Growth Framework. The project aims to provide state-of-the-art tourist services across Punjab, focus on high-opportunity segments such as heritage tourism and mobilize private sector investment in tourism. It is expected that such a strategy will make tourism one of the main engines of growth, employment generation and foreign exchange and revenue earnings.

Consortium for Development Policy Research (CDPR) has been commissioned by the government to help adopt an informed, contemporary, view of tourism and assist in designing a reform program to modernize the sector. To meet these objectives, this report assesses the tourism potential of Punjab, identifies the hurdles that have prevented the realization of the potential and recommends what needs to be done to remove the hurdles and modernize the sector. Drawing on international experience and in-country stakeholder consultations, this report recommends an institutional and regulatory reform package for tourism and proposes a private sector participation framework.

PUNJAB'S TOURISM POTENTIAL

Pakistan's low tourism competitiveness provides tremendous room for improvement and capacity to contribute towards economic growth. Pakistan is currently ranked 125 out of 141 benchmarked countries on the Travel & Tourism Competitiveness Index, developed by the World Economic Forum, however Pakistan is considered one of the cheapest countries in the world for tourists and ranked 9th in Price Competitiveness. Pakistan's low ranking on the index provides a massive opportunity to improve. Any such movement up the index, in turn, would result in substantial increase in the sector's contribution to GDP. The World Travel

and Tourism Council (WTTC)'s Economic Impact 2016 report for Pakistan¹ shows that travel & tourism directly contributed PKR 780.4bn or 2.8% to National GDP in 2015. If indirect and induced effects are taken into account, the contribution of the sector increases to PKR 1,918.5bn or almost 7% of GDP.

The potential of domestic tourism is even more significant than the international tourism segment. More than 45 million domestic tourists travel each year across Pakistan². As per World Travel and Tourism Council estimates, in the year 2015, domestic travel spending in Pakistan claimed 90.8% of direct travel & tourism GDP. Domestic travel spending is expected to grow by 3% in 2016 to more than PKR 1 trillion and rise by 5.3% per annum to almost two trillion rupees in 2026.

Commented [HS2]: Can Punjab tap the seasonal factor (winter holidays)?

WHY THE POTENTIAL IS NOT REALIZED

Stakeholders' views, analysis of previous World Bank studies and other reports, mapping of existing institutional and regulatory regimes for tourism sector, selected visits to heritage sites, feedback from tourists and a review of international best practices have informed this report. A number of stakeholder sessions were conducted to seek private sector's feedback on tourism sector issues in Punjab and seek suggestions to improve it. These sessions were preceded by a thorough review of available pool of information, previous reports and a number of background studies conducted by World Bank. Visits were made to various heritage tourism sites and feedback from domestic and international tourists was also recorded. Alongside stakeholder feedback, it was also important to draw insights from other countries and review how tourism sector is being managed there. A review of tourism sector in some other comparable countries therefore also informed this study.

Sub-optimal federal-provincial coordination, low resource allocation and other cross-cutting challenges have been impeding tourism sector's growth. It is pertinent to highlight the absence of a tourism management entity at the federal level as one of the key impediments, leading to lack of national branding strategy, no institutional ownership to ease federal regulations impacting tourism such as visa regime and difficulties in resolving inter-provincial issues. Moreover, traditionally, tourism sector has been low on priority of successive governments with meager resource allocations and poor development. Deteriorating security environment in the last two decades has further dampened tourists' interest in the country. Private investment has been limited with dilapidated infrastructure and sub-optimal enforcement of standards.

A complex and incoherent institutional framework at the provincial level has further compounded the issues faced by the sector. A number of departments and agencies operate in tourism sector in Punjab, preventing adoption of a cohesive approach for sector development. A closer look at the existing institutional arrangements reveals that not only is there little or no coordination between various departments but also none of these has any specialized experience to manage heritage sites. Federal jurisdiction of Evacuee Trust Property Board over many heritage sites is ambiguous. Department of Tourist Services has limited capacity to drive innovation, while TDCP through its commercial operations is in fact

¹ Available at <http://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2016/pakistan2016.pdf>

² The total number of domestic tourists in Pakistan during the year 2009 equaled 46.07 million. PILDAT, 2015

distorting the competition rather than supporting the private sector. Government does not have any professional interface to work with private sector in tourism industry and there is no institutional arrangement for standard setting or quality assurance.

The regulatory framework for the tourism sector is outdated. There are only three major laws, which were enacted in 1976 and were based on the regulatory ethos of the 60s, which inter alia included mechanisms for control of prices rather than sector development and attracting private investment. These include Hotel and Restaurants Act, Travel Agencies Act, 1976 and Tourist Guides Act, 1976. In addition, a number of laws indirectly or directly affect the sector such as environmental regulations³, natural resources⁴ regulations, building regulations, visa regimes etc. calling for a serious need to re-think the regulatory landscape for tourism sector.

The stakeholders identified a number of areas impacting tourism sector, where the role of the state has been deficient. For instance, the government undertakes virtually no marketing efforts and only limited participation in international trade fairs, underscoring the need to have a dynamic marketing strategy. They also highlighted poor quality of facilities available at tourist areas and sub-optimal roads and transportation connecting such areas of interest with the need to upgrade the infrastructure with safe, clean, abundant and attractive facilities for local and international tourists, with special focus on women and children's needs. According to them, there is a dire need for restoration and rehabilitation of historic buildings and sites through experts; and public-private partnership models for establishing hotel management institutes in the wake of dearth of skilled labor for tourism and hospitality industry. Pakistan Association of Tour Operators (PATO) and Pakistan Hotels Association (PHA) should closely collaborate with the government. There is also a requirement for progressive government policies to encourage sustainable local and international investments, leasing of land parcels for project development and announcing an incentive package to encourage new investment.

Looking at other comparable examples across the globe, it becomes clear that there has been a gradual rationalization of government responsibilities, with a growing preference for the separation of promotion and marketing activities from policy and regulation within the tourism sector. Increasing autonomy is being given to statutory bodies with private sector management to assume full responsibility for marketing, planning and promotion of tourism. Many governments are also withdrawing from active involvement in the marketing and promotion and handing over such activities to the private sector. However it is generally accepted that for tourism to develop in a sustainable and orderly manner, an appropriate physical and regulatory framework is required. Governments should be responsible for the provision of the basic physical infrastructure necessary for tourism such as roads, airports, communications, power, water, sanitation and other infrastructure. Public-private partnerships are also seen as a successful modality, with the government providing the legal and regulatory framework and the private sector managing and marketing the sector and sharing risks.

³ Pillar 9 of the Travel and Tourism Competitiveness Report 2015

⁴ Pillar 13, Ibid

WHAT NEEDS TO BE DONE

With assistance from CDPR, Government of Punjab has formulated and approved key principles of policy for tourism, providing an anchor for future reforms and clearly articulating its commitment to promote tourism, especially heritage tourism. Government expects that this focus on heritage tourism will help in making Punjab a truly pluralistic, tolerant, culturally confident and vibrant society. The policy principles focus on: (i) creating a robust institutional framework for tourism sector, (ii) establishing an enabling regulatory regime that attracts investment in tourism and related infrastructure, (iii) moving towards private sector led service delivery, (iv) putting in place quality standards and ensuring safety and security for tourists, and (v) facilitating high quality skilled workforce for the sector. Together, these policy principles promote the laudable objective of inclusive and sustainable tourism.

Commented [HS3]: Good! Should it be placed on website?

There is now a need to build further on these policy principles through targeted and meaningful reforms. Existing sub-optimal institutional arrangements in Punjab for managing tourism sector are in stark contrast with the policy objectives of the government to stimulate growth and investment and to adopt a private sector-led approach for the sector. Consultations with stakeholders have indicated market expectations from government to create an enabling environment and facilitate private investors. These expectations are also in line with what's happening in other countries, where governments are focusing on introducing enabling frameworks through well-coordinated holistic institutional regimes. It is therefore proposed to undertake institutional reforms in three areas – ensuring federal-provincial coordination and alignment, strengthening core governance capacity within provincial government for managing tourism sector; and embed private sector-led growth.

Commented [HS4]: How to start?

To improve federal-provincial coordination and alignment, federal government should establish a dedicated Tourism Cell in Ministry of Inter Provincial Coordination. This would create dedicated sector-focused institutional capacity in federal government for taking up relevant regulatory and policy issues. Furthermore, Government of Punjab should create an Inter-Provincial Tourism Coordination Working Group to coordinate with other provinces for alignment on critical policy issues and effectively undertake advocacy efforts with federal government on key institutional issues.

In order to strengthen public sector capacity for tourism sector management in Punjab, government should adopt a cross-departmental oversight mechanism to ensure synergies across various initiatives. Such mechanism can be created through establishing high-powered Punjab Tourism Council, a stakeholder-led management structure to facilitate tourism in selected thematic areas rather than traditional public sector-led approach. The Council would provide an institutional interface to incorporate private sector's views for sector management, approve quality standards and offer an alternative dispute resolution platform for regulatory compliance. In addition the government should strengthen its core institutional capacity for policy making and implementation through creating a Delivery Unit within Department of Tourist Services to attract market-based talent. It is also proposed to establish Office of Tourism Commissioner under the Tourism Department to regulate the sector. Furthermore, there is a need to create specialized capacity in the government to manage heritage sites, which could either be provided through widening the mandate of Walled City Authority Lahore or creating a new agency. This agency can then have site-specific organizational structures for managing heritage sites and surrounding areas for zoning, commercialization, municipal arrangements and land use. The present role of PSGPC and site-specific Gurdwara Management Committees should be kept intact and in fact be

strengthened to keep the stakeholders informed and involved. There is a need to formalize the structure of these committees and move towards corporatization, with better financial management systems.

There is also a need to deepen the diagnostics within the universe of allied provincial line departments to support wider reforms in tourism sector. While the Punjab Tourism Council would provide an apex platform to synergy synergize operations across various departments and agencies, a detailed institutional review study should be undertaken with special reference to tourism sector for departments like Auqaf, Environment, Local Government, Forest and Wildlife, etc. Additionally, on an immediate basis, there is a need to establish a Heritage Tourism Cell in Auqaf Department to take stock of various heritage sites managed and devise a plan for promoting tourism.

In order to support private sector-led growth, government should develop adequate capacity to promote private investment in the tourism sector, through restructuring of TDCP and other measures. The restructuring should include divestment of all commercial operations and making TDCP responsible for interfacing with private sector as well as for marketing and branding. There is need to revive Institute of Tourism and Hotel Management (ITHM) and transform it into a vibrant state-of-the-art institution for skill development, through collaboration with private sector. Punjab Skills Development Fund should also be engaged for market-driven skills development through private service providers. In addition, a Tourism Investment Committee has also been proposed for decision-making regarding PPP projects. Government should also strengthen private sector capacity so that PATO and PHA can be better organized and act as counterparts to government in a much more meaningful manner, driving the sector growth and identifying priorities for future.

In order to increase private investment in tourism sector, there is a need to create a pipeline of potential investment opportunities. Given the requirements and nature of tourism sector, it is proposed to have two components of the private sector participation framework. The first should cater to PPP projects, while the other component should relate to developing an investment policy or an incentive package to promote purely private investment in the sector, through government stimulation.

A number of compelling factors such as exclusion of tourism from current PPP framework, peculiar requirements of the sector and precedents from other sectors support the case for having a tourism-specific PPP regime in Punjab. However any such efforts by the government should include devising an efficient and transparent mechanism for preparing a pipeline of PPP projects in tourism sector and offering them to the market. The proposed framework includes a flexible approach for varying size projects; broader view of private sector participation to include innovative project structures; transparent public tendering process wherever government support or concessions are involved; providing adequate incentives such as partial risk guarantees and full cost recovery to investors to stimulate private investment in priority areas; and supporting institutional structure to drive the proposed framework.

Even beyond the PPP space, there are a number of existing constraints to private sector investment in tourism and other sectors that should be addressed through a tourism investment policy. These constraints include exorbitant real estate costs discouraging investors from initiating new ventures; frequent changes in tax policy, creating uncertainty for investors; high cost of doing business with excessive regulations, poor law and order and public safety situation; limited financing avenues in the wake of restricted commercial

Commented [HS5]: Asset inventory and transaction advisory.

financing for such projects, weak capital markets and absence of private equity; and poor contract enforcement, leading to expensive and prolonged litigation. Through the tourism investment policy, there is a need to enable optimal use of public assets and land; facilitation of private investors; providing tax guarantees; and offering effective ADR platforms.

Moreover, the proposed tourism investment policy should especially focus on financial arrangements for successful close of mega projects, supporting tourism sector. Commercial banks in Pakistan traditionally shy away from project finance with the exception of a few sectors such as energy. In order to encourage investment in the sector, government should support private financing, possibly through creation of Tourism Infrastructure Fund, which can take partial stake in commercially viable projects, to encourage other institutional investors. Similarly, government may consider providing partial risk guarantees to investors for selected areas to stimulate investment.

Commented [HS6]: Aren't we enhancing the role of the government? I agree with some risk guarantees but not the idea of a Fund.

On the regulatory side a number of laws will have to be amended to provide for both high standards and robust enforcement mechanisms. In addition, regulatory reforms would be required to improve the business climate as well as to support the proposed institutional changes such as a law to create and empower Punjab Tourism Council and Office of Tourism Commissioner; amending Walled City of Lahore Authority Act to manage control of heritage sites or enact legislation for a new entity; a law/policy for tourism PPP framework and tourism investment incentive package; establishment of Heritage Trust to enforce the Punjab Special Premises Preservation Ordinance, 1985; and legal structure for Tourism Infrastructure Fund.

READINESS FOR ENGAGEMENT

Government of Punjab has been closely involved in formulation of these recommendations and has been proactively highlighting internal challenges and constraints faced in this regard. Planning and Development Department, being the central planning agency for the province, itself has been driving this process, demonstrating eagerness and readiness for further reforms. Punjab Resource Management Program, the principal reform unit for Government of Punjab, is expected to play a central role in proposed reforms of the tourism sector. There have been multiple meetings and consultative sessions with both P&D and PRMP to seek their feedback on evolving recommendations. A number of one-to-one meetings were held with all relevant government agencies and departments, while government stakeholders were also invited to all stakeholder sessions.

With this readiness for reforming the tourism sector, there is now a need for the government to actively engage with international donors and development partners to pool in resources and expertise to drive the future reform agenda. A donor coordination conference can be the first step in this direction. However, it should be followed by development of a comprehensive resourcing plan, taking into account future government allocations, donor funding and private investment requirements.

Commented [HS7]: It will be important to have some core delivery capacity within the Government.

There is a need to build further on CDPR's work to drive growth in tourism sector through concrete actions in line with proposed recommendations as well as further. While highlighting a number of factors constraining tourism sector's growth in Punjab, CDPR has looked at these challenges from an institutional lens and proposed specific reforms that should not only improve the World Bank's project design but also inform the future tourism policy of Punjab. However, going forward, Government needs to develop a comprehensive

tourism policy for Punjab, formalizing the proposed recommendations. The government also needs to develop an action plan and/or a sector strategy with costed work plans. Such action plan must cover generating and gathering evidence for informed policy making; strengthening existing capacity and restructure Department of Tourist Services and TDCP; establishing and operationalizing the proposed institutional framework and undertaking further diagnostics; developing a pipeline of tourism PPP projects; developing integrated infrastructure plans for tourism sites (especially for heritage tourism); working closely with private sector to keep the information flow and be responsive to their needs; developing quality standards and putting in place a compliance regime; working on tourist safety and security; undertaking targeted marketing and branding campaigns; and reforming the regulatory regimes to improve travel and tourism competitiveness, overall business environment and private investment regime.

Draft

1 BACKGROUND AND CONTEXT

1.1 Introduction

The overall objective of the World Bank funded 'Regional Cultural and Heritage Tourism' project is to assist the Government of Punjab in its 5-year Medium Term Growth Framework, which is aimed to optimally exploit the potentials of recreational, adventure, cultural, historical and heritage tourism. A good tourism program can contribute towards economic growth through creation of jobs, foreign exchange earnings and opening up trade, knowledge sharing, regional development and much needed portrayal of a softer image for Pakistan. In order to provide technical support to Government of Punjab, to widen the understanding and supporting implementation of the Regional Cultural and Heritage Tourism project, the World Bank Group employed Consortium for Development Policy Research (CDPR) to provide a team of experts for project design support.

With assistance from the design team, Government of Punjab has already formulated and approved key principles of policy for the tourism sector development in the province, providing the policy anchor for the project as well as clearly articulating its commitment with the sector. The Government is now in the process of developing a comprehensive tourism policy for the province, with special focus on developing heritage tourism, especially Sikh religious tourism. This report documents the technical support provided by the Design Team and in particular covers the recommendations for institutional and regulatory reforms for tourism sector in Punjab to stimulate investment and economic growth. In addition, this report also outlines a proposed private sector participation framework. These recommendations have been based on review of existing literature and secondary sources, analysing present situation in Punjab, stakeholders' perspective, expert opinions and review of comparable international examples. It is expected that this report will inform the overall tourism policy for Punjab.

1.2 Pakistan's Tourism Sector

Pakistan is rich in its tourist destinations offering a diverse range of choices for different types of tourists. The country is home to one of the oldest civilizations in the world, has innumerable locations of scenic beauty, world's highest mountains, many religious and historic places, unique arts and crafts and a rich culture and heritage. The World Travel and Tourism Council (WTTTC)'s Economic Impact 2016 report for Pakistan,⁵ shows that travel & tourism directly contributed PKR 780.4bn or 2.8% to National GDP in 2015. If indirect and induced effects are taken into account, the contribution of the sector increases to PKR 1,918.5bn or almost 7% of GDP. The shares for employment show similar numbers with the sector employing more than 1.4 million people directly (2.4% of total employment) and over 3.6 million (6.2% of total employed) if indirect and induced effects are included. The sector also received PKR 342.8bn in investment, which comprised 9.3% of the total national investment.⁶ **Figure 1.1** shows that economic contribution by the sector has almost doubled

⁵ Available at <http://www.wtttc.org/-/media/files/reports/economic-impact-research/countries-2016/pakistan2016.pdf>

⁶ All values are in constant 2015 prices & exchange rates

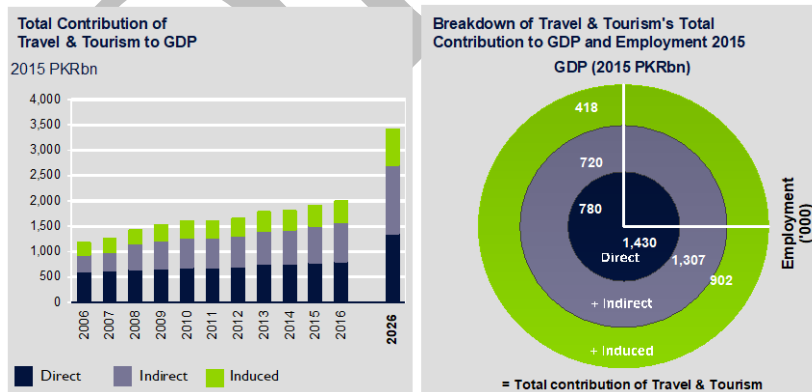
between 2006-2015. Moreover, the sector is likely to contribute PKR 3,500bn to the national economy by 2026.

Box 1.1 Lack of Provincial Level Data

A major limitation in analyzing the current state of tourism has been the lack of provincial level data on tourism. This is somewhat alarming as the provincial government established an independent corporate body, the Tourism Development Corporation of Punjab (TDCP) in 1986, to accelerate growth of the sector. TDCP's website does not provide any statistics, databases or policy papers that detail the existing size and structure of tourism in the Punjab. Therefore it is critical that Punjab Government should accurately start measuring the key indicators of tourism such as: total number of local and foreign tourists per annum, number of tourist visiting major sites, categorization of tourists, spending levels etc.

WTTC's methodology covers government spending as well as all expenditure on hotels, airlines, airports, travel agents and leisure & recreation services utilized by individuals for business and holiday. This may slightly overstate the contribution by the sector as a large portion of expenditure in Pakistan on hotels and travel is for personal/family visits and for private and public sector business purposes. The total number of domestic tourists in Pakistan during the year 2009 equalled 46.07 million. About half of these tourists travelled to meet their social obligations (friends, relatives, etc.) and around 14% travelled for recreation purpose. Other important categories were of the people who travelled for business, health or religious reasons (PILDAT, 2015). Moreover, WTTC statistics show that domestic travel spending in Pakistan generated 90.8% of direct Travel & Tourism GDP in 2015 compared with 9.2% for visitor exports (i.e. foreign visitor spending or international tourism receipts). Domestic travel spending is expected to grow by 3.0% in 2016 to PKR 1,162.8bn, and rise by 5.3% pa to PKR 1,945.2bn in 2026.

Figure 1.1 Tourism and Travel Contribution to GDP and Employment in Pakistan



Source: WTTC 2016

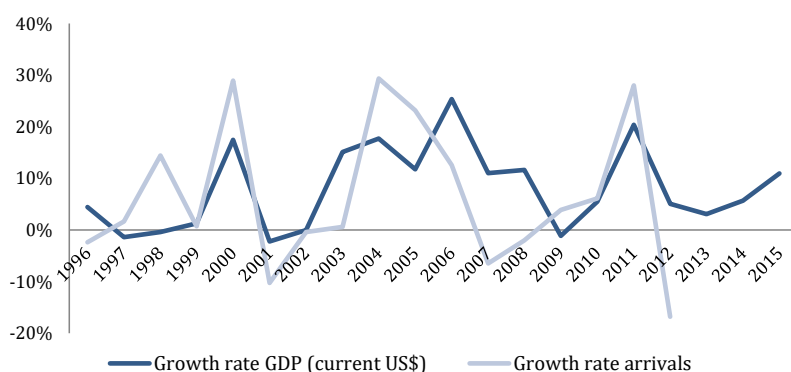
According to World Tourism Organization's Report, in 2014 on a global level, there were 1,081 million foreign tourists. Total number of foreign tourists coming to Pakistan in 2014 were 0.965 million; compared to a figure of 0.557 million in the year 2000. Pakistan's share of the global tourism market in 2014 was only 0.09%; which is much below its potential. In

South Asia, Pakistan's share out of a total of 17.5 million foreign tourists was a paltry 5.5%; compared to India's share of 44%, Iran's share of 28.4% and Maldives at 7% share.⁷

In terms of geographical distribution, 44% of the total foreign tourist arrivals into Pakistan were from Europe; a major share of which was of overseas Pakistanis coming from United Kingdom. South Asia was the second largest origin for international tourists coming to Pakistan, accounting for 21% of the total. Of these tourists, a major share constitutes of Sikhs coming from India for religious festivals and for visitation of holy sites. Moreover, almost 50% of the foreign tourists come to Pakistan to visit their friends and relatives (VFR). These travellers usually do not engage in the typical tourism activities. In fact only 14.7% of the total visitors to Pakistan come for recreational purposes. This low share of tourists in the total arrivals is a clear indicator of the untapped potential of the Tourism Sector (PILDAT 2015).

In terms of receipts in 2015 from foreign tourists, Pakistan only scraped a share of US\$ 315mn out of the total spend of US\$ 31.4bn in South Asia. India was the biggest beneficiary with foreign tourist spending of US\$ 21bn during 2015.⁸

Figure 1.2 GDP Growth and Growth of Tourist Arrivals in Pakistan (%)



Source: World Bank Open Data (accessed December 2016)

Figure 1.2 shows the correlation between GDP growth and growth in foreign arrivals in Pakistan. Both variables move in tandem suggesting a pro-cyclical behaviour. Moreover, decreases in incoming visitors can also be explained by some major security and terrorism related events in the country. Between the years 2005-2007, there was a spike in terrorism across all the major cities in Pakistan, which significantly reduced tourist flows into the country. Similarly, 2011 saw the Abbottabad Operation, which was followed by increased security threats leading to a fall in international visitors to the country. The data therefore highlights the adverse impact of deteriorating security and law and order on tourism.

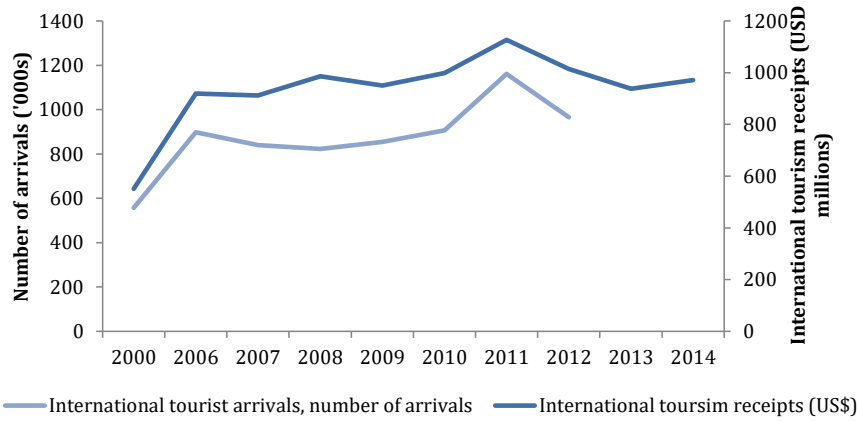
Figure 1.3 shows that receipts and number of international visitors moved in tandem. However, from 2006 to 2010 the difference between the two widened, suggesting that foreigners were spending more on average during these years as compared to previous

⁷ UNWTO Tourism Highlights 2016

⁸ Ibid.

years.⁹

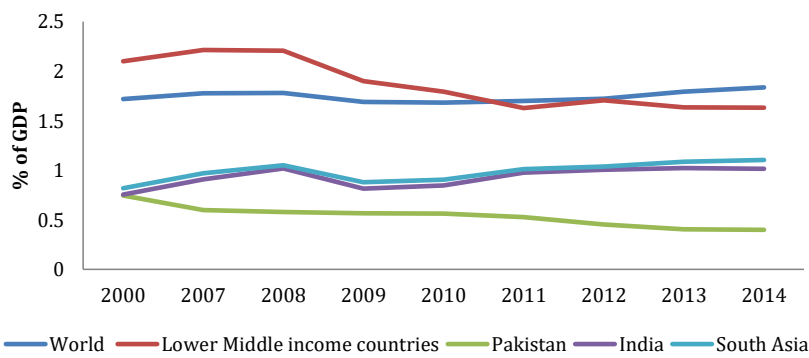
Figure 1.3 International Tourism: Number of Arrivals and Receipts



Source: World Bank Open Data (accessed December 2016)

Figure 1.4 and Error! Reference source not found. Figure 1.5 show Pakistan's relative positioning in tourism export. Both figures suggest that Pakistan is not competitive as the spending by foreigners is less than the comparator group countries shown. Pakistan's international tourist receipts as percentage of GDP are the lowest when compared to the world average, India and South Asia.

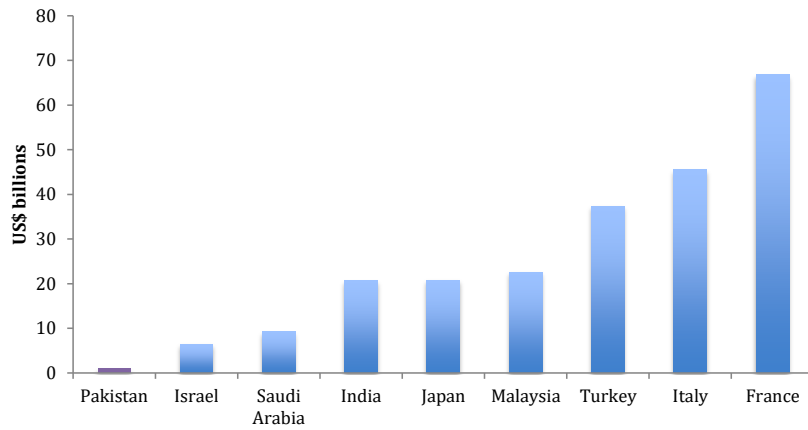
Figure 1.4 Receipts as a Percentage of GDP



Source: World Bank Open Data (accessed December 2016)

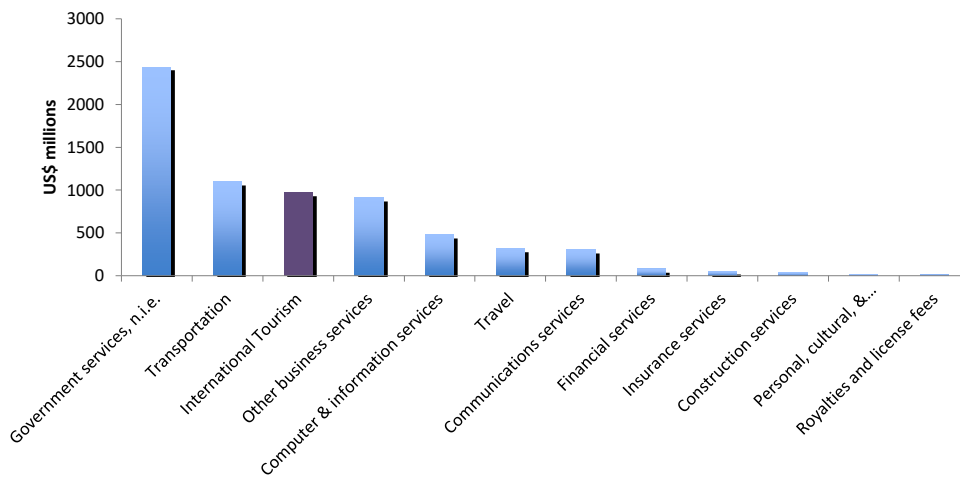
⁹ There is no available report, which explains this anomalous increase in spending during this period.

Figure 1.5 Receipts for Tourism Exports 2014



Source: World Bank Open Data (accessed December 2016)

Figure 1.6 Receipts from International Tourism versus Service Exports, Pakistan 2015

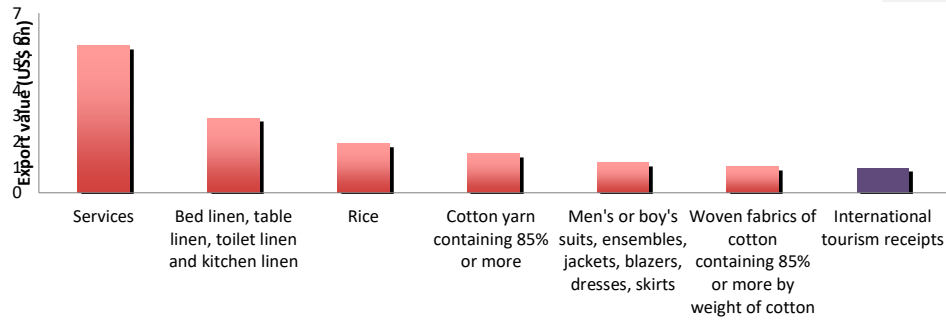


Data sources: World Bank for international tourism receipts, UN Comtrade for service exports

In terms of services exports of Pakistan, international tourism earnings are the third highest behind government services and transportation. Interestingly tourism earns more foreign exchange than IT and Finance industry but the latter services still receive much more government focus and attention in the country.

Figure 1.7 shows that international tourism receipts are US\$ 1bn (4% of the total exports of the country) and present a significant potential, as these are comparable to the top 5 major exports of the country.

Figure 1.7 International Tourism Receipts compared with Top Exports 2015,



Data sources: World Bank for international tourism receipts, UN Comtrade for merchandise exports

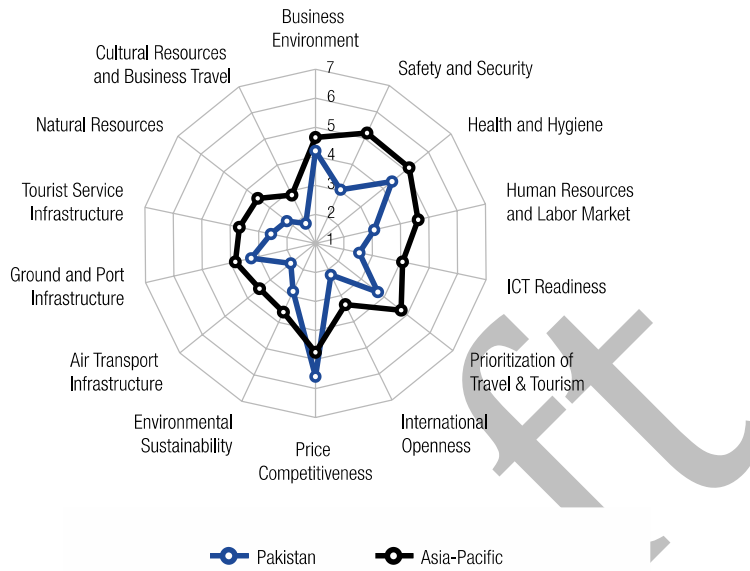
1.3 Travel and Tourism Competitiveness

Pakistan is currently ranked 125 out of 141 benchmarked countries on the Travel & Tourism Competitiveness Index developed by the World Economic Forum. Figure 1.8 shows that Pakistan lags in all key sub-indicators with the exception of Price Competitiveness, which is there because of depreciation in the rupee.

Some more evident factors reducing the countries competitiveness include Enabling Environment (130th out of 141 countries), Safety and Security (138th out of 141 countries), Health and Hygiene (102nd out of 141 countries), Human Resource and Labour Market (138th out of 141 countries), Travel and Tourism Policy and Enabling Conditions (123rd out of 141 countries), Prioritization of Travel and Tourism by Government (120th out of 141 countries). Similarly, there is a low ranking in Environmental Sustainability (141st out of 141 countries) and Tourism Infrastructure (107th out of 141 countries).

Some positive factors for Pakistan's tourism sector include, Pakistan being considered one of the cheapest countries in the world for tourists; ranked 9th in Price Competitiveness; ranked 60th in Cultural Resources and Business Travel.

Figure 1.8 Travel and Tourism Competitiveness



Source: WTTC 2016

Another way to assess Pakistan’s competitiveness is to look at inflow of foreign visitors in comparator countries. Using South Asian Countries as a comparable group, the table below shows that despite having immense potential Pakistan has failed to attract foreign tourists/visitors. India, Iran, Malaysia and Sri Lanka have done much better in attracting visitors to their respective countries.

Table 1.1 Inflow of Foreign Visitors compared to other Countries

	International tourist arrivals									International tourism receipts				
	1000				Change (%)			Share (%)	US \$ Million				Share %	
	2010	2013	2014	2015	13/12	14/13	15/14	2015*	2010	2013	2014	2015*	2015*	
Bangladesh	303	148	125	..	18.4	-15.5	..	..	87	129	153	148	0.0
Bhutan	41	116	133	155	10.2	14.9	16.2	0.1	35	63	73	71	0.0	
India	5,776	6,968	7,679	8,027	5.9	10.2	4.5	2.9	14,490	18,397	19,700	21,013	5.0	
Iran	2,938	4,763	4,967	5,237	24.4	4.2	5.4	1.9	2,438	3,076	3,483	..	..
Maldives	792	1,125	1,205	1,234	17.4	7.1	2.4	0.4	1,713	2,335	2,696	2,567	0.6	
Nepal	603	798	790	555	-0.7	-0.9	-29.8	0.2	343	438	487	481	0.1	
Pakistan	907	565	965	..	-14.9	70.8	..	..	305	288	283	315	0.1
Sri Lanka	654	1,275	1,527	1,798	26.7	19.8	17.8	0.6	576	1,715	2,431	2,981	0.7	

Source: World Bank Open Data (accessed December 2016)

1.4 Economic Potential of Tourism Sector

For tourism in general, World Bank's Open Data database¹⁰ is used to form a baseline that can be used to project future contributions from tourism. This data contains international tourism receipts for all countries, which captures the expenditures by international inbound visitors, including any prepaid payments for services received in the destination country and payments to national carriers for international transport.

While a breakdown of tourist numbers by province and by type of tourist within Pakistan is not available using this data, it has an important advantage of providing comparable data across a range of countries. In this section, we use data from these comparator countries to benchmark Pakistan.

In subsequent chapters, these economy wide, general estimates are complemented with more detailed estimates of the specific sectors of tourism for which survey data is available: Sikhism and Buddhism.

1.4.1 International Tourism

As shown in [Figure 1.7](#) ~~Figure 7~~, international tourism currently contributes just under US\$ 1bn to GDP in Pakistan - 0.4% of GDP. International tourism in other reference countries represents a much larger share of GDP. This figure is 1% in India's economy, for example, and the average contribution of international tourism in South Asian countries is 1.1%. Similarly, in Pakistan's reference income group, lower middle-income countries, the average contribution of international tourism to GDP is 1.6% while the world average is 1.8%.

The contribution of tourism to GDP is much lower in Pakistan for a variety of reasons as discussed later. Relieving these constraints could allow Pakistan to expand tourism to a share that is comparable to reference countries. [Figure 1.9](#) ~~Figure 9~~ uses the percentage contributions of the comparator countries to benchmark Pakistan's potential contribution.

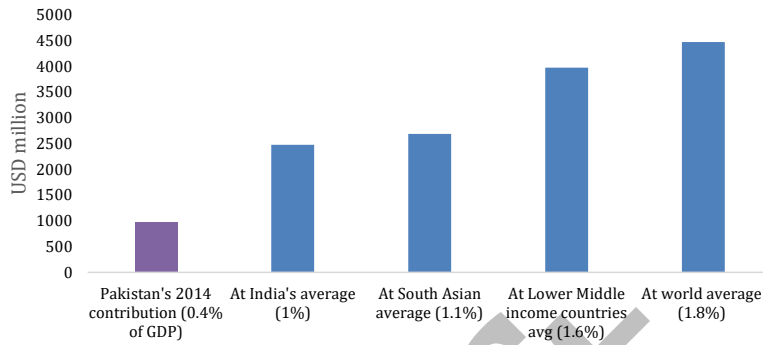
If tourism expands to contribute 1% to GDP, for example, tourism receipts could expand from US\$ 1 billion to US\$ 2.5 billion, and if tourism were to contribute the world average of 1.8% to GDP, tourism receipts would increase to US\$ 4.5 billion, or PKR 471.5 bn. This gives a ballpark upper bound figure for expanding international tourism across Pakistan, for the range of tourist types, but with the important exclusion of domestic tourism.

Punjab's share in Pakistan's GDP is approximately 55%.¹¹ Assuming that tourism revenue would be shared proportionately between the provinces, Punjab's share of the expanded tourism revenue is expected to be USD 1.35 - 2.48 billion a year.

¹⁰ Available at <http://data.worldbank.org>

¹¹ "The State of the Economy: The Punjab Story" (2012) Institute of Public Policy, Beaconhouse National University

Figure 1.9 Current and Potential Contribution of International Tourism in Pakistan



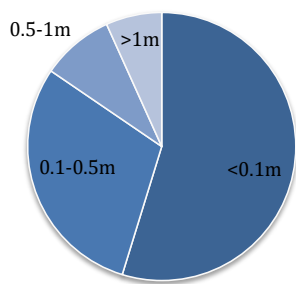
Data source: World Bank

There is also considerable scope for tourism development on the basis of the CPEC project around the route itself, as well as the surrounding and distant areas of interest in Pakistan. To attract the largest tourist market in the world it is essential to understand the unique features and needs of the Chinese tourists.

1.4.2 Domestic Tourism

The TDCP portal identifies 480 sites of tourist interest across Punjab. Out of these, 106 sites are of historical importance, 120 religious and a further 26 of both religious and historical importance. 17 of the sites of religious or historical importance attract more than one million annual visitors each, 22 attract between 0.5 to 1m annual visitors, 75 attract between 0.1 to 0.5 million visitors and 138 attract less than 0.1 million visitors (detailed list tourists sites is provided in the annex).

Figure 1.10 Distribution of Annual Visitors to Historical / Religious Sites in Punjab



Source: TDCP Website

The current spending on tourism to these sites is estimated using the following assumptions:

- For number of visitors to each site, while broad ranges are available on the TDCP website, exact numbers are not available.

- a. For sites that attract fewer than 0.1m visitors, an average of 50,000 annual visitors has been assumed
 - b. For sites that attract 0.1m-0.5m visitors, an average of 300,000 annual visitors has been assumed
 - c. For sites that attract 0.5m-1m visitors, an average of 750,000 annual visitors has been assumed
 - d. For sites that attract more than 1m visitors, an average of 1.5m annual visitors has been assumed
- Each visitor is expected to spend a modest PKR 100 on transport and PKR 100 on miscellaneous items such as food on the trip, totaling PKR 200 per visit.

The table below presents the estimates for revenue currently generated through these visits – 54bn PKR:

Table 1.2 Estimates for Revenue Collection through Domestic Tourism

	Number of sites	Number of annual visitors per site (000s)	Total number of annual visitors (000s)	Amount spent (PKR mill)
<0.1 visitors	17	50	850	170
0.1-0.5m visitors	22	300	6,600	1,320
0.5-1m visitors	75	750	56,250	11,250
>1m visitors	138	1,500	207,000	41,400
				54,140

Source: Authors Calculations based on TDCP Data

1.5 Economic Potential Heritage / Religious Tourism

Pakistan’s landscape is dotted with numerous heritage and religious sites spread across the entire country with six recognized UNESCO World Heritage sites. [Figure 2.11](#) maps out some of the main heritage and religious sites in the province of Punjab, out of which three are categorized as World Heritage sites. These are Rohtas Fort in Jhelum, Lahore Fort and Shalimar Gardens in Lahore and Taxila, near Rawalpindi.

Figure 2.11 Map of key sites of Religious Significance



These numerous religious and heritage sites in Punjab reflect the diverse and pluralistic tradition of the Indus Valley. The four main religions of the East have co-existed for centuries in the land of the five rivers. From Muslim shrines to Hindu temples and from Sikh Gurdwaras to Buddhist monasteries all share the same geography and are an integral part of Punjab's rich and diverse cultural and religious history. The map above shows some of the main centers or hubs of religious and cultural heritage sites. What is evident from this map is the geographical dispersion of the sites in almost all regions of the province.

For the Sufi Muslim shrines and monuments, there are four main centers in Punjab - Multan and Uch Sharif in the South, Pakpattan, Okara in Central Punjab and Lahore in the North. For the Sikhs the most holy site is Nankana Sahib followed by a string of Gurdwaras in Hasan Abdal, Gujranwala, Sheikhpura and Narowal. For the Hindus, there are temples dotted all over the province but perhaps the most significant, famous and well restored is the Katas Raj complex close to Kalar Kahar. In Northern Punjab, there is Taxila at the heart of the Gandhara Buddhist civilization and arguably one of the most sacred and well-known Buddhist sites in the region. As mentioned before, Punjab has three UNESCO World Heritage sites – Shalimar Gardens and the Lahore fort, Taxila and the Rohtas Fort in Jhelum.

Given this diversity and richness of religious heritage, the economic potential, which could be generated from religious and heritage tourism, is immense. Preservation of these sites and development of necessary tourism and related infrastructure in these areas would attract not only higher income domestic tourists but also millions of international tourists including Sikh, Buddhist and Hindu pilgrims. This could lead to a substantial economic uplift of different regions of the province including the economically backward but historically and religiously rich southern districts of Punjab.

Box 1.2 - Sufi Tourism

Sufism presents another important thread for heritage and religious tourism in Pakistan. There are hundreds of Sufi saints buried at several places in Pakistan, drawing pilgrims from across the country. Every shrine has its major festival, popularly called the 'Urs'. At every Urs, the devotees gather in large numbers where the shrines then become lively with musicians playing traditional instruments and singers performing mystical folk songs, while dervishes dance themselves with devotion. These festivals highlight the cultural richness of Pakistan and can be events attracting tourists from around the world. Punjab, in particular, is populated with such Sufi shrines that can play a vital role in drawing local as well as international tourists. Some marked festivals that take place in Punjab throughout the year are highlighted below:

The shrine of Data Ganj Baksh, situated near Bhat'ee gate, Lahore, is visited round the clock by devotees from all over Pakistan. It is estimated that 60,000¹ devotees visit Data Darbar annually. The shrine of Mian Mir in Lahore is considered as one of the greatest in the subcontinent. It attracts around 10,000¹ devotees per annum, where majority visit on Thursday evenings and at the death anniversary of the saint. Being the greatest saint of the subcontinent, Mian Mir shrine is revered equally by Muslims as well as by Sikhs.

A huge festival of lights, called Mela Chiraghan, is held in the last week of March, outside the Shalimar Gardens, Lahore, in the memory of Sufi poet Madhu Lal Hussain. Every year, at least 500,000 people come from across the country and from abroad to attend the festival.

Multan is popularly known as the city of peers and shrines, and has some landmarks in this regard. Shams Tabriz's shrine is a prominent tourist attraction. The sky-blue engravings and glazed red bricks further add beauty to this monument. Shah Rukh-e-Alam shrine is popular for its large domes. The shrine was built during the period of Tughlaq. The Sheikh Yusuf Gardezi shrine is another place worth visiting.

Uch Sharif is another historical site with several shrines and tombs that can serve as a venue to host Sufi festivals. Located at the confluence of the two rivers Sutlej and Chenab, Uch Sharif is a great tourist destination. Its beautiful shrines and tombs attract thousands of general tourists and people of Sufi following from almost every place in the world.

For list distinct shrines see annex

The following section presents estimates of the economic potential of tourism to the country and in particular the economic impact of Sikh and Buddhist tourism in Punjab. Due to paucity of data on domestic and international tourists there are limitations to the analysis, hence these numbers are rough, ballpark estimates of the potential contribution of the sector to the provincial economy.

1.5.1 Sikh Tourism - a Case Study

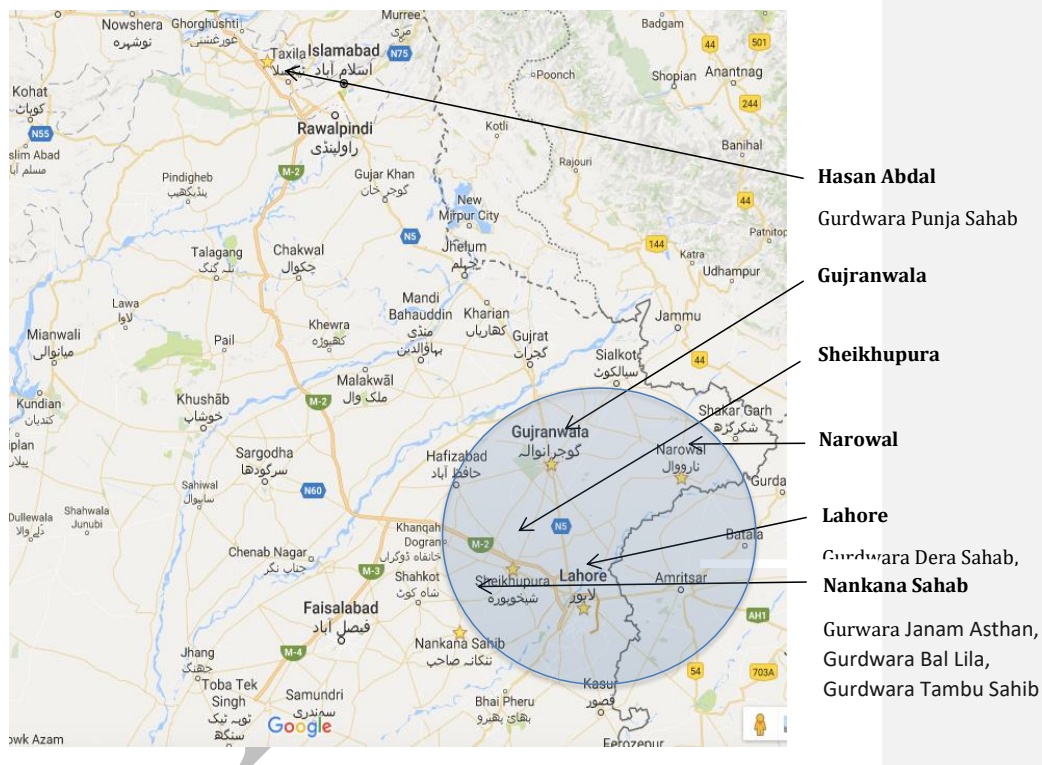
1.5.1.1 Potential for Sikh Tourism

The province of Punjab lies in the heart of the Indus Valley civilization and is dotted with historical sites and monuments that are of great religious and cultural significance to millions of Sikhs, Buddhists, Hindus and Muslims across the world.

However out of all these groups Punjab holds the greatest religious and historic significance for the Sikhs. Nankana Sahib, the birthplace of Baba Guru Nanak, is arguably the holiest site for the Sikhs and can potentially attract as many pilgrims as the Golden Temple in Amritsar.

Punjab was also the center of the only Sikh empire in history with Lahore as its capital. Ranjit Singh ruled over a vast expanse of land that included the Punjab, KPK and parts of Afghanistan in the first half of the 19th century. Hence there are numerous places in the Punjab that hold tremendous historical importance for the Sikhs. Important Gurdwaras are dotted around Punjab, within easy travel distance of each other, which makes it ideal for circuit planning. **Error! Reference source not found.** Figure 2.2 maps these Gurdwaras, and demarcates a radius of approximately 2 hours driving time from Wagah border. Five of the key locations of interest to Sikhs are within this radius.¹²

Figure 2.1244 Map of main Gurdwaras in Punjab, Pakistan

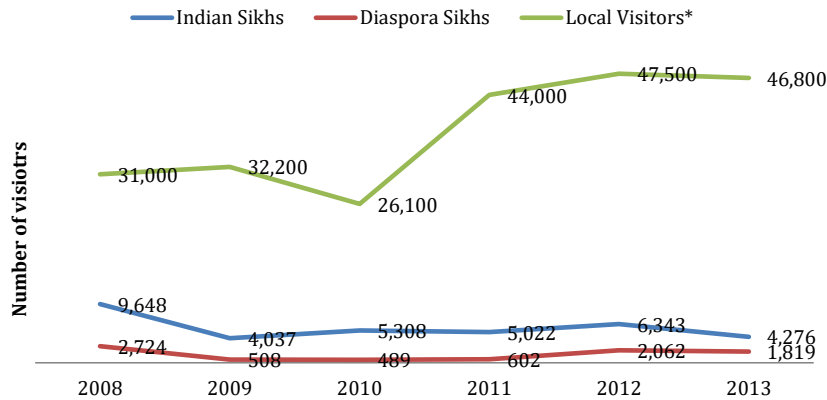


There are approximately 30 million Sikhs in the world out of which an estimated 8 million reside outside India. The large Sikh diaspora, with relatively higher income per capita than those residing in India, is perhaps a more accessible target market for tourism in Punjab. However, for both political and security reasons the number of Sikh tourists/pilgrims coming to Pakistan has been controlled and managed by the state with numbers not exceeding 9,300 in a given year. Moreover, for the past years the number of visitors, both Indian and

¹² Details of these sites are provided in the appendix

the diaspora, has been stagnant as is evident from [Error! Reference source not found.](#) Figure 2.13 below:

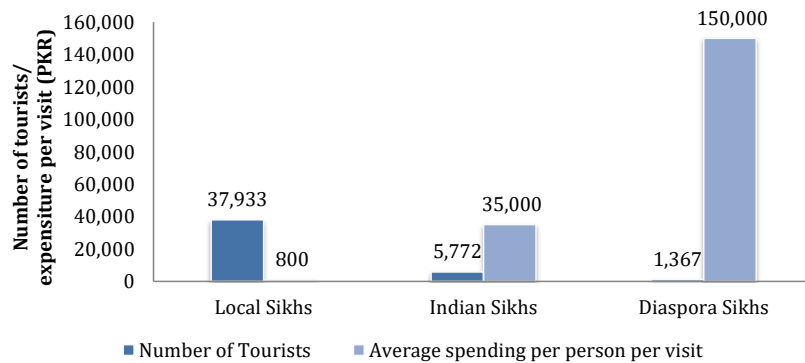
Figure 2.1312 Sikh Religious Tourism in Pakistan, Number of Visitors



Source: Sebcon 'Revised Pre-feasibility Study for Punjab-Punjab Cultural and Rural Support Program' (The Two Punjab Economic Cooperation Program)

The diaspora Sikhs have on average higher income per capita than Sikhs visiting from India, and have fewer restrictions on privately sourcing the facilities they use in Pakistan, which translates into higher spending per capita during their visit to Punjab. The estimated diaspora Sikh's expenditure according to the World Bank (WB) tourism studies is 4 times more as a whole than that of both local and Indian Sikhs combined. This is a result of differences in what they spend/day (10,000PKR/day compared to 3,500 PKR/day by Indian Sikhs) and the number of days that they spend (15 days compared to 10 days by Indian Sikhs). This difference in spending patterns is illustrated below.

Figure 2.1413 Expenditure Patterns of Sikh Tourists



Source: Sebcon 'Revised Pre-feasibility Study for Punjab-Punjab Cultural and Rural Support Program' (The Two Punjab Economic Cooperation Program)

From the economic point of view therefore, the business case for promoting tourism amongst diaspora Sikhs is the strongest. In the World Bank survey 83% of diaspora Sikhs interviewed expressed an interest in coming to Pakistan, yet that interest has not translated into a visit. Just 10% of the respondents had actually visited Pakistan.

Unfortunately, the World Bank survey does not ask what has impeded the Sikhs who are interested in visiting Pakistan from realizing the visit. Instead it asks why the 17% who did not express an interest were not interested. Of these 23% felt deterred by the lack of security in Pakistan, and a further 17% felt that they had no connections in Pakistan.

1.5.1.2 Projected Economic Impact of Relieving Constraints to Sikh Tourism

Improvements in visa restrictions, safety and security, and infrastructure can lead to increase in tourist numbers and a change in the profile of existing Sikh tourists, which is currently heavily biased towards low end visitors. Following assumptions have been used for the impact of relieving these constraints on the visitor and visit profile.

Assumptions

Number of days: The number of days per visit is assumed to increase from 10 days to 14 days. This is based on fieldwork with both diaspora and Indian Sikh yatri, who suggested that they would have liked at least 2 weeks to complete the pilgrimage.

Day visits: 2.5 million tourists a year (5% of the 50.8 million visits¹³ to the Golden Temple each year) have been added as potential day visitors. Nankana Sahab is a 2 hour drive from Wagah, and many Indian yatri interviewed during our fieldwork expressed an interest in coming all year around for casual visits as this is their most holy site. For these trips, many prefer to come for the day, returning home at night. We make a conservative estimate, using the visitors to the Golden Temple in Amritsar as a benchmark, and assume that 5% of the visitors to the Golden Temple will be attracted to a day visit to Nankana Sahab.

These day visitors are assumed to have the same daily expenditure profile as the Indian yatri that currently visit Pakistan (3670 PKR a day). The Indian yatri currently avail free food and accommodation, so this expenditure covers travel, shopping and miscellaneous expenditure only.

Number of visitors: It is assumed that diaspora Sikh visits increase from 1,367 a year to 11,346 and Indian Sikh visits increase from 5,772 to 44,215.

This is based on reports of survey work undertaken for the World Bank in India and in Canada, USA and UK.¹⁴ These reports include data on the percentage of respondents who have visited Pakistan, and the percentage that have expressed an interest in visiting Pakistan.

¹³ Data source for visits to the Golden Temple, Amritsar: Ministry of Tourism, Government of India (2010) "Final Report of Tourism Survey for the State of Punjab" available at <http://tourism.gov.in/sites/default/files/Other/Punjab.pdf>

¹⁴ Gallup Pakistan (2015) "Survey Report: Initial Assessment of potential of Sikh Diaspora in Canada, USA and UK for cultural tourism in Pakistan" and Center for Research in Rural and Industrial Development, India (2014) "Cultural-Religious-Ancestral Home Tourism to Pakistani Punjab: A Perception Survey in Indian Punjab"

For the Indian Sikhs surveyed, 10.3% report having visited Pakistan. If the survey sample is representative of the population of Sikhs in India, 10.3% of population of Indian Sikhs would have visited Pakistan - approximately 2 million visitors. We classify this as a stock variable, with the associated flow variable being the number of observed visits to Pakistan a year: 5,772. This implies that there is one observed visit per year for every 344 people who claim to have visited Pakistan at least once in their lifetimes.

78.9% of Indian Sikhs surveyed expressed an interest in coming to Pakistan. 78.9% of the population of Indian Sikhs is approximately 15.2 million. Translating this stock variable into a flow using the proportionate analysis described above, in which every 347 stock visitors lead to one annual visit, we project 44,215 visits a year from Indian Sikhs.

Similarly, for diaspora Sikhs, 83% report an interest in visiting Pakistan, whereas 10% have visited Pakistan. Based on a diaspora population of 1,160,600, and converting the stock of interested visitors into an annual flow yields 11,346 visits/annum.

Expenditure Profile of Indian Yatris

Approximately 26% of the new Indian tourists attracted are assumed to stay at paid facilities. This is based on the accommodation profile of Indian visitors to Indian Punjab, where 4.2% of visitors stayed at a 'star hotel', 6.3% at a 'non-star hotel', 1.4% at a motel, and 13.6% at a private guesthouse or inn.¹⁵

The facilities available at the moment in Pakistan are low quality, with most Indian yatris accommodated at the Gurdwara itself. In Lahore, where space is limited, yatris also sleep in tents in the Gurdwaras or in government schools. Since Indian yatris are not allowed to arrange their own accommodation, higher value Indian tourists are currently deterred from visiting due to lack of comfortable facilities. Just 15.6% of visitors to Indian Punjab currently stay at temples/monasteries and other free accommodation, whereas 100% of Indian yatris visiting Pakistan are required to do so. It would be reasonable to assume that without the restriction, Indian Sikhs visiting Pakistani Punjab would exhibit a similar accommodation preference as when visiting Indian Punjab, and therefore we use the same proportion to estimate paid accommodation visitors.

The 26% Indian yatris who would arrange private accommodation are assumed to have the same daily expenditure profile as the diaspora yatris that currently visit Pakistan (21,100PKR a day), most of whom chose to stay at small, basic hotels close to the Gurdwaras rather than at high-end hotels, even in Lahore, when the choice is available to them. The expenditure profile reflects these basic hotels.

The remaining 74% of Indian yatris are assumed to continue to avail free accommodation and food, and have the same expenditure profile as the existing Indian yatris (3670 PKR a day).

Projections

The table below summarizes the calculations used to project the expenditures that arise if the constraints to Sikh tourism are relieved. Total direct expenditure in this scenario is expected to expand to PKR 18 billion, an approximately 85 fold increase in the current expenditures of PKR 208 million.

¹⁵ Data source for visits to the Golden Temple, Amritsar: Ministry of Tourism, Government of India (2010) "Final Report of Tourism Survey for the State of Punjab" available at <http://tourism.gov.in/sites/default/files/Other/Punjab.pdf>

Table 2.3 Projected Direct Expenditure by Sikh Tourists

	Diaspora Sikhs	Indian Sikhs		Day visits	Total
		Low budget	High budget		
Projected short-stay visitors (1)	11,346	32,776	11,438	2,538,440	44,122
Number of days in short-stay (2)	14	14	14	1	
Average expenditure/person/day (PKR) (3)	21,099	3,667	21,099	3,667	
Projected direct expenditure, short stay (billion PKR) (1*2*3)/1bn	3.35	1.68	3.38	9.31	17.72

Tourism impacts include not just direct expenditures by the tourists, but also indirect and induced impacts. Direct impacts include expenditure on accommodation, transport, attractions and entertainment. Indirect expenditures include private and government investment in tourism, and the impact of purchases from suppliers. Induced impacts also include expenditures on food and beverages, clothing, recreation, housing and household goods that arise from the increase in economic activity. For example, as tourists to Nankana Sahab increase, they would spend money directly on hotels and transport etc. (direct expenditure). These hotels would purchase more goods and services from their suppliers and expand their facilities (indirect expenditures). As Nankana Sahab becomes an active tourist hub, the increased employment and economic activity would spillover to increased purchases for all goods and services in the area (induced effects).

Multipliers are calculated from the direct, indirect and induced impacts reported in the World Travel and Tourism Council (WTTC) report 2016 for Pakistan.¹⁶ The expenditure multiplier is 2.46 i.e. every rupee of direct expenditure leads to 1.46 additional rupees spent via indirect and induced effects – a total increase of PKR 2.46 for every direct rupee spent.

The WTTC report also estimates 1832 jobs for every billion rupee spent directly on travel and tourism, and the numbers presented imply an employment multiplier of 2.55 total jobs for every direct job in the travel and tourism sector.

Table 2.4 presents the total impact of Sikh tourism calculated using these multipliers. The total contribution to tourism is projected at approximately PKR 44 billion every year, generating over 82,000 jobs.

Table 2.4 Total Projected Impact of Sikh Tourism

	GDP (bn PKR)	Employment
Direct contribution	17.72	32,461
Total contribution (direct + indirect + induced effects)	43.56	82,622

¹⁶ The full report is available at <http://www.wttc.org/research/economic-research/economic-impact-analysis/country-reports/>. Accessed December 2016.

Formatted: Font: 11 pt, Not Bold

Formatted: Font: 11 pt, Not Bold, Not Italic

Since these benefits accrue every year, the present value of the future benefits is calculated using a perpetuity formula with a discount rate of 5%. The present value is PKR 871 bn.

1.5.2 Buddhist Tourism - a Case Study

1.5.2.1 Potential for Buddhist Tourism

The Gandhara-Buddhist civilization flourished in what is now Punjab and KPK in Pakistan. In KPK, Peshawar, Swat, Mardan, Swabi and Buner are dotted with Buddhist archeological sites. In Punjab, Taxila and Mankiala both in the Rawalpindi district, are the two major historical and religious sites for Buddhists. Both the provinces can gain immensely from promoting Buddhist cultural and religious tourism, which has an estimated market of 500 million Buddhists around the world. Pakistani Buddhist sites are of particular importance to Korean Buddhists who trace their religious origin to the area, which is now Pakistan.

Taxila is the abode of many splendid Buddhist establishments. It is the main center of Gandhara, and is over 3,000 years old. The modern town of Taxila is 35 km from Islamabad. Most of the archaeological sites of Taxila (600 BC to 500 AD) are located around Taxila Museum. For over one thousand years, Taxila remained famous as a centre of learning. Gandhara art of sculpture, architecture, and education flourished in the days of Buddhist glory. There are over 50 archaeological sites scattered in a radius of 30 kms around Taxila. Some of the most important sites are; Dhamarajika Stupa and Monastery (300 BC - 200 AD), Bhir Mound (600-200 BC), Sirkap (200 BC - 600 AD), Jandial Temple (c.250 BC) and Jaulian Monastery (200 - 600 AD).¹⁷

Just 120km northwest of Taxila, is Takh-e-Bahi (KPK), which is also a prominent site of Buddhism. The Buddhist ruins of Takht-i-Bahi and neighboring city remains at Sahr-i-Bahlol known as the Buddhist monastic establishment or Sangharama, were placed on the World Heritage List in 1980, and popularly known as the "throne of origins". Being of outstanding quality and significance, the remains of Takht-i-Bahi have received much attention. (UNESCO 2011).

Takht-i-Bahi and the sites in northern Punjab have the potential to attract a major proportion of the 50 million Mahayana Buddhists in Korea, China and Japan. However, to date this potential has remained unexploited due to the poor law and order and security situation and also lack of marketing and tourist facilities available in the country.

¹⁷ http://www.tourism.gov.pk/taxila_punjab.html (accessed December 2016)

Figure 2.1514 Map of Buddhist Sites in Punjab



1.5.2.2 Projected Economic Impact of Relieving Constraints to Buddhist Tourism

41% of all Buddhist respondents and 60% of monks surveyed showed an interest in visiting religious shrines and sites in Pakistan. Given this interest level, and based on the Buddhist population in the countries surveyed, a pool of 58mn “interested visitors” is generated. 5% of these interested visitors are ‘likely visitors’ - 2.9mn visitors. A 1% realization would mean 29,000 visitors, and a revenue inflow of US\$ 62.9mn (PKR 6.6bn) in the near term.

Table 2.5 summarizes the calculations from the Gallup survey report.

Table 2.5 Direct Impact of Buddhist Tourism

Reference	Indicator	Data
A	Interest in visiting Buddhist sites	41%
B	“Interested tourists” pool (A*142 million)	58 million
C	“Likely tourists” pool (5% of B)	2.9 million
D	Average expenditure per tourists (excluding airfare)	\$2,172
E	Potential Revenue pool (C*D)	\$6.29 billion
F	Realization of Revenue inflow (1% of E)	\$ 62.9 million

Source: Gallup Pakistan (2016) ‘Survey report: Survey for Estimation of Buddhist tourist potential’

This direct expenditure can be used to calculate indirect and induced effects, and the likely impact on employment as explained below. These projections are summarized in Table

Formatted: Font: 11 pt, Not Bold

2.6 Table 2.6. Buddhist tourists have the potential to contribute over PKR 16 bn to GDP and provide employment to 30,772 people.

Formatted: Font: 11 pt, Not Bold, Not Italic

Table 2.6 Total Projected Impact of Buddhist Tourism

	GDP (bn PKR)	Employment
Direct contribution	6.6	12,090
Total contribution (direct + indirect + induced effects)	16.23	30,772

1.6 Developing Tourism - Key Issues & Challenges

1.6.1 Challenges faced by Tourism Sector in Punjab

PILDAT conducted a comprehensive study on Tourism Sector of Pakistan and identified certain issues that are restraining the development of the sector. The sub-section below provides a short summary of these in the context of Punjab:

- Absence of a Tourism Management Entity at the Federal Level:** The abolishment of the federal Ministry of Tourism as a result of the 18th amendment led to a huge gap in addressing issues related to tourism sector development. Certain critical issues such as building the country's image, resolving difficulty in issuance of the Pakistani visa, dealing with overall security situation, assurance of quality and service standard in the Tourism Sector etc., need to be dealt at the national level.
- Low Priority to Tourism Sector:** The policy space has been weak and institutional structures have been evolving since 1972. Successive governments have failed to make the required investments or attract private investors to establish any major tourist attractions. For example in Punjab the Information & Culture Department has a meager financial allocation of only PKR 400 million out of PKR 550 billion portfolio.
- Lack of Provincial Tourism Policy Framework:** At present, there is no policy or planning framework in place to guide growth and investment of tourism in Punjab. The last tourism policy was formulated in 1991. Khyber Pakhtunkhwa is the only province to have formulated a tourism policy post 18th amendment, devolution that made tourism a provincial subject.
- Security and Safety of Tourists:** Over the last two decades, Pakistan has suffered immensely as a consequence of a deteriorating security environment brought about due to insurgencies and terrorism. This has created a negative perception, fear and distrust in the security and safety situation of the country across the world. The federation and the provinces have failed to counter this negative perception. As a consequence Pakistan has had adverse travel advisories and foreign visitors have consequently avoided traveling to the country.

- **Difficulty in Issuance of Visa:** Due to uncertain security and a volatile geopolitical situation, tourists do not easily get Pakistani visas. The issue gets even more severe when entry into Pakistan is from India, which restricts thousands of tourists from coming to Pakistan.
- **Lack of Inter-Departmental Coordination:** Several departments such as environment, wild life, forestry, road and highways, border control, police etc. need to work closely and in a coordinated manner to support tourism activities. Lack of interdepartmental and interprovincial coordination has been an endemic issue that has obstructed effective policy implementation in Pakistan.
- **Government Departments focused only on Revenue Generation:** At present, the key provincial tourism management organization, the TDCP, is mainly engaged in running commercial businesses. It runs most of its own motels. It also operates tours via its offices in Lahore, Multan, Bahawalpur, Rawalpindi and Murree. Hence, the government plays the role of a competitor, rather than a facilitator and regulator of the private sector. TDCP, like the Pakistan Tourism Development Center (PTDC), has moved away from its prime of developing the tourism sector and facilitating private sector investment towards revenue generation.
- **Lack of Private Sector Investment in the Tourism Sector:** Although the federal government and provincial governments have worked on galvanizing public-private partnerships (PPPs) for several years, they have failed to operationalize any significant investments and no major joint venture in the tourism sector has emerged.
- **Lack of Proper Enforcement of Standards and Certifications:** Enforcement of standards is now the responsibility of the Department of Tourist Services (DTS), a provincial responsibility following the devolution. This is implemented through three Acts of Parliament; (i) The Pakistan Hotels and Restaurants Act 1976; (ii) The Pakistan Tourist Guides Act 1976 and; (iii) The Travel Agencies Act 1976. However, while these laws do exist in theory, implementation has been weak. (PILTAD 2015)
- **Inadequate Capacity of the DTS:** The responsibility of managing standards of hotels and regulating hotels, tourist guides and travel agencies lies with Provincial Department of Tourist Services (DTS). Prior to devolution DTS worked under the Federal Ministry of Tourism but after 18th amended it now operates under the provincial Tourism Department but remains unable to implement and ensure quality of tourist services. Accreditation of hotels is not credible whereas certification of tourist guides is weakly implemented. Information on tours and tourists guides remains scanty and inadequate. There is also no fitness certification implemented for vehicles hired by the tourists neither is there any standardization of transportation rates between different destinations.
- **Lack of Proper Marketing and Promotion:** There have been limited or no concerted efforts by the federal government or the provincial governments to properly package and market the immense tourism potential of the country.

- **Insufficient Use of IT for Tourism Promotion:** PTDC, TDCP, TCKP and other Provincial tourism promotion organizations, through their websites, have ensured their presence on the Internet. However, none of these websites meet the needs of tourists.
- **Dilapidated Tourism Infrastructure:** Due to a recent history of natural disasters, the tourism sector in many areas has suffered major losses, especially mountainous regions, including physical damage to buildings and equipment and lost businesses. This in turn has taken its toll on availability of tourist facilities in the country. Damage caused to roads, unreliable supply of electricity, poor sanitation at tourist spots, and lack of proper solid waste management has worsened the situation. Moreover, limited conservation and restoration work has been performed at religious and heritage sites and where works have been performed the quality has been a major issue.
- **Lack of Reliable Data and Research in Tourism Sector:** There is a dearth of reliable data on the foreign and domestic tourism. None of the provincial governmental agencies related to the tourism sector maintain any data that reliably documents foreign and domestic tourist traffic for specific destinations. Lack of reliable data thus hampers evidence based policymaking and planning for tourism.

1.6.2 Challenges Specific to Heritage Tourism

1.6.2.1 General Concerns

There is a lack of capacity and expertise of managing agencies. For example in the case of Sikh Heritage the managing body for most of these sites is the Evacuee Trust Property Board (ETPB) that does not have the capacity, expertise or the incentive to manage these sites according to international best practices.

The entire area around a heritage site is significant but the municipal management or relevant authority does not seem sensitised to this. Resultantly sites and areas are not developed for optimal religious and / or general tourism. The entire municipal area must be taken into account when developing master plans for uplifting such sites. Planning has to consider the surrounding municipal area and meet the basic needs of the primary site across all forms of regulation including zoning (an example of a master plan for Nankana Sahab is attached as annex B). Accordingly appropriate criteria for management needs to be developed. One way to do this is to divide Lahore in zones. Lahore Development Authority is already implementing a reform whereby Nankana Sahib will become part of a zone called 'Greater Lahore'.

Maintenance and restoration of sites and areas is not as per best practices or as per the guidelines defined by UNESCO. Managing organisations Auqaf and Archaeology Departments or the ETPB lack such expertise or an in-house expert to ensure this. (see box 5 on preserving Katas Raj).

Structure of municipal governments is not designed for maintenance of such sites and areas. There is no institutional set up or framework to maintain these sites. Special management structures like the Walled City Authority can be effective and should be encouraged for effective management of heritage sites.

1.6.2.2 Specific Challenges to Sikh Tourism

As mentioned earlier, while Pakistan holds several of the most holy sites for Sikhs, visits to these sites are severely limited. Barely 6,000 Indian Sikhs visit every year. In contrast, the Golden Temple at Amritsar – just 120 kilometers away from Nankana Sahab - attracts over 50 million visits a year.¹⁸ Approximately 80% of both Diaspora and India Sikhs surveyed reported an interest in visiting Pakistan, and a major focus of fieldwork was to discuss the reasons that interested Sikh religious tourists do not follow up on their interest by an actual visit. Some of the identified constraints include the following:

Sense of Security: The most severe impediment reported in through fieldwork was the perception of safety and security. Almost all the pilgrims had come in the face of pressure from friends and family who were worried about their safety. This is reportedly exacerbated in times of political lows between Pakistan and India. Despite the perceived risk, pilgrims do come as the consensus opinion was that if they die worshipping, they will consider themselves privileged i.e. only those pilgrims are currently attracted who are willing to take what is considered a highly risky pilgrimage. Many were pleasantly surprised at the unexpected warm welcome, hospitality and safety they experienced in Pakistan.

The pilgrims are also kept herded together and are advised not to venture out alone or openly in the cities that they visit “for their own safety”. This furthers the perception of lack of security in the Pakistan.

Visa Restrictions: The other serious limitations have to do with the various restrictions on the pilgrim visa given to the Sikhs.

Firstly pilgrims can only visit at four predetermined times during the year: the birth anniversary of Guru Nanak in November, Baisakhi in April, Martyrdom Anniversary of Guru Arjun Dev in June and the death anniversary of Maharaja Ranjit Singh, also in June. However, many Indian pilgrims wanted to be able to ‘drop in’ multiple times during the year, as they do at the Golden temple and other important places of worship in India. Coming during these restricted times also means that they always come in peak season, whereas they would also have liked to worship at a quieter time.

Secondly, pilgrims are restricted in the duration of their visit, limited to 10 days. The pilgrims interviewed agreed that this made the trip very rushed and they would have liked at least two weeks to see the places currently on their itineraries, and more if they were able to add other places of interest.

Thirdly, there are limits on the places and sites they are allowed to visit. For example, some pilgrims expressed an interest in visiting Peshawar, which is currently not allowed. Even within a city, some pilgrims claimed that they were not allowed to roam freely, except in Lahore. At Nankana Sahab, Indian pilgrims were restricted entirely to within the Gurdwara premises only. While there does not appear to be such a restriction on diaspora Sikhs, they were strongly advised against it by their travel managers. Indian Sikhs are also not allowed to arrange private accommodation, and are all required to stay in government arranged basic facilities at the Gurdwara and in government schools.

Fourthly, visa numbers, though not a binding constraint at the moment, are likely to become one once the other constraints are relaxed and there is an expansion in demand. There is a

¹⁸ This includes multiple visits from the same visitors

quota of 7,500 visas a year for Indian Sikhs. When asked if they experienced any issues and delays in getting their visas, the pilgrims unanimously said that they did not. There was also no serious unmet demand reported – those who wanted to visit were generally able to get the visas and come. This is supported also by the fact that number of visitors has been below the allowed quota every year that we have data for, and by the fact that several of the pilgrims have come to Pakistan dozens of time in the past, even though first time pilgrims are apparently given a priority in the visa process.

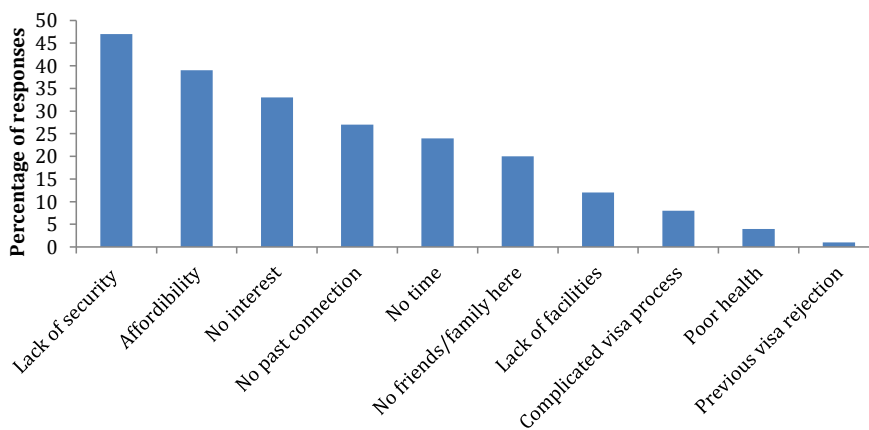
Tourism Infrastructure: Indian Sikhs are not allowed to stay at private accommodation, and the facilities they are accommodated in are very basic. There are some rooms at the Gurdwara in Lahore, for example, but most pilgrims sleep in tents lined back to back with mattresses in the Gurdwara grounds. Others sleep in government schools where there are no proper bathing facilities. This results in only those Indian pilgrims being attracted who are prepared to live with basic facilities for the sake of worship. Indian pilgrims who need comfortable and possibly luxury accommodation are deterred, as these options are not available to them on the pilgrim visa.

Diaspora Sikhs do arrange private accommodation, but their priority is to stay close to the Gurdwara where there are limited options, dominated by budget hotels. Since demand is low and seasonal, the private sector has not developed higher end facilities to cater to it.

1.6.2.3 Specific Challenges to Buddhist Tourism

Survey work undertaken for the World Bank by Gallup Pakistan in South Korea, Japan, Malaysia, Thailand, Sri Lanka and Bhutan¹⁹ reveals that 59% of all Buddhist respondents reported that they were not interested in visiting Pakistan. Figure 2.14 summarizes the reasons for this lack of interest. The predominant reason is clearly the perception of security problems in Pakistan, a finding that is shared by Sikh tourists as the most important deterrent. The other important Pakistan-specific issues appear to be lack of facilities and visa related problems.

Figure 2.14 Reasons for Lack of Interest in visiting Pakistan amongst Buddhists



¹⁹ Gallup Pakistan (2016) "Survey report: Survey for Estimation of Buddhist tourist potential"

Source: Gallup Pakistan (2016) 'Survey report: Survey for Estimation of Buddhist tourist potential'

While the second most dominant reason “no interest” is person specific, the lack of interest is likely to be related to the low awareness of Buddhist heritage sites in Pakistan. The survey also shows separately that many Buddhists are not fully aware of the important Buddhist sites in Pakistan. 62% of Buddhists and 49% of Buddhist monks in the countries surveyed were at least somewhat aware on the Buddhist heritage sites in Pakistan. 61% of all respondents were not familiar with the Gandhara civilization of Pakistan. This points towards poor marketing and branding as an important constraint to Buddhist tourism.

The survey also asked survey respondents if they had visited Pakistan and what their experience had been. 14% of monks and just 3% of other Buddhist respondents reported having visited Pakistan in the past. Of these visitors, 19% of monks and 46% of other Buddhist respondents experienced problems on their visit, although the survey report does not include the nature of the problems

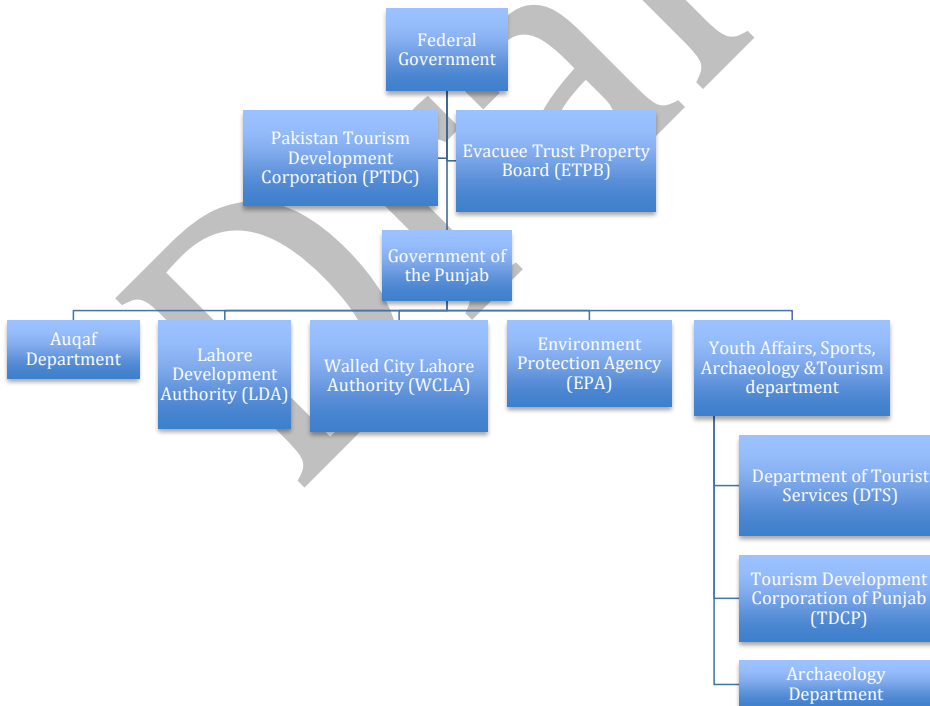
Draft

2 EXISTING INSTITUTIONAL ARRANGEMENTS & REGULATORY FRAMEWORK FOR TOURISM SECTOR

2.1 Current Institutional Arrangements

The present institutional arrangement for tourism sector comprises several government agencies and departments, ranging from Youth Affairs, Sports, Archaeology and Tourism Department, Auqaf Department and Tourism Development Corporation of Punjab at the provincial level to Evacuee Trust Property Board at the federal level, working separately on different aspects of tourism. The following schematic lays out the existing institutional arrangement for the tourism sector.

Figure 3.1 Existing Institutional Mapping for Tourism Sector



2.1.1 Youth Affairs, Sports, Archaeology and Tourism Department (YASA&T)

Archaeology Department: In 2011, after the 18th amendment, the federal government transferred 149 monuments and sites protected under Antiquity Act 1975, to Directorate General of Archaeology, Government of Punjab. Some of the important monuments transferred include Taxila museum and remains, Rohtas Fort, Jahangir's Tomb, Harappa Museum & Remains, Hiran Minar etc. The Directorate General of Archaeology is responsible for conducting research on these monuments and sites and for conserving and preserving them in accordance with the international charters concerning preservation of heritage.

The following are the responsibilities of the Directorate General, which it undertakes using the framework provided by Antiquities Act, 1975 (updated 2012), Special Premises (Preservation) Ordinance, 1985 and Punjab Heritage Foundation Act, 2005:

- Retention of historical authenticity, aesthetic beauty and cultural value of the built heritage as per international standards.
- Up-gradation of most visited archaeological sites and monuments by providing missing facilities.
- Preservation of antiquities and establishment of archaeological museums.
- Employment generation through engaging skilled artisans and craftsmen.
- Collaboration with educational institutions for research in archaeology.
- Preservation and development of all historical sites especially the World Heritage Sites.
- Protection and development of the sites on the tentative list of World Heritage e.g. Jahangir's tomb, Hiran Minar, Noor Jahan's and Harappa so that their status is upgraded and they are inscribed on the World Heritage list.

The Directorate General coordinates with various departments and bodies like Auqaf and ETPB, in case they need expertise to preserve sites. While they have their own experts and some of the work is managed internally, major restoration work is outsourced. The department has regional offices in different cities. Restoration is carried out when the department's team reports the need for it. Often the public calls the department and reports when repairs are required. There are no regular checks that determine when sites need restoration work. Sometimes political pressure forces the department to restore sites, which may not require work urgently. There is no proper prioritization of which sites need to be restored first. Furthermore, after the devolution, resources have improved but they are still not enough to do the expensive restoration work that some properties require. This means sometimes urgent work cannot be done immediately.

The department has a list of protected properties, which it is responsible for. Moreover, specific sites, which were previously under it, have now been given to WCLA such as the Lahore Fort and Hazuri Bagh, since they come in the Walled City. If the private sector wants to construct near a heritage site or use the heritage site e.g. convert a palace into a resort, the Archaeology Department has to give the NOC. A proposal has to be submitted and then approved by the department to ensure the heritage site will not be damaged.

Box 2.1 - Preserving Shergarh – a Heritage Town

Shergarh is a historical town in district Okara named after the 16th century Afghan ruler, Sher Shah Suri. However, the historical and religious importance of the town emanates primarily from the 16th century shrine of the Muslim sufi saint, Syed Muhammad Ibrahim (1513 – 1575) known more popularly as Daud Bandagi Kirmani. The saint belonged to the Qadiri sufi order and is known to have exercised considerable spiritual influence over the Jangli, Jat and Rajput tribes of the Punjab. The shrine of the saint is located on a mound at the highest point of the town making it visible from afar. It was constructed in 1580 and is one of the few comparatively well preserved monuments of the early Mughal period extant in Pakistan. The exterior of the octagonal ‘husht phelo’ mausoleum has beautiful stucco tracery designs while the interior walls, alcoves and dome is embellished with intricate naqashi fresco. The shrine is under the care of the Auqaf and Archeology department.

The town still retains to some degree its unique medieval character. Surrounding the shrine are centuries old havelis enclosed by the remnants of an old fort dating back to the 16th century. Except for a few, most of these havelis are in a dilapidated condition or are being renovated and pulled down without any consideration of their historical significance and architectural value. If not protected the unique character of this heritage town would soon be lost to the ravages of unchecked modernity.

What defines Shergarh is not just the monuments but also the continuing spiritual and cultural significance of the place. Every year for the past five centuries almost, the quiet town comes to life on the 13th of March – the first day of spring in the local calendar. Tens of thousands of devotees and pilgrims from all over the country come in throngs ‘jamaats’, bare foot, carrying large colorful flags, in celebration of the Urs of Daud Bandagi. The sleepy old town turns into a crowded and festive place with shops, food, circuses, music and other amusements for the local population and visitors. In the local calendar of events, the Shergarh mela is unique as it represents a centuries old living tradition of sufi pilgrimage which finally culminates in a seven day long colorful spring festival in Shergarh. The pilgrims stay for three days and are housed in the large compound of the shrine and in the houses and havelis of the local residents.

Like many other historical towns in the Punjab, Shergarh does not have any facility such as a hotel or a rest house, which could cater to the needs of domestic or international tourists. Shergarh, if protected and provided with the requisite amenities, could potentially become an attractive heritage town for both high-income domestic and international tourism.

Department of Tourist Services (DTS): Before the 18th Amendment, the Department came under federal Ministry of Tourism. The ministry has been dissolved. Now the department is attached to Youth Affairs, Sports, Archaeology and Tourism Department. DTS is not a Directorate General and comes directly under the Secretary YASA&T. Officially a Controller and a Deputy Controller heads it. However, currently these positions are empty. There are two Assistant controllers under him and then inspectors.

The main responsibility of DTS is to implement 3 acts introduced in 1976, which regulate the sector. The acts remain under the federal government’s purview and therefore, are difficult to amend by the provincial government. Hotels and Restaurant act, is the only act that has been adopted by the provincial government. It has now been sent to Cabinet to be amended. The following are the acts that DTS implements:

- *Travel Agency Act* - Under this act, licenses are given to travel agents, international tour operators and domestic tour operators. DTS provides the option of bank guarantees for tourists. If there is a genuine complaint against an agent or operator and they do not pay back, DTS gives a set amount as refund.
- *Hotels and Restaurants Act* - Hotels and restaurants have to get registered and get their license renewed every year. DTS gives stars to hotels according to a set criterion in the act. If there is a restaurant in the hotel then no separate license is needed.

- *Tourist Guide Act* - The Act mandates that tourist guides should have passed their FA. However, not many tourist guides are currently operating. Only 44 licenses have been given. Therefore, TDCP's training provision in this area is encouraging people to become guides.

DTS has little interaction with TDCP, except for the licenses it gives to TDCP resorts. It has limited resources and authority to improve the tourism sector.

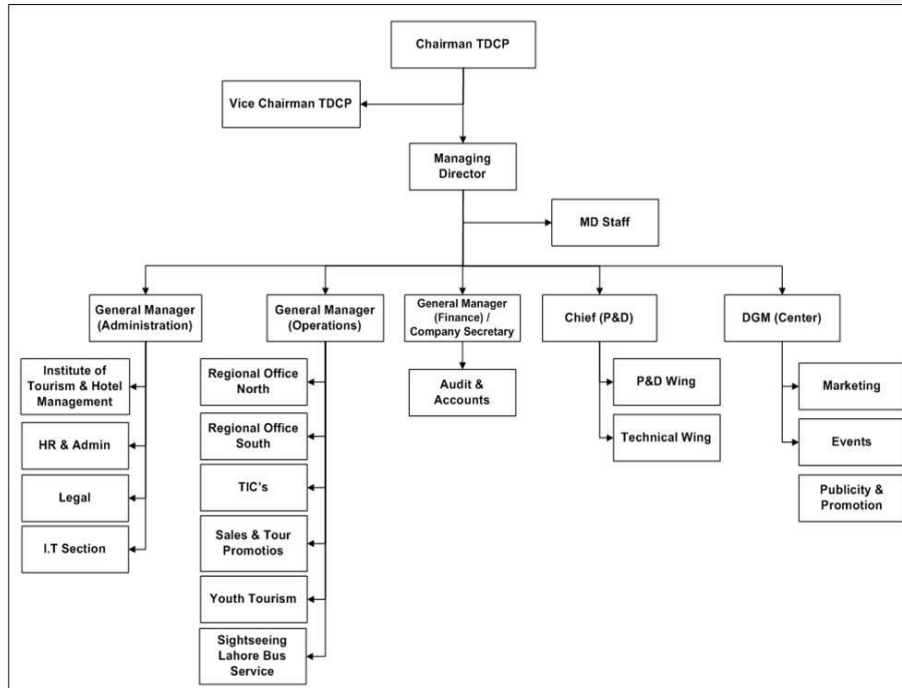
2.1.2 Tourism Development Corporation of Punjab (TDCP)

The Tourism Development Corporation of Punjab (TDCP) is an autonomous body incorporated under the Companies Ordinances 1984 on 10th December 1986. Managing Director governs the Corporation under the administrative control of Secretary, Government of the Punjab, Youth Affairs, Sports, Archaeology and Tourism Department (YASA&T). The Board of Directors (BOD), under the Chairmanship of Chief Minister Punjab, takes major decisions.

The Corporation does not have any administrative or regulatory powers. Its role is of a facilitator. It works with respective divisional and district government of the area it is developing infrastructure in and keeps the local community involved.

TDCP plays a crucial role in coordinating and supplementing the efforts of the Government in strengthening promotional and marketing efforts, catalysing private investment and in providing trained manpower resources. The projects of TDCP get earmarked in the Annual Development Plan (ADP). Moreover, TDCP has tourist offices at various places in Punjab, which are responsible for providing information service to tourists, tourism promotion and marketing in their respective areas. Frequent seminars and conferences are held with stakeholders, including tour operators and hotel managements, for new projects. TDCP offices have an open door policy and anyone can seek its assistance in creating a tour package or getting a tour guide. For instance, the Corporation already facilitates Sikh diaspora tourists, arranges discounted accommodation for them as well as travel arrangements. However, TDCP cannot participate in any international conference in any capacity, which is an opportunity missed in promoting tourism in Punjab.

Figure 3.2 Organizational Structure of TDCP



2.1.3 Evacuee Trust Property Board (ETPB)

ETPB is an autonomous body at the federal level. The Board has seven members, consisting of four minorities for equal representation. The Board has an advisory committee called *Pakistan Sikh Gurdwara Prabandhak Committee* (PSGPC). This committee is a 10-members body and the Board generally seeks its advice on any decision it takes.

The main functions of ETPB are as follows:

- Management and Control of Evacuee Trust Properties
- Disposal/Transfer of Trust Properties
- Leasing and Renting of Evacuee Trust Properties
- Maintenance of Sikh and Hindu Shrines
- Provision of Facilities for Yatrees (Pilgrims)
- Grant-in-Aid for Social Welfare, Educational and Health purposes
- Develop Projects on Trust Properties
- Prepare Schemes with the prior approval of the Federal Government for management, maintenance and disposal of Evacuee Trust Property
- Budgeting & Investment Management
- Court Work & Litigation

As far as the funding of the Board is concerned, the government in any way does not fund it. As the Board is managing Hindu and Sikh trusts, revenue generated is used for its

functioning and activities. Under the 1975 Act, there are two schemes: urban and rural. According to the law, land in possession of the Board is either auctioned on 30 years lease or rented out. Another source of income for the Board is donations given by Sikhs, both in cash and in-kind. Golak (collection box) is now being supervised through CCTVs. A bank representative will also be present to give receipt for donations. These measures will ensure that donations are not misused.

Following is some data regarding Sikh and Hindu religious tourism traffic in 2016:

Table 2.1 Sikh and Hindu Religious Tourism Traffic

Number of Sikhs allowed	Number of Hindus allowed
3000 in April on Besakhi	200 in March
1000 in on 6th June for death anniversary of Guru Arjand Dev	500 end of November
1000 in 3 rd or 4 th week of June for death anniversary of Ranjeet Singh	
3000 in November to celebrate birth of Guru Nanak	

Following are some of the subordinate organizations of ETPB:

- Dyal Singh Trust Library, Lahore
- Janki Devi Hospital, Lahore
- Dyal Singh Research and Cultural Forum (DSRCF)
- Sir Ganga Ram Heritage Foundation (SGRHF)
- Hazrat Ayesha Siddiqa Degree College for Women, Lahore
- Nawaz Sharif Girls High School, Lahore
- Trust Model Public High School for Boys, Lahore
- Mohtarma Banazir Bhutto Shaheed Higher Secondary School, Lahore
- Dr Mateen Fatima Girls High School, Lahore

Box 2.2- Preserving Heritage at Katas Raj – The role of ETPB

The seven temple complex satgarah of Katas Raj, located close to Choa Saidan Shah in district Chakwal, is one of the most ancient and religiously significant sites of Hinduism. Dedicated to the Hindu god, Shiva, some of the temples are believed to date back to the ancient times of Mahabharata. Each of the seven temples has its own unique architectural pattern and design representing different periods and traditions of the Hindu faith. After years of neglect post partition, the temple complex was quite literally re-discovered during Lal Krishna Advani's visit to Pakistan in 2005. Since then the government has allocated a sizeable amount of funds to restore and rehabilitate the temple complex. Although the temples are in a better state after coming under the focus of the provincial government, there are still major issues with the way the site is being developed and managed that need to be addressed.

The Temple complex, like other Hindu and Sikh temples and Gurdwaras across the country, is managed by the Evacuee Trust Property Board (ETPB). The ETPB is a federal agency, which comes under the Ministry of Religious Affairs. The Board seems to exercise complete authority over the development and restoration plans of Katas Raj without apparent oversight of the provincial Archeology Department and with no evident in house expertise in conservation and restoration. This major institutional flaw is leading to the rapid defacement and modernization of a heritage site of great antiquity and architectural value. The following is a brief list of the major issues and problems in the type of development and restoration work being done in Katas Raj:

- The temples at the entrance instead of being restored have been renovated by using plaster and paint thus permanently destroying any remaining vestiges of antiquity.
- The floors and steps throughout the complex have been re-laid using white marble, which looks completely anachronistic in that environment.
- There are public facilities such as toilets oddly placed and very close and in full view of the temples. Some of these are not even in use, are completely dilapidated and thus nothing but eye sores.
- The nearby cement factories are a major threat to the local environment, polluting the place and contaminating and lowering ground water. The centuries old pool of water between the temple complex considered holy by the pilgrims is fast drying up.
- There are plans afoot for a zoo and a chair lift – both of which have no conceivable relevance to the site. In fact a cage has already been constructed in the middle of the temple complex and a huge water tank is being built next to it.

2.1.4 Pakistan Sikh Gurdwara Prabandhak Committee (PSGPC)

Till 1998, all functions in Pakistani Gurdwaras were managed by Shiromani Gurdwara Parbandhak Committee (SGPC), India. A large number of expatriate Sikhs also used to participate from Europe, North America and some South Asian countries. SGPC used to take all the donations to India made by the Yatris during the festivals. As per Sikh religion, donations made at a particular Gurdwara could neither be spent on any other Gurdwara nor taken away. In addition to this, during all these years SGPC followed a policy of neglect towards the Pakistani Gurdwaras and never spent a penny on any Gurdwara. This state of Gurdwaras in Pakistan was very much resented by the Sikh Yatris from India and all over the world and on every occasion they requested the Pakistani Government to hand over the control and management of Gurdwaras to Sikhs of Pakistan. In response to these repeated requests by the Sikhs from all over the world, the Government of Pakistan decided to establish Pakistan Sikh Gurdwara Parbandhak Committee (PSGPC) and the then President of Pakistan announced the formation of PSGPC on 11 April 1999.

PSGPC was made responsible to ensure the maintenance/ upkeep of Gurdwaras and observance of religious rites in a befitting manner, particularly on specific occasions on which Sikh Yatris from India and abroad visit Pakistan to perform their religious rituals. Since

its formulation, PSGPC is organizing the affairs of the Gurdwaras including arrangements of the Sikh festivals in accordance with the aspirations of the Sikh community.

PSGPC is a 10-members Sikh body approved by the government and it has an Advisory committee as well. The committee has a tenure of 3 years. In the current committee, 2 members are from KP, 1 from Balochistan, 1 from Sindh and 4 from Punjab (2 members have recently passed away). Final approval of the committee lies with the Prime Minister.

It is responsible for all the religious activities inside Gurdwaras including Akhand Path, Bhog, Keertan, Langar, Dharam Parchar, Golak, and accommodation for Yatrees in Gurdwaras and award of saroopas, etc. It also supervises and exercises control over the arrangements for langar; suggests measures for proper maintenance, preservation and renovation of the Gurdwaras and ensures their sanctity according to Sikh traditions and faith. Shrine Branch of ETPB works closely with Pakistan Sikh Gurdwara Parbandhak Committee (PSGPC) to provide best available facilities to the Yatrees, in coordination with other government departments for their comfortable stay in Pakistan.

PSGPC has a separate bank account and funds are utilized from there for food, accommodation, transport, etc. for yatris. Another account has been opened recently where all donations will be collected. There is also a scholarship account as well.

2.1.5 Auqaf Department

The Auqaf Department comes under the purview of the provincial government and was formed under the Punjab Waqf Properties Ordinance 1979. It is headed by the Secretary Auqaf & Religious Affairs who is assisted by the Additional Secretary and the Deputy Secretary with their ancillary staff. Secretary Auqaf & Religious Affairs also acts as Chief Administrator, Auqaf²⁰. The main responsibility of the department is the upkeep of important religious monuments and holy places such as mosques and shrines. It also looks after Muslim graveyards, charitable and religious endowments, prepares and implements religious education schemes, publishes the Holy Quran and books on Islamiyat. It is further responsible for coordinating with the federal government on Hajj Affairs. The administration of the Data Darbar Hospital and Punjab Auqaf Academy is another function of this department.

The Auqaf department has a staff of approximately 2,800 people. Its main source of income is donations, which makes it a self-funded department. 55% of its income comes from cash boxes (from shrines), 35% from agricultural land leases (owns 77,000 acres), while remaining is rental income (commercial and residential properties). Based on this income, the budget for 2016 was PKR 1.86 billion.

In terms of coordination with other departments, the Auqaf department does not work with DTS. However, it does coordinate with Walled City Lahore Authority (WCLA) for restoration work on Badshahi Mosque and Wazir Khan Mosque, since both come under Auqaf as they are waqf properties. While the mosques come within the boundary of the Walled City, WCLA needs Auqaf's approval for restoration work.

For shrines particularly, Auqaf is responsible for provision of facilities such as public toilets and administration, as well as any development, expansion and restoration. However, provincial Communication & Works Department (C&W) does the actual construction, without any expertise in heritage sites. Auqaf has the responsibility to raise the issue. The

²⁰ 3 special zones under field staff: Data Darbar, Badshahi Mosque and Baba Fareed

department also undertakes security arrangements for devotees. This can mean managing up to 60,000 devotees everyday for a shrine like Data Darbar. No official data is available on the number of tourists or devotees that visit these shrines. One method of estimating the number is through shoebox collections, however it has not been used so far.

2.1.6 Walled City Lahore Authority

Walled City Lahore Authority (WCLA) was established in 2012 under the Walled City Authority Act 2012, passed by the Government of the Punjab (GoPb). The main responsibilities of WCLA include conservation, renovation and uplifting living standards of area within the walled city, control of commercialization, buildings and zoning, preservation of heritage and promotion of tourism.

WCLA was initially started as a small project and was funded by GoPb and the World Bank. However, after 2012 it is under the purview of GoPb and is funded through the Annual Development Plan (ADP). In addition, some restoration and activities are funded by MNCs as well. WCLA's source of income includes earnings from the sale of tickets and souvenirs, and rents.

Marketing methods of WCLA for promotion of tourism to the walled city include:

- Promotion on social media, TV, highlighting specific monuments, introducing photo walks, arranging food and theatre festivals, story telling, virtual tours. Publications are placed in several bookshops. Movie and commercial shooting are allowed for free or at minimal charges. Recently shopping tours have started and souvenir shops have been established.
- There are dedicated teams to receive calls and respond to emails for inquiries on tours and the teams operate 24/7. WCLA is introducing a walled city app, which will connect to live feed of cameras placed in areas of attraction and have relevant information.
- MOUs have been signed with hotels (place promotion materials, bring tourists staying at hotels, discounts for tourists coming through WCLA), restaurants (place promotion materials, discounts for tourists coming through WCLA) and universities (send students, conduct seminars on culture an tourism). MOUs with MNCs for sponsoring various activities have also been signed. There is an MOU with ETPB as well so that Sikh yatris visit the walled city.

Security concerns are perceived as a hindrance to tourism by WCLA. For this reason, it is unsafe to attract religious tourists to the walled city of Lahore. Another problem is the lack of decent accommodation within the walled city. In addition, lack of signboards throughout the city of Lahore makes it difficult for tourists to guide their way to tourist attractions. However, WCLA has ensured placement of signboards in the walled city for the ease of tourists.

WCLA offers its assistance and expertise to TDCP and Archaeology Department for better marketing, and in developing high quality promotional material. WCLA works in collaboration with TDCP so that the Food Street in the walled city is included as a stop in the sightseeing bus tours initiated by TDCP. In return, WCLA refers tourists to sightseeing bus tours. Moreover, WCLA has also been encouraging owners of *havelis* to set them up as hotels or rent them out. The Chief Minister of Punjab intends to expand WCLA and make it a Punjab Authority, covering 11 heritage sites across the province.

Eminent tourist sites within the jurisdiction of WCLA include:

- Lahore Fort and Hazuri Bagh - Both were with Archaeology Department before
- Shahi Hamam
- Badshahi Mosque (any restoration/preservation works are done by the approval of the Archaeology Department)

2.1.7 Environment Protection Agency (EPA)

EPA is responsible of implementing the Environment Protection Act 1997, which was amended in 2012 to become Punjab specific. The act is used to govern all issues that affect the environment, mainly protection, conservation and rehabilitation. EPA mainly regulates three types of pollution: industrial waste and air pollution, hospital waste and use of polyethene. The department uses district officers and inspectors in all districts, which monitor pollution activities and report violations. Tribunals are also held if there are violations of environment regulations. These tribunals can impose penalties on the offender. Furthermore, EPA is in charge of public awareness and cleanliness campaigns. However, Lahore Waste Management Company is responsible for the actual clean up.

The department ensures an Environmental Impact Assessment (EIA) is carried out for any new activity and its regulations are met for any new development of infrastructure. However, EIA is carried out by the one who proposes any development AND not by the department. It is basically a feasibility report of the environmental impact on an area, examining the effect on water levels, plants, air etc. The report then goes to a review committee of EPA, after which a final decision is made. EPA also monitors the new development, to ensure it is meeting regulations.

For any tourism related activity, EPA can play a role in two ways. Ensuring that no activity near a heritage site is carried out that can potentially damage the site area and raising public awareness about keeping tourist spots clean. One example is when EPA along with Archaeology Department protested the damage of heritage sites from the orange line construction.

Box 2.3 - EPA and Heritage

One example where EPA has a role to protect a heritage site is at Katas Raj. The cement factories nearby have been pumping water from underground for their own use, which has lowered the level of the Holy water at the temple complex. The water is one of the main features of Hindu rituals as well as a prominent source of beauty of the site. However, no action has been taken to protect the waters.

2.1.8 Lahore Development Authority

Lahore Development Authority (LDA) oversees the planning of new developments in Lahore division. It is responsible for providing permits and regulating private housing schemes, commercial development and for managing green areas in Lahore. For any conversion of land use e.g. from a designated agriculture land to use for industrial activity, LDA's approval is required. LDA is also asked by the government to oversee construction of roads and other related infrastructure. However, its main focus remains on master planning and developing infrastructure. In the development of a master plan, various surveys and consultations are undertaken to plan an area for the next 25 years. Currently LDA is creating a master plan for

Nankana. Furthermore, LDA undertakes various infrastructure projects at both a micro level such as building an underpass or at a macro level such as construction of Orange Line. Nonetheless before any infrastructure is developed, the concerned departments are consulted and a NOC is obtained. Feasibility and EIA reports are also carried out. In particular, for construction near a heritage site, NOC from the archaeology department is required. However, the by-laws LDA uses are very old. They need to be updated and integrated with laws different departments use.

The authority was created under the LDA Act 1975, approved by Punjab Legislative Assembly. Previously it was called the Lahore Improvement Trust. There are three divisions under the authority: LDA, TEPA and WASA. LDA's purview has now expanded to the entire Lahore division. It now covers Lahore, Sheikhpura, Kasur and Nankana. Funding for LDA comes from the Annual Development Plan and revenue it generates itself from provision of services.

2.1.9 Institute of Tourism and Hotel Management (ITHM)

In 1988 TDCP formed an institute for hospitality and tourism management called the Academy of Tourism. In 1996 it was upgraded and named as Institute of Tourism and Hotel Management (ITHM). Currently ITHM has five campuses out which Faisalabad, Gujranwala and Multan are running as franchises. The campuses in Lahore and Rawalpindi are owner operated.

The institute offers 6 to 12 weeks short courses on Air Ticketing and Travel Agency Management. Six-month certificate programs in Culinary, Food and Beverage Production & Services and Front Office Management are also offered, along with a one-year diploma program in Tourism and Hotel Management. Some of these courses are sponsored by National Vocational & Technical Training Commission (NAVTEC) and the Punjab Skills Development Fund (PSDF). TDCP's ITHM Campuses are approved Centers for City & Guild Courses. The City and Guilds of London Institute (City & Guilds) is a vocational education organization in the United Kingdom.

The institute has a limited number of permanent instructors and have some visiting faculty members. These instructors have typically worked in the local hospitality sector in mid-management positions. They generally seem to have limited education and knowledge, while exposure of international best practices is absent and so are requisite skill sets. Therefore there is a dire need in these institutions for better-qualified instructors in permanent as well as visiting faculty positions. Also, the principals of the institutions should ideally be academicians and the various department heads should be experts in their respective fields.

The facilities in the campuses are limited and need improvement. Hospitality institutes internationally have interactive classrooms, computer labs, well-equipped training kitchens, restaurants and often hotels as well. Although ITHM has tried to follow that model but due to inadequate resources and funds has not been able to effectively do so.

The institute does not have strong partnerships or affiliations with international hospitality schools or accreditation agencies. These international organizations give assistance in various forms including curriculum development, course materials, faculty assessments and engagement, institute design, benchmarking and grading on international standards, and guidance in following best practices. It is essential that the current courses and course material be evaluated and revised across all the ITHMs in Punjab. The entire program needs

to be redesigned by international experts from relevant sectors of the hospitality and tourism industry.

ITHM has been unable to create effective partnerships with hotels, food and beverage operations and other hospitality related businesses to help students find on-the-job trainings, internships or job opportunities. It is imperative to create such partnerships and linkages, which are integral in hospitality and tourism sectors worldwide.

2.2 Need for Institutional Reforms

The existing institutional arrangements for tourism sector point towards several problems and therefore the need for institutional reforms. Some of these problems include:

- Involvement of multiple agencies and departments without any specialized experience for managing heritage sites. Existing arrangements are not in accordance with international practices
- Federal jurisdiction over some heritage sites through ETPB although after the 18th amendment it has no legal authority but is still maintaining powers.
- Commercial operations by TDCP, creating competition for the private sector
- Little or no coordination between various departments and agencies working for tourism sector
- Weak capacity to impart private sector skills
- No professional interface or institution to work with private sector
- No institutional channel to seek private sector's feedback
- No institutional arrangement for standard setting or quality assurance

2.3 Current Regulatory Framework

2.3.1 Constitutional Mandate and Legislative Space

Tourism and tourism-related subjects have always been provincial subjects under the constitution. In other words the 18th Amendment did not confer any additional powers on the provincial government with regard to the tourism industry than it originally had. However Article 144 of the Constitution allows parliament to legislate on provincial subjects pursuant to provincial authorizations. This has happened with regard to the hospitality component of the tourism industry, which is regulated by the federally legislated Hotel and Restaurants Act, 1976 pursuant to resolutions passed by the provincial assemblies. Parliament has also legislated on travel agencies and tourist guides under a rather contested use of legislative power – these subjects not being reflected in the Federal Legislative List or the then Concurrent Legislative List. The debate is however academic as these are accepted to be provincial subjects post-amendment.

However the existence of federal legislation on these subjects does not mean that the provinces are in any way denuded of their power to legislate on them. The provinces retain the power to amend or repeal the federal legislation issued on tourism subjects without any reference to the federal government or parliament. However the Federal Government can continue to act in the matter pursuant to authority conferred under Article 144.

2.3.2 Current Laws in Place

Laws Pertaining to Quality of Tourism Related Services

Quality of service providers affects tourism competitiveness significantly²¹. There are three major laws in the area. All laws pertaining to the hotel and travel industry were enacted in 1976. These enactments were based on the regulatory ethos of the 60s, which inter alia included mechanisms for control of prices. Key features and shortcomings of these laws are as follows:

Hotel and Restaurants Act, 1976: The Hotel and Restaurants Act, 1976 regulates the standard of services and amenities in hotels and restaurants. The Act sets up a Hotel and Restaurants Advisory Committee to aid and advise the federal government in the administration of the provisions of the Act²². The Act prescribes a star system of classification of hotels. The Act establishes the office of controller to administer the Act²³. The Act allows the Controller to fix the maximum number of guests that may be accommodated in a unit of accommodation and rates for board/lodging etc.²⁴. The shortcomings in the Act are as follows:

- It only applies to hotels and guesthouses with minimum 15 lettable rooms. Thus it excludes a very large segment of the industry from regulation.
- The Act and the rules are silent regarding the composition of the Advisory committee, which is required to advise the Government regarding standards
- The Act requires registration within two months of the opening of a hotel or restaurant. This obviously leads to a situation where inspections are penal in nature and retroactive improvements are resisted.
- Arrangements for complaint lodging and redress are weak. Customers need to be informed through an automated system regarding their complaints rather than a bureaucratic arrangement.
- It allows the Controller to prescribe prices, which is anti-market.
- The Act does not provide for and/or regulate Internet bookings etc.

Travel Agencies Act, 1976: The Travel Agencies Act regulates both travel agencies and tour operators (by including them in the definition of travel agencies)²⁵. Government enterprises, national carriers and foreign airlines duly authorized to operate to and from Pakistan and travel agencies allowed to perform Hajj and other pilgrim related work are exempt from the operations of the Act²⁶. The Act establishes a Travel Agency Regulatory Committee to advise the federal government in the implementation of the of the law, approve the rate of service charges and assist in the preparation of a code of conduct for travel agencies²⁷. The Act

²¹ See Pillar 12 of the Travel and Tourism Competitiveness Report, 2015

²² Section 3, Hotel and Restaurants Act, 1976

²³ Section 3, Hotel and Restaurants Act, 1976

²⁴ Section 10, Hotel and Restaurants Act, 1976

²⁵ Section 2(f)(ii) Travel Agencies Act, 1976

²⁶ Section 5, Travel Agencies Act, 1976

²⁷ Section 3, Travel Agencies Act, 1976

requires travel agencies to obtain a license from the Federal Government²⁸. The Act suffers from the following issues:

- The act is silent about the composition of the Advisory Committee. The composition of the Advisory Committee should be explained and representation provided to relevant stakeholders including members of the hotel industry and travel agency associations.
- The process of registration is paper based, making search for a particular record difficult and time consuming. Information should be maintained in both electronic and paper formats to enable better searches
- The Act excludes local tourists from the definition of tourists thus excluding them from safeguards provided by the Act²⁹.
- Penalties are out of sync with current economic realities and should be strengthened.

Tourist Guides Act, 1976: The Tourist Guides Act, 1976 regulates and controls the profession of tourist guides. The Act establishes a Travel Agency Regulatory Committee to advise the federal government in the implementation of the provisions of the Act and assist in the preparation of a code of conduct for tourist guides³⁰. The Act empowers the Federal Government to fix charges to be paid to tourist guides. It requires tourist guides to obtain a license prior to engaging in the business of provision of guide services³¹. The Act suffers from the following weaknesses:

- The composition of the Advisory Committee should be explained and representation provided to relevant stakeholders
- Registers of tourist guides should be maintained in both electronic and paper formats and should be searchable
- It allows the government to prescribe charges, which is anti-market.

Laws Related to Environment and Natural & Cultural Resources

Robustness of environmental regulations³², effectiveness of laws protecting natural resources³³, provision of quality entertainment and organization of cultural events³⁴ all affect the number of persons who travel to a country. There are a large number of laws affecting these aspects of travel in the province and a detailed review of these laws would not be appropriate here. But it would suffice to say that regulation of the buildings and land use is less than optimal in the province, which has obvious significant impact on the physical environment. Again enforcement of environmental laws is less than acceptable. A brief snapshot of major laws in the area is as follows:

²⁸ Section 4, Travel Agencies Act, 1976

²⁹ Section 2(g), Travel Agencies Act, 1976

³⁰ Section 3, Tourist Guides Act, 1976

³¹ Section 7, Tourist Guides Act, 1976

³² Pillar 9 of the Travel and Tourism Competitiveness Report 2015

³³ Pillar 13, Ibid

³⁴ Pillar 14, Ibid

Table 2.2 Snapshot of Existing Regulatory Regime

Sector	Law	Authority with legislative competence in the area	Enforcement authority
Environment	Punjab Environmental Protection Act, 1997	Province	Provincial Environmental Protection Agency
Forests	Punjab Firewood and Charcoal (Restriction) Act 1964	Province	Forrest Officer
	Punjab Forests Act, 1927	Province	Forest Officer
Wildlife and Fisheries	Punjab Wildlife (Protection, Preservation, Conservation and Management) Act, 1974	Province	Wildlife officers and Chief Wildlife warden
	Punjab Fisheries Ordinance, 1961	Province	DG fisheries
Antiquities and artifacts, Historical buildings/monuments and areas	Antiquities Act, 1975	Province	DG Archaeology
	The Punjab Historical Mosques and shrines Fund Cess Ordinance, 1960	Province	As prescribed
	Punjab Special Premises (Preservation) Ordinance, 1985	Province	Committee
	Walled City of Lahore Act, 2012	Province	DG
Planning and development control	Lahore Development Authority Act, 1975	Province	DG LDA
	Punjab Development of Cities Act, 1976	Province	DG FDA, DG MDA
	New Murree Development Authority Act, 2004	Province	DG
	Evacuee Trust Properties Act, 1975	Issued as a Federal Act, now a provincial law	Evacuee Trust Property Board
	Pakistan Administration of Evacuee Property Act, 1957	Issued as a Federal Act, now a provincial law	
Cultural and religious matters	The Sikh Gurdwara Act, 1925	Province	Committee of Gurdwara
	Punjab Waqf properties Ordinance, 1979	Province	Chief Administrator of Auqaf
	Punjab Prohibition of Kite Flying Ordinance, 2001	Province	

Laws dealing with Travel Facilitation and International Openness

Travel facilitation and international openness form part of Pillar 7 of the Tourism Index. Travel facilitation is related to visa requirements which is regulated by the Foreigners Act, 1946

3 POLICY FRAMEWORK FOR TOURISM DEVELOPMENT

Before moving towards proposing reforms for the tourism sector, it is important to assess the overall policy framework, stakeholders' views and comparable international examples.

The first serious effort towards developing tourism in Pakistan was in 1972 through the establishment of Ministry of Minority, Religious Affairs and Tourism. However, it was disbanded in 1976 when the Tourism Division became part of the Ministry of Commerce. In 1970, Pakistan Tourism Development Corporation (PTDC) was established as a public limited company with a mandate to develop tourism infrastructure and to promote Pakistan as a tourist destination in the international market. This was followed by the establishment of Ministry of Culture, Sports, Tourism and Archaeology in 1977.

The first National Tourism Policy was developed in 1990, almost 20 years after establishing PTDC. The 1990 policy remained largely unimplemented and there was limited development of hard and soft tourism infrastructure during that period. The major reasons of this failure in implementation included absence of stakeholder involvement, poorly defined responsibilities of various public and private sector actors, financial limitations, institutional constraints and low capacity of concerned departments and agencies (PILDAT 2015).

"The Tourism Ministry in 2010 drafted a relatively more comprehensive National Tourism Policy. The policy identified challenges and constraints for the tourism industry in Pakistan, followed by marketing and developmental strategies. The marketing strategy emphasized on public private partnership, diversification of tourism products, information technologies, target markets for selling specific products, whilst, the developmental strategy emphasized the role of public (Federal & Provincial governments) and private sectors in tourism development. It also proposed PPP opportunities in tourism sector of the Country. Furthermore, the draft policy also recognized the importance of closer international and regional cooperation, joint marketing using international organizations, multi-country and bilateral relations for tourism development. Although, the draft tourism policy-2010 was comparatively more comprehensive than the National Tourism Policy of 1990, however, due to the dissolution of the Federal Tourism Ministry as a result of the 18th Amendment in the Constitution of Pakistan the work on developing the National Tourism Policy was deferred and the subject of tourism was transferred to the provinces" (PILDAT 2015).

At the provincial level, Punjab took the lead by establishing the Tourism Development Corporation of Punjab (TDCP) in 1986, however, apart from establishing few accommodations and low cost attractions, TDCP failed to attract any substantial tourism activity in the province. Following the precedent of the Punjab Government, later governments of Sindh and KP (former NWFP) also established tourism development corporations at the provincial level and started work on various tourism projects in the respective regions (PILDAT 2015).

3.1 Tourism in the Context of the Punjab Growth Strategy

The Punjab Growth Strategy (PGS) aims at increasing both income and employment in the province through increased private sector investment across different sectors of the economy. Tourism has the potential to become one of the main engines of growth in the

provincial economy by contributing to income, employment and also to the country's foreign exchange reserves.

PGS lays out a broad economic policy framework, which identifies key drivers to meet its stated objective of achieving equitable and sustained growth in the province. The strategy focuses on catalyzing Punjab's GDP growth by introducing institutional and governance reforms, which would improve the investment climate and create new vents for growth. To this regard, development of the much neglected tourism sector and creation of tourist hubs and circuits across the province would fall directly in line with the objectives of the strategy.

The PGS outlines four essential drivers of growth – private sector led growth, employment generation, export orientation and effective security and governance regime. The first of these drivers - private sector led growth - requires the government to provide the necessary institutional and regulatory framework and essential infrastructure to incentivize and promote private investment. The tourism sector is in dire need of private investment but because of a whole range of constraints and resultant low tourism demand, there is not enough incentive for investors or businesses to direct their time and resources to the sector.

One of the major factors behind the lack of private sector investment in tourism is precisely the abysmally low number of tourists currently visiting Pakistan. With increased international tourism, the private sector would find it profitable to invest in hotels, restaurants etc., in the main tourist sites across the province. The availability of good quality tourist facilities and services would in turn attract more visitors, hence starting a virtuous cycle of growth and income generation. Moving out of this low equilibrium trap would require both the provincial and federal government to systematically address the constraints facing the sector and provide a conducive environment for private investment to take place.

The second critical pillar of the PGS is the creation of employment intensive economic growth. Pakistan has the highest population growth rate in South Asia with a large proportion of population under the age of 20. Every year more than a million people enter Punjab's labor force and with a growth rate hovering around 4 per cent, the probability of gainful employment is very low. To absorb these burgeoning numbers requires an immediate focus on labor-intensive sectors.

Tourism and its related services, such as the hospitality industry, can potentially create a significant number of jobs in the province. That would entail requisite training and skills development from both public and private sector institutions. However, growth in the tourism sector would move in tandem with skills development especially in the services/hospitality sector. Increased number of tourists would create demand for appropriate skills and related services, which would incentivize entrepreneurship and private sector investment in skill development and training within the sector.

As mentioned earlier, Pakistan is endowed with immense geographical beauty with an equally rich and diverse tapestry of culture and heritage in every province. Notwithstanding that, Pakistan is currently much below its tourism potential compared to similar countries because of a host of factors. Tourism service export can be one of the major sources of foreign exchange for the country and the province of Punjab could be a significant contributor to that. As the PGS is focused on export-oriented sectors, it is imperative that tourism services be regarded as a key driver of competitiveness and growth in the province.

Finally, a necessary condition for growth in the province is a secure and stable environment, which can only come through improved governance and law and order. Like so many other sectors in the economy, tourism and its related sectors are directly affected by the poor security situation in the country. Therefore for tourism to pick up momentum and become a significant contributor to the provincial and the national economy the most critical constraint to address is security and law and order.

3.2 Principles of Policy for Tourism Sector in Punjab

Government of Punjab recognizes the immense untapped economic potential of the tourism sector and understands that to realize this potential it is critical to develop the sector to provide state-of-the-art tourist services across Punjab, focus on heritage tourism and other high-opportunity segments and mobilize private sector investment within the tourism sector to contribute to Punjab's economic growth. In this regard, Government of Punjab has also laid out principles of policy³⁵ to promote tourism in the province and in particular focus on development of heritage of tourism. The principles of policy explicitly state that any policy that seeks to promote this cultural heritage and increase the access of people, both nationally and internationally, to this heritage, will, in addition to the economic gains it harvests, pay huge social dividends as well. It is expected that this focus on heritage tourism will help in making Punjab a truly pluralistic, tolerant, culturally confident and vibrant society.

The policy principles of the government aim at setting the future direction for developing the tourism sector in Punjab and articulating Government' of Punjab's commitment to this. The provincial government is fully cognizant of the unique geographical advantage of Punjab and believes that heritage tourism should play a pivotal role in this sector's growth. The government also believes that with the right policies in place, an investor-friendly business environment and sufficient institutional capacity, the unexploited potential of the tourism sector can be unlocked. In the next few years, international tourism's contribution, in particular, can increase five-fold from its current level as these generate a greater amount of revenue per visitor. In addition, improvements in infrastructure and visitor facilities can boost domestic tourism, enabling Pakistanis across the country to connect with their culture and heritage. Typically, the average visitor to the numerous Sufi festivals, tombs and shrines across the province belongs to the lower income strata thus limiting the overall economic benefit of domestic tourism. Provision of better tourist infrastructure and extensive marketing and projection of the many heritage sites and festivals could potentially attract higher income groups thus increasing the economic benefits of domestic tourism manifold. Middle and upper income domestic tourism is crucial for generating the volumes required for the private sector to invest in the sector and recuperate the fixed costs associated with developing quality facilities.

Following are the highlights from Government of Punjab's approved principles of policy:

- **Institutional Reforms:** Government of Punjab is committed to create robust institutional capacity and regulatory regime to promote tourism sector in the province. Government will calibrate the present institutional structure to align with what's needed for private sector-driven growth in the sector. Government also realizes the need to develop a well-coordinated and synergized institutional apparatus to achieve these policy principles.

³⁵ These principles of policy have been developed through technical assistance from World Bank funded 'Regional Cultural and Heritage Tourism' project, through support provided by Project Design Team.

Given the vast institutional landscape, the government will adopt a sector-approach with a cross-departmental oversight mechanism to ensure that there are synergies across various initiatives. The government will also create a stakeholder-led management structure to facilitate tourism in selected thematic areas rather than traditional public sector-led approach.

- **Regulatory Reforms:** Targeted regulatory reforms will increase tourist confidence in the ability of Punjab to better cater for tourist needs and increase competitiveness in the travel and tourism industry by addressing some of the inhibiting factors covered in the international Travel and Tourism Competitiveness Index pertaining to business environment; safety and security; health and hygiene; human resources and labour market; and ICT readiness. Government will address all regulatory bottlenecks that a) adversely affect the enabling environment, b) inhibit reasons for travel, and c) constrain private sector-led growth in tourism sector. Government will address them either directly through provincial regulatory reforms or through actively advocating with the federal governments on issues like visa regimes and international openness, tax incentives, etc. Furthermore, enabling environment will be improved by strengthening the regulatory regime for the hospitality industry.
- **Infrastructure Development:** Government will adopt a coherent and well thought out approach for development of infrastructure related to tourism sector with utmost transparency. The focus of the government will be on developing high quality tourism and support infrastructure, including local transportation as well as tourist service infrastructure, possibly through public-private partnership models, enabling better facilities management and creating sustainable models and involvement of public sector through specialized contractors and better supervision. Government will duly address any concerns regarding environmental degradation, heritage preservation, land zoning, local government regulations, etc. Government will undertake master planning of key tourism sites and will put in place necessary zoning arrangements. Government will also undertake any special institutional or regulatory arrangements that may be required to ensure preservation and management of heritage sites and adjoining areas.
- **Private-Sector Led Growth:** Government of Punjab will ensure a robust private sector-led growth for the tourism sector in the province. Government envisages the primary role of the public sector to provide an enabling environment to promote tourist traffic as well as private investments in the sector and an efficient regulatory structure to ensure that tourists are well served. Government is fully resolved to creating space for private sector to grow, while minimizing the role of government in service delivery, inadvertently distorting competition. Government will create a pipeline of potential investment opportunities and provide all the support such as ancillary infrastructure to make such investments successful.
- **Quality Assurance, Branding and Marketing:** Government of Punjab is fully committed to enforce superior quality standards for various tourism services, supplemented through private technology-driven frameworks and crowd sourcing models to provide credible information to tourists. Government of Punjab will also create a tourism brand identity for Punjab that would depict reliable, safe and quality tourism destination. Government will ensure wider availability of information about its tourism assets, tourist services and other relevant areas as well as dissemination of such information to the targeted audience to create widespread awareness and to facilitate the potential tourists in planning their visits. Government will strive to attract a wider and more

diversified visitor base for the heritage sites and other tourism destinations to provide greater income prospects for these areas while creating a price competitive tourism sector.

- **Skills and Workforce Development:** Skill development is critical for the envisaged transformation of the tourism sector. Government of Punjab is committed to skill development in the province, with adequate focus on tourism sector to ensure availability of well-trained skilled workforce to cater to the projected growth of the tourism sector. Government will endeavor that the workforce in the hospitality and tourism sector should be at par with international standards, not only to create a skilled resource pool for the tourism industry but also to ensure inclusive growth with a special focus on unemployed youth.
- **Safety and Security:** Government of Punjab gives utmost importance to safety and security of tourists and will ensure adequate arrangements all year round accordingly. Government will also take any institutional or regulatory measures, necessary in this regard.
- **Inclusive and Sustainable Tourism Development:** Government of Punjab is committed to inclusive and sustainable tourism development and will ensure a widespread and fair distribution of economic and social benefits accruing from developing the sector and specially enhancing the positive impact of tourism development on lives of women and other marginalized groups. Government will ensure that sustainable environmental management remains central to all tourism development initiatives. Government will also ensure integrating local communities, especially the poor and marginalized, in development of various heritage and other tourism destinations to stimulate growth in adjoining areas.

4 PRIVATE SETCOR AND OTHER STAKEHOLDERS' PERSPECTIVE

A number of stakeholder sessions have been conducted to seek private sector's feedback for tourism sector development in Punjab. A number of other stakeholders were also consulted, during one-to-one meetings. The complete list of stakeholders consulted is annexed at the end.

Box 4.1 – Consultative Approach

Multiple consultations were held with a broad range of stakeholders. Focus group discussions were conducted in Islamabad and Lahore with tour operators as well as with hotel management. There were 8-9 participants in each focus group. In addition, one-on-one meetings were also held with departments relevant to the tourism sector, in Lahore, including: Auqaf, Evacuee Trust Property Board (ETPB), Tourism Development Corporation of Punjab (TDCP), Youth Affairs, Sports, Archaeology and Tourism Department (YASA & T), Walled City Lahore Authority (WCLA), Lahore Development Authority (LDA), Punjab Skills Development Fund (PSDF), Department of Tourist Services (DTS) and Environment Protection Agency (EPA). A field visit to Katas Raj temples was also made by the team to get an insight into the current status of restoration and preservation of heritage sites.

Following issues have especially been highlighted:

Need for Effective Tourism Marketing

Stakeholders feel that the marketing efforts of TDCP and Tourism Department are virtually non-existent and ineffective. A dynamic marketing strategy needs to be developed that targets all tourism segments. It should target adventure, cultural, historical, religious and business tourism for the local and international market. The strategy should encompass various forms of marketing, which include Internet and social media marketing, advertising, trade show marketing, direct and database marketing, affiliate and promotional marketing. A well designed main website should be created to promote Pakistan tourism which should lead to other affiliate websites that give information on all aspects of travel, history, visa policies, hospitality, tourism sites, weather reports, licenses, investment opportunities in the tourism industry and other hospitality and transport services. An example of such a website would be the Sri Lanka Tourism Development Authority (SLTDA) website <http://www.slttda.gov.lk>.

Following international best practice, attractively designed travel brochures etc. should be readily available at airports, hotels, travel agencies, shopping malls, trains and bus stations. Interesting documentaries should be made that showcase attractive tourist destinations, options and opportunities in Pakistan. Tourism sites and surrounding hospitality venues should be packaged together as a highly sellable product. International airports should create a 'welcome experience' for visitors showcasing our hospitable and vibrant culture.

Pakistan tourism needs to go through the exercise of image building and be viewed as a desirable brand. There should be availability of tourist statistics and demographics for direct marketing purposes. To develop, execute and manage the above an appropriate think tank needs to be in place comprising of industry experts. All the above should be outsourced to a

well-reputed marketing/advertising company. The campaigns should work towards creating a soft image for Pakistan. Pakistan literary festival needs to be incorporated in the tourism marketing agenda. Other festivals that celebrate agriculture, harvesting etc. should also be a part of the marketing agenda.

The tourism marketing strategy would have to be developed keeping in view the various types of tourism opportunities available and the type of tourists to target. The stakeholders identified the following target markets:

- Religious, heritage and cultural tourism, such as Sikhs, Buddhists, Hindus and tourists interested in visiting Sufi shrines and 'melas' (festivals)
- Women and youth tourism including student groups from schools and colleges; and women and children
- International tourism; and
- Adventure tourism

Participation in Trade Fairs and Expos

Participation at international trade fairs and expos is highly beneficial to promote tourism and hospitality in Pakistan. There is limited participation currently at such events and the government should create a network of experts that assist in developing a strategy to create an effective presence. There should be representation from the government at the national and provincial level, from all tourism sectors, hotels, tour operators, travel agents, airlines and other transport providers. It is imperative to use a reputed marketing and advertising company to develop these events and market Pakistan to the world. Competent event design and management professionals should be employed to create the exhibition stands and manage them. Examples of such fairs would be ITB BERLIN (Internationale Tourismus-Börse) that attracts more than 11,000 exhibitors from 180 countries and 110,000 trade visitors (Total number of visitors: 180,000) and WTM 2017-World Travel market that attracts more than 50,000 international travel professionals from 190 countries & regions. These activities will contribute towards improving the tarnished image of Pakistan internationally.

Development of Facilities and Infrastructure

The facilities available at tourist areas, roads leading to such areas of interest, transportation, rest areas and toilets all need improvement. These facilities must be safe, clean, abundant and attractive for local and international tourist visits. While developing these facilities women and children's needs should be considered. It is imperative to develop the infrastructure for waste disposal and recycling in all tourist locations. The government needs to address these efficiently for the desired growth in tourism. Recently, signs have been erected for major tourist areas in some cities but many sites have been ignored. There is also neglect or delay in certain projects, which should be addressed in a timely manner. An example of this would be the Waris Shah exit on the motorway, which was built but never opened. Restoration and rehabilitation of historic buildings and sites must be supervised and implemented by experts.

Maps should be readily available at tourist locations as well as on the Internet. Tourist sites that focus on a particular kind of tourism should have other areas of interest developed around them that are revenue generating. The concepts of the areas of interest should be developed by industry experts but should maintain the sanctity of the site in question. For example a religious site must not have commercial activity, which is of no relevance to the environment and compromises the sanctity of the place. At a respectful distance, attractive

lodging and eating facilities could be developed. At an adventure destination a number of nature and adventure inspired sports can be introduced. It is a global phenomenon that outlet malls built in accessible and high footfall areas where there are adequate transportation facilities attract tourists. Such projects would be attractive for the private sector investor. The government and tourism authorities should focus on increasing domestic tourism by improving facilities and developing creative tourism venues, which would lead to an influx of international tourists as well. Moreover, smaller hotels should be built to cater to the needs of tourists from lower income brackets.

Availability of Skilled Human Resource

There is a dearth of skilled labor and management personnel in the tourism and hospitality industry. The quality of education being imparted currently in institutions that claim to specialize in this field is low and unproductive. Diplomas and degrees that are being offered at institutions like ITHM, COTHM, PITHM and the Punjab University are below industry standards. This is due to lack of experienced instructors, availability of funds, limited curriculum, inexperienced administration and no attention to on the job or practical training. International exposure and internship opportunities, which are an integral part of hospitality and tourism training, are not available.

The University of Gujrat is performing well compared to the others and has a focus on skill development via internships. The hotels are training employees on the job and have competent training departments that develop relevant training programs. Public-private partnership is required in building hotel management institutes. Private sector cannot do everything on its own.

Role of Hotel and Tourism Associations

It is essential that both, Pakistan Association of Tour Operators (PATO) and Pakistan Hotels Association (PHA) work closely with the government at the provincial and federal level to promote tourism. They should have representation in the tourism departments/agencies and assist in planning, policymaking and implementation of projects. At the same time the associations need to improve their mechanisms and benchmark against international best practices. The two associations should have productive communication channels with each other, and work together to increase tourism activities that generate revenue for the industry. There should be cross-marketing and relationship-building frameworks between the two associations. Tour operators used to have their kiosks or desks as a presence in hotels but the practice was stopped and needs to be revived.

Role of the Government

The stakeholders voiced numerous concerns on the role the government has played in the past and the policies that currently exist for the tourism and hospitality industry. The government needs to develop progressive policies that encourage sustainable local and international investments. Policies should be formed with the advice of industry experts in the private and public sector. The Hotel and Tourism associations (PHA and PATO) should be run following international best practices and be in the pool of government advisors for policy making and project development. The same experts should be utilized for the implementation and execution of the above. The government should declare tourism and hospitality an industry and prioritize its growth.

The government should review and revise the visa policies and processes, as currently they are not conducive to international tourism. They should offer visa upon arrival and e-visa facilities. The model followed by the Sri Lankan government should be studied and implemented. There should be one government agency responsible for addressing all challenges faced by the tourism and hospitality industry. The agency should have representation in all provinces of Pakistan.

The tour operators should be able to operate nationwide with one license, which is not the case currently. The hospitality and tourism sector should have ease in attaining licenses and not have to struggle with innumerable departments to manage operations. Here again the Sri Lanka model should be reviewed in which the Sri Lanka Tourism Development Authority (SLTDA) has a very effective website (www.sltda.gov.lk) that has links to various related websites, one being the Online Tourism Business Licensing Service (OTBLS) which is the one stop shop for applying, registering and renewing tourism business licenses. NOCs and such government related documents that are a requirement to hold events should also be easy to acquire.

The government should also review and revise curricula in schools and colleges to include information on our rich heritage, historical, cultural and religious sites and their significance. There should be chapters in Pakistan Studies on tourism to promote the country as a beautiful and rich land to the youth.

Security challenges have been a huge hindrance for development and growth in the tourism industry. The government has been working hard to rectify this situation and must continue to do so. Promoting inter-faith harmony is an integral aspect to be addressed by the government. This should be a part of the marketing campaign for tourism.

Certain essential industry regulations and processes need to be in place, which are necessary for guests' safety. There should be government regulations to ensure that there are working fire exits and fire fighting equipment in hotels and other hospitality related businesses. Fire training and certifications should be compulsory in the hospitality sector and regular fire drills must be conducted. There should be regular checks on this by regulatory authorities. Other regulations should include hygiene, safety and hazard control practices that are also supervised by authorized regulatory bodies. Only licensed tour operators should be allowed to conduct business in the country. The government should also look into enforcing rules of compliance to set quality standards in the industry.

Mobilizing Private Investment

There is a need to mobilize private investment in the sector. Some ideas floated by private sector stakeholders are:

- Qualified individuals with extensive experience in tourism or hospitality should be leading relevant government agencies and institutions.
- Equipment for hotels and restaurants should be tax-free.
- Land parcels at key tourist locations should be leased out to the private sector at attractive rates for project development.
- Tax incentives should be given to the private sector, for example no taxation on new projects for a specified period.
- Current taxation should be revised. It is at 17% compared to a low 4-5% in Sri Lanka and Bangladesh. Also the 5% advance tax on banqueting in hotels should be eradicated.

- Attractive loans should be offered to small businesses. An interesting example of this would be loans to local craftsmen and souvenir shop owners to promote new product design and development. There is a dearth of attractive craft for local and international tourists.
- There should be one agency for all licensing that should also assist in dealing with departments like WAPDA, LDA etc. so as to minimize bureaucratic obstacles in developing new hospitality projects.
- Revenue generating activities, for example the business of selling alcohol to non-Muslims and tourists, and developing attractive venues for the activity should be revived.

There was a general consensus that an organization is required that takes tourism initiatives and promotes the tourism sector. All stakeholders were strongly of the view that councils for hotels and tour operators need to be restructured, responding to needs of the market and comprise of private sector.

Draft

5 GLOBAL INSIGHTS

It is important to draw insights from other countries and review how tourism sector is being managed there. These findings have also informed the proposed institutional reforms for Punjab.

World Tourism Organization (UNWTO) and World Travel and Tourism Council (WTTC) has conducted number of surveys on changing role, structure and activities of National Tourism Administrations and the involvement of governments in tourism. In recent years there has been shift in the role of governments and there is an increasing sing of withdrawal from actively being involved in the marketing and promotion of tourism and distinct move in handing over the day to day management and promotion of tourism to the private sector. This has resulted in the surrendering of the number of government's traditional responsibilities and activities in the field of tourism in favors of both local authorities and the private sector.

However it is generally accepted that for tourism to develop in a sustainable and orderly manner, an appropriate physical and regulatory framework is required. This can only be provided by the government. Government is also responsible for the provision of the basic physical infrastructure necessary for tourism such as roads, airports, communications, power, water, sanitation and other infrastructure. Government is also responsible for creating the legal framework within which the tourist industry operates. Image building can also be defined as a government role as a country's image is seen as an integral part of overall economic development. Tourism is an important source of foreign exchange and a generator of employment; so many governments consider image promotion a legitimate partner in the development of export markets.

To some extent the shift away from active involvement in tourism by governments is motivated by factors specific to their own national constraints. One of the main concerns is the increasing demand on public sector budgets and how they can justify continued use of taxpayers' money to support and promote tourism development when there has generally been a decline for such funding and support for other industries.

A number of countries are also concerned that the effects of government assuming a promotion and marketing role, which is seen in some countries as a private sector responsibility, may be an inappropriate allocation of government funds. Governments do not make good marketing bodies. Due to government's slow and bureaucratic administrations, they are slower and less responsive and entrepreneurial then they should be. As a result they are looking more and more to the private sector to take a more involved role in all aspects of tourism management and promotion.

The current trend in almost all regions of the world is towards public-private sector partnerships with the government providing the legal and regulatory framework and the private sector managing and marketing the tourism export product.

Where governments have eased themselves out of the director responsibility for tourism, varied forms of structures have been set up, from National Tourism Administrations, National Tourism Organizations to National Tourism Boards, Tourist Authorities etc. It is not the title, which matter, rather it is the function and authority and power vested in them that matters. A number of NTOs are statutory bodies, which means that they have greater power and influence in the tourism decision-making process than government departments. They

contribute to policy formulation and have wide powers in licensing and control (including grading of the hotels etc.) as well as responsibility for human resource development, environment and development. As an example of the extent to which the private sector is now being vested with all aspects of tourism is that the Bord Failte, the Irish Tourist Board, who now contract out all their publications and hotel classification to the private sector.

Despite some regional variations, current thinking even in the less developed countries of the world is that while governments should be more responsible for the development of tourism infrastructure, they should dissociate themselves of any interests they might have in tourism's commercial operation. In fact their role should be no longer be to intervene directly in the development of their countries tourism industry, but should be more that of a catalyst; stimulating market growth and supporting the private sector with fiscal and other incentives for investment.

At the same time as this change in thinking is taking place, there has also been a rationalization of government responsibilities and activities in management of tourism, with a growing preference for the separation of promotion and marketing activities from policy and regulation. Increasing autonomy is being given to statutory bodies with private sector management to assume full responsibility for marketing, planning and promotion of tourism.

Moreover, tourism is not yet in a position to promote itself internationally in a fragmented provincial manner until the image of a country has penetrated the market. As a consequence any provincial tourism promotional activity in the absence of a National Tourism Organization can confuse and dilute the efforts of an overall country promotional policy. Also, there is an inherent danger in a decentralized system of the likelihood of overlapping and duplication of efforts.

The matrix given below shows that for tourism sector to thrive and develop in a sustainable manner, governments need to provide a supportive physical and regulatory and fiscal and social environment, which is conducive to business development. This means provision of adequate infrastructure, incentives for private sector investment, intelligent taxation, good transport connectivity and visa facilitation and appropriate policies to encourage growth in demand.

Although economic importance of tourism is now widely recognized by governments around the world, the sector often suffers from a lack of coordination between different departments and agencies. This can result in conflicting policy decisions. Governments that seek to adopt a holistic approach to develop and manage tourism sector are far more likely to develop coordinated policies in support of the sector. And those that welcome, and even encourage, the input of the private sector into strategic planning and policy-making are helping to ensure a more balanced development of tourism.

Table 5.1 International Examples for Tourism Institutional Frameworks

Country	Ministerial Responsibility Of Tourism Management at National Level	Federal Government Supporting Agency	Allied departments and agencies	At State level responsibility of Tourism Management	Stakeholder Consultation and Cooperation
Australia	Within the Australian Government, responsibility for tourism policy, programmes and research now rests with the Ministry for Trade and Investment .	Tourism Australia is the Australian Government agency responsible for international tourism marketing, as well as for market, events and business tourism development. It has 12 overseas offices covering 17 markets around the world.	Tourism Research Australia (part of Austrade) provides statistics, research and analysis to support industry development, policy development and marketing for the Australian tourism industry	At state level, policy is led by the State Tourism Organizations (STOs)	<p>Tourism Ministers Council (TMC). Inter-ministerial/departmental to ensure whole-of-government approach to tourism development.</p> <p>National Tourism Alliance (NTA). National advocacy forum for STOs and industry associations.</p> <p>Regional tourism industry councils, eg Queensland TICb . Peak bodies – industry membership organisations /associations that advocate with government</p> <p>Australian Standing Committee on Tourism (ASCOT). Forum for senior officials from government departments and agencies.</p> <p>Tourism and Transport Forum (TTF). National CEO forum of top 200 companies representing the T&T industry formerly the Tourism Task Force</p> <p>Australian Tourism Export Council (ATEC). National inbound T&T industry membership body – formerly the Incoming Tour</p>

					Operators Association which changed its name in 2000
Australia remains one of the best examples worldwide of a government adopting a full stakeholder approach to Travel & Tourism development and management. A significant aspect of Tourism 2020 Strategy is its role in driving co-ordination across a number of Australian Government departments and agencies – a whole of-government approach – in consultation with the industry. Tourism 2020 Priorities are updated annually and endorsed by the TMC, and the action plan is updated regularly with all stakeholders having important roles to play in its implementation.					
France	<p>Following numerous changes over the past 20 years or more, responsibility for Travel & Tourism in France now rests with the Direction Générale des Entreprises (DGE) (Directorate General for Enterprise) within the multiple portfolio Ministère de l'Économie, de l'Industrie et du Numérique (Ministry of Economy, Industry and Digital Affairs).</p> <p>It is the state's role to define national tourism policy and establish the legislative and regulatory framework.</p>	Conseil de Promotion du Tourisme (CPT – Tourism Promotion Council)		<p>The Conseil Régional (Regional Council) draws up medium-term objectives for regional tourism development as part of a regional tourism and recreational development scheme, and each region sets up a Regional Tourism Committee (RTC) responsible for promoting tourism.</p> <p>The Regional Council is responsible for collecting, processing and disseminating data on tourism in the region and for co-ordinating, within the region, public and private initiatives in the field of tourism development, promotion and information.</p>	<p>National Council for Tourism (CNT) formed 1910. Dormant Inter-ministerial Committee for Tourism formed in 1964. Disbanded</p> <p>Tourism Promotion Council (CPT) formed in 2014. Public-private sector consultative body</p>
In addition to maintaining its number one position in the world ranking of top international tourism destinations, France has also long been considered as one of the world leaders in terms of its effectiveness in Travel & Tourism governance. The creation of the Tourism Promotion Council, chaired by the high-level Minister of Foreign Affairs, and which is reportedly meeting regularly (last meeting in July 2015) and on a frequent basis, may represent a new turnaround in the government's commitment to Travel & Tourism.					

<p>Japan</p>	<p>The Japan Tourism Agency (JTA), established in October 2008 as an extra-ministerial bureau of the Ministry of Land, Infrastructure, Transport and Tourism, oversees the administration of the tourism policy. The agency, led by a Commissioner, represents the government of Japan in all matters concerning tourism. Promotion of Japan as a tourism destination is conducted in co-operation with the public and private sectors. In June 2013, the government set as a new target the objective to attract 20 million international visitors by 2030. The Tourism Strategy and International Tourism Divisions were formed to bring together policies necessary to achieve this goal. In addition, an Inbound Policy Promotion Office was created.</p>				<p>A Tourism Council, which came into effect in April 2013 under the arrangements of JTA. Members of the Council, a maximum of 15, are appointed by the Commissioner of JTA from among individuals who possess knowledge and experience relating to the field of tourism. Their term of office is initially for one year, but they can be re-appointed for a further term. In June 2013, the Ministerial Council on the Promotion of Japan as a Tourism-Oriented Country, hosted by the Prime Minister, approved a new tourism strategy,</p>
<p>Japan's tourism sector has performed strongly since 2012, when it was severely impacted by the Tohoku seaquake and tsunami. International tourist arrivals have recorded double-digit growth of 25% or more per annum (and +45% in the first four months of 2015) and tourism receipts have shown even more impressive increases. The recovery in demand has been driven in large part by the depreciation of the Japanese yen, which has now fallen by over 50% in value against the US dollar since 2012. But, in addition, the recovery in demand can be attributed to the Japanese Government's efforts to revive Travel & Tourism, to ease visa restrictions, to facilitate visa processes and procedures for those nations</p>					
<p>India</p>	<p>The Ministry of Tourism is the nodal agency for the formulation of national policies and programs' and for the co-ordination of activities of various central government agencies, state governments</p>	<p>India Tourism Development Corporation (ITDC) was set up in 1966 as a public sector organization to undertake the major responsibilities of tourism development in the country</p>	<p>In 1980, Tourism Finance Corporation of India was established and National Synergy Program was initiated by the government to develop and promote</p>	<p>State Department and Corporations</p>	<p>National Committee on tourism in was established by Planning Commission in July 1986</p> <p>The Ministry of Tourism constituted a National Tourism Advisory Council as an advisory body to the ministry,</p>

	and the private players for the development and promotion of tourism in the country.		tourism in the country.		with an objective to act as a 'Think Tank' and advice the government on various policy matters relating to tourism. The council chaired by the minister of the state, has members from the central ministries, union ministries, tourism experts from the private sector and representatives of various industrial associations in the tourism and related fields.
<p>Over the years India has develop its tourism sector on strong footings through a well-balanced public private partnership approach. The first Tourism Policy was announced in 1982 and the second Tourism policy was launched in 2002. 'Incredible India Campaign' launched in 2002 and 'Atithidevo Bhava' launched in 2008 were the two major initiatives taken by the Indian Tourism to market the tourism wealth of the country on national and international level. There is a tremendous growth in tourism industry due to the various initiatives taken by the central government and state governments.</p>					
Indian Punjab	The department of tourism in Punjab is responsible for tourism development	Punjab Heritage and Tourism Promotion Board established in 2002. It is registered as a public charitable trust with main objective to take all necessary steps for planning, coordination, implementation and propagation of all activities, events, projects and other matters connected with the conservation, preservation, dissemination and documentation of the cultural heritage of the state in its all forms and for the development of state tourism in an effective way.			<p>Launched state tourism policy in 2003</p> <p>Punjab Tourism Maser Plan 2008-2023</p> <p>The members of the Punjab Heritage and Tourism Promotion Board include the finance minister, the chief secretary, the tourism and cultural affairs minister together with a number of administrative secretaries. Seven private sector members are also provided for participation in the board.</p>

<p>Tourism planning in India as well as in Punjab basically started after 2002 as major changes are noticeable in the growth of national and state tourism sector during this period. On the whole, the last phase (2012-17) can be considered as a period of remarkable achievements in the field of tourism in the state as well as in the country.</p>					
<p>Malaysia</p>	<p>Ministry of Tourism and Culture (MOTC) Agency for the formulation of national policies and programs' and for the co-ordination of activities of various central government agencies. The Ministry of Tourism and Culture is the authority that enforce and implement provisions in the Tourism Industry Act, Tourism Vehicles Licensing Act including regulations made thereunder. Operators are required by law to register and/or licensed before beginning tourism related business activities.</p>	<p>Malaysia Tourism Board It is responsible for the marketing and promotion of domestic as well as foreign tourism and develop effective coordination with private sector stakeholders. Membership from key government departments and private sector trade associations. Executive team is led by DG and have highly professional team working under him.</p>	<p>Malaysia Tourism Quality Assurance (MyTQA) is the initiative of the Ministry of Tourism and Culture to improve the quality of service and facilities for tourism products in Malaysia. It encourages a Tourist First approach to customer service.</p>	<p>Regional tourism departments</p>	<p>Tourism Malaysia also works with other agencies under Ministry of Tourism and Culture Malaysia. These include prominent organizations that are the supporters of our national cultural heritage and historical treasures Tourism Malaysia also works with following travel trade association to effectively engage private sector Malaysia association of tour and travel agents Malaysia association of hotels Malaysia association of hotel owners Malaysian Inbound tourism association</p>
<p>In Asia, Malaysia is one of the best examples government adopting a pro-active approach to develop Travel & Tourism and develop tourism infrastructure. Various initiatives of of MOTC and</p>					
<p>Nepal</p>	<p>Ministry of Tourism, Culture and Aviation having HRD and Promotion division, Planning Division, Aviation division, Aviation Security division, Culture Division and legal division</p>	<p>Department of Tourism</p>	<p>To support the development of tourism industry, Ministry of Tourism and Culture Malaysia offers mortgage assistance through Tourism Development Infrastructure Fund.</p>		<p>Various development committees are working under the MOTCA. Different tourism trade association are also actively engaged in consultation process.</p>
<p>Tourism reaches into the varied aspects of Nepalese life and its benefits are encompassed by diverse sectors directly and indirectly. It generates employment opportunities and helps in the promotion and conservation of the art and culture. Government of Nepal has been actively promoting tourism in Nepal and has always encouraged the private sector for their</p>					

involvement and participation. The Ministry of Culture, Tourism & Civil Aviation (MOTCA) gives equal importance to conservation of natural, cultural and human resources.					
Sri Lanka	MINISTRY OF TOURISM DEVELOPMENT and Christian Religious Affairs	<p>In 1966, the Ceylon Tourist Board (CTB) was Created to promote rapid economic development, through the development of foreign tourism. It is a statutory body that allowed greater freedom in decision-making and flexibility in financial management.</p> <p>The Sri Lanka Tourism Development Authority (SLTDA) was created in 2005. It creatively uses its products, while ensuring optimization of resources to efficiently and effectively serves the industry. Some of its activities include identifying and developing tourist specific, unique products and services, formulating and implementing Tourism Development Guidelines, and facilitating and implementing the legal and administrative process for new product and service development.</p>	<p>In October 2007 the Tourism Act No 38 of 2005 came into effect. With the circulation of the new Tourism act, the Sri Lanka Tourist Board Act No 10 of 1966, which was in effect for the past 41 years, was replaced.</p> <p>In terms of the provisions contained in the new act, the Tourism Development Fund was legally constituted, with 2 main sources remitting finances to the fund. By way of 1/3 of the Airport Tax collections and 1% of the Turnover of all Sri Lanka Tourist Board registered establishments. The Act provided for the setting up of the Sri Lanka Tourism Development Authority, Sri Lanka Promotions Bureau, Sri Lanka Convention Bureau and Sri Lanka Institute of Hotel Management, thereby replacing the Sri Lanka Tourist Board.</p>		<p>Sri Lanka Tourism Promotion Bureau, it plays the key role in the promoting and marketing Sri Lanka as a tourist and travel destination both in local and international market.</p> <p>Sri Lanka Convention Bureau, The activities of the Bureau included liaising with the industry, Sri Lankan Airlines and all other institutions connected with MICE tourism.</p> <p>Chamber of Tourism and Industry of Sri Lanka</p> <p>The Association of Small and Medium Enterprises in Tourism Sri Lanka, popularly known as ASMET, was founded in 2005</p> <p>Sri Lanka Institute of Tourism and Hotel Management</p>
Sri Lanka is a small country but has paid special attention to develop its tourism sector. Highly committed public sector and well-coordinated approach to engage private sector has given boost to tourism industry in country where tourism has passed through number of critical phases in the past.					
Thailand	Ministry of Tourism and Sports (MoTS)	Tourism Development Authority	In 2008, the Act of National Tourism Policy, B.E. 2551 was promulgated for the reasons that the national tourism	Regional Tourism Development Committees.	The Council of Ministers National Tourism Policy Committee

			<p>polycymaking and tourism administration had been under administration of various government agencies, lacking integration and resulting in aimless and discontinuous administration and development.</p>	<p>Rep. of Tourism Org., Rep. of Local Adm. Org. , President of the Chamber of Commerce, Rep. of Tourism Industry, Expert and Rep. of Regional MOTS are its member</p>	
<p>Thai government has given special attention to develop tourism sector in the country. Tourism has played an important role to the Thai economy as the revenue derived from tourism industry represents approximately 6.2 percent of Thailand's GDP in 2010</p>					

6 PROPOSED INSTITUTIONAL & REGULATORY REFORMS

The institutional mapping for existing arrangements reveal a number of issues in how these institutions are working, ranging from lack of coordination and synergy to no private sector focus and from creating market distortions to a virtual absence of a standards and quality assurance regime. These sub-optimal arrangements are in stark contrast with the policy objectives of the government to stimulate growth and investment in the sector and to adopt a private sector-led approach. Consultations with stakeholders have further highlighted this gap and have indicated market expectations from government to create an enabling environment and facilitate the private investors. These expectations are also in line with what's happening in other countries. Governments gradually are giving way to private sector not only for running commercial operations for tourist services but also for marketing and promotion. Moreover, governments are focusing on instituting enabling frameworks for this to happen through well-coordinated holistic institutional regimes. As articulated in its principles of policy, Government of Punjab is committed to create robust institutional capacity and regulatory regime to promote tourism sector in the province. In order to do this, there is a need to calibrate the present institutional structure to align with what's needed for private sector-driven growth in the sector.

6.1 Key Principles for Institutional Reforms

It is proposed to undertake institutional reforms in three areas – ensuring federal-provincial coordination and alignment, strengthening core governance capacity within provincial government for managing tourism sector; and embed private sector-led growth:

Federal-provincial Coordination and Alignment

- Undertake active advocacy efforts with federal government on key institutional issues in the wake of 18th Amendment
- Coordinate with other provinces for alignment on critical policy issues
- Create limited but sector-focused institutional capacity in federal government for taking up relevant regulatory and policy issues

Strengthened Public Sector Capacity For Tourism Sector Management

- Adopt a sector-approach with a cross-departmental oversight mechanism to ensure that there are synergies across various initiatives
- Create a stakeholder-led management structure to facilitate tourism in selected thematic areas rather than traditional public sector-led approach
- Strengthen the core institutional capacity of the provincial government for policy making and implementation
- Create specialized capacity in the government to manage heritage sites

Supporting Private Sector-Led Growth

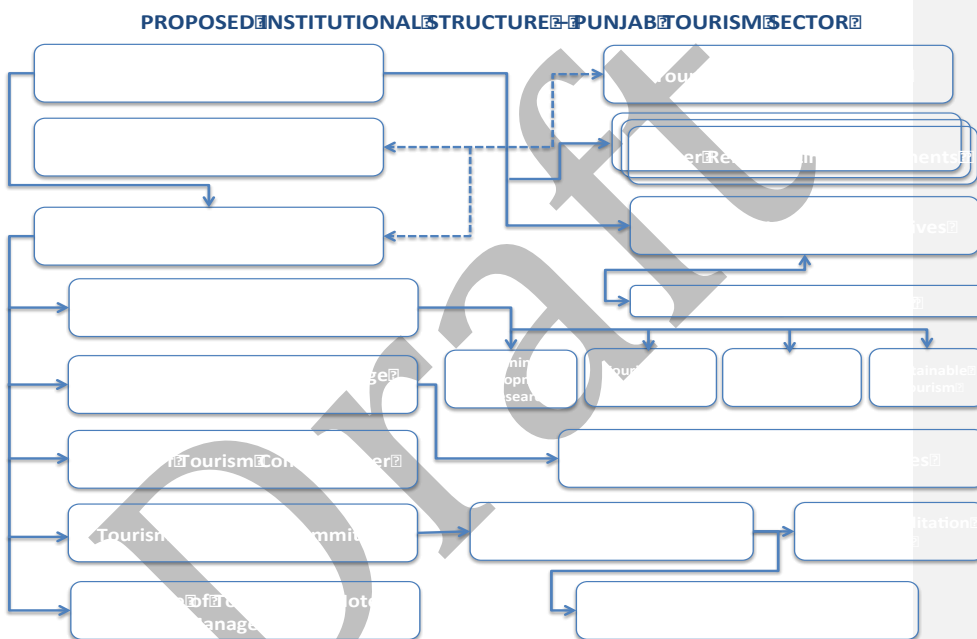
- Develop adequate capacity to promote private investment in the tourism sector
- Support investments in the sector through effective institutional means
- Support skills development through strengthening existing public sector institutions for developing market-based skills
- Mobilize private sector to create a responsible and responsive tourism industry
- Develop regulatory structures to support sustainable tourism; and

- Remove any distortions in the market, which discourages or prevents private investment in the tourism sector

6.2 Proposed Institutional Structure

Following institutional structure has been proposed to meet the above-mentioned objectives in all three areas for tourism sector management, in line with the principles of policy, stakeholder views and a review of institutional regimes in various countries.

Figure 6.1 Proposed Institutional Structure for Tourism Sector



6.2.1 Federal-Provincial Coordination and Alignment

Tourism Cell in IPC Division

Interprovincial Coordination Division, Government of Pakistan, is mandated to undertake general coordination between the federal government and the provinces in the economic, cultural and administrative fields. IPC Division is supposed to promote uniformity of approach in formulation of policy and implementation among the provinces and the federal government in all fields of common concern. Besides the Division is also the secretariat for Council of Common Interests. However, due to such a broad mandate, it is difficult to focus on sector-specific issues. In order to prioritize tourism on its agenda and to actively drive reforms in the sector, there is a need to establish dedicated capacity in IPC Division for the tourism sector, possibly in the form a Tourism Cell. The Cell should be able to coordinate

with all provincial tourism departments and agencies and drive the regulatory agenda at the federal level, after discussion and decisions in CCI.

Inter-Provincial Tourism Coordination Working Group

There are a number of issues affecting the tourism sector, which pertain to the federal government such as visa policy, air travel, railways, national branding, etc. There is a need to have a consensus amongst provinces on these key issues and to take up these issues formally with the federal government. While the Constitution provides the forum of Council of Common Interests to resolve such issues, supported by the Inter-provincial Coordination (IPC) Division, there is a need to have detailed deliberations before these issues are raised at that level and provinces should ideally have active advocacy capacity to support their demands. Besides there are many other issues, which pertain to more than one province but can be amicably resolved mutually without the involvement of the federal government.

In order to start a regular discourse on these national and inter-provincial issues affecting tourism sector, it is proposed to establish an Inter-Provincial Tourism Coordination Working Group. The Group will be used to highlight various issues relating to the tourism sector, deliberate on such issues and possible policy choices, promote uniformity of approach in formulation of policy and implementation amongst provinces and devise strategy to take these issues up with the federal government effectively.

The terms of reference for the proposed Inter-Provincial Tourism Coordination Working Group may include the following:

- Exchange views on a regular basis on developments and trends in tourism creating challenges and opportunities for provinces
- Identify areas that require complementarity and synergy
- Initiate and pursue cooperation in the implementation of activities and replicating and scaling up of best practices in tourism sector amongst provinces
- Liaise with federal government, CCI, IPC ministry and other relevant agencies/departments regarding various aspects affecting the tourism sector

Evacuee Trust Property Board

There is a need for the provincial government to takeover the heritage assets from ETPB, as per the legal mandate. More details on this are covered in the proposed regulatory framework.

6.2.2 Strengthened Public Sector Capacity for Tourism Sector Management

Punjab Tourism Council

Given the vast institutional landscape, it is proposed that the government should adopt a sector-approach with a cross-departmental oversight mechanism to ensure that there are synergies across various initiatives. This oversight mechanism may be provided through proposed Punjab Tourism Council, which should essentially be a stakeholder-led management structure to facilitate tourism in selected thematic areas. The Council should have representation from all relevant government agencies as well as from private sector. This Council should be a permanent institutional measure, preferably a statutory structure

or as a duly approved policy measure, to create a partnership between the government and the private sector, make the public sector policies for the tourism sector more responsive and to provide an objective forum to set the quality standards and ideally a recourse to private sector if they have any complaints.

The Punjab Tourism Council should have representation from all relevant government agencies such as Tourism, Local Government, Information, Communication & Works, Planning & Development, Finance, Housing & Urban Development, Transport, Home and Environment. The CEO of Punjab Board of Investment and Trade and Punjab Skills Development Fund should also be members. From the private sector, the Council should have adequate representation from hotel industry, travel agents, tour operators, restaurants, etc. The Council may be headed by the Minister for Tourism and should be supported by the provincial Tourism Department as its secretariat. The Council may be given a legal cover through a new statute, empowering it adequately. While the government representatives should be ex-officio members of the council, the private sector members should ideally be nominated from respective industry associations on a rotating basis.

Punjab Tourism Council will be a super institutional structure at sector level for overall coordination of the sector, with involvement from stakeholders, overseeing all relevant agencies. The terms of reference for the proposed Punjab Tourism Council may include the following:

- Approve sector plan prepared by the provincial Tourism Department and provide a forum to monitor progress and solicit support from various provincial agencies for its implementation
- Coordinate various issues of tourism sector pertaining to other provincial agencies and ensure that their policies and actions are aligned with tourism sector plan
- Advise the government on various policy issues and choices relating to tourism sector
- Guide the provincial Tourism Department in its endeavors to develop and support the tourism sector in Punjab
- Regularly seek views from stakeholders including tourists and private sector and provide recommendations for making the sector more responsive to needs of tourists and private sector
- Approve provincial quality standards for private sector players operating in various segments of the tourism sector
- Validate regulatory reforms proposed by the government, before they can be approved/notified
- Provide an alternate dispute resolution, for resolving disputes regarding enforcement of quality standards, regulations and for any issue regarding public private partnership projects between government and private sector

Tourism Department

The provincial Tourism Department should be strengthened so that it can take an effective role for policymaking and implementation. The present Department of Tourist Services can either be transformed into an independent department or could be turn into a robust entity within the overall umbrella of Youth Affairs, Sports, Archaeology and Tourism Department, but with a high quality talented head of DTS. However, even as a sub-department, it should not be limited to tourist services.

The Department should develop the sector plan for tourism and develop the requisite capacity to implement it. While the Punjab Tourism Council will be mandated to oversee the whole sector, the provincial line department's role would be to be in the driving seat role. Punjab Tourism Department would also be the custodian of the tourism policy and should act as the implementation arm of the government in this regard.

More specifically the Department should perform the following additional functions, other than the usual tasks performed by it:

- Develop detailed tourism policy for approval of the cabinet in the light of approved principles of policy
- Develop the sector plan for tourism and present it to Punjab Tourism Council
- Formulation of tourism sector policies, programs and projects, in line with principles of policy and sector plan and implementation of such projects and programs
- Develop a resource mobilization plan to support tourism sector including promoting private investments and public-private partnership projects
- Develop and promote adequate, attractive and efficient tourist services, inclusive of the hospitality industry in a sustainable manner
- Develop a mechanism to register (or track) tourism businesses to ensure tourist safety and compliance with quality standards
- Assess tourism skills market needs and devise a strategy to address the skill gaps
- Review the available data and statistics availability for the tourism sector and develop a mechanism to address information gaps and provide a repository for data for tourism sector planning
- Drive the Inter-Provincial Tourism Coordination Working Group through its initiation and regular meetings
- Coordinate with IPC on tourism sector issues related to federal government
- Work as secretariat to the Punjab Tourism Council and provide guidance to the Council on issues pertaining to tourism sector
- Advise the government and initiate package of appropriate regulatory reforms for the sector as well as coordinate with other departments on business environment reforms

Tourism Delivery Unit

Considering the existing capacity of the department and cumbersome procedures to induct new talent and capacity, it is proposed to establish a Delivery Unit in the Tourism Department, which should act as the implementation wing of the Department. Similar units have already been working in various line departments in Punjab for programs and project implementation. There should be a separate budget line for the unit and it should provide a platform for induction of high quality talent on market-based salaries. Any technical assistance provided by international development partners should also be channeled to this unit.

In particular, the Tourism Delivery Unit should have following functions/wings:

- Sector Planning, Development and Research
- Tourism Skills Development
- Tourism Project Implementation
- Sustainable Tourism

Other functions/wings can also be established, based on evolving needs.

Office of Tourism Commissioner

Presently, there is no special institutional structure to regulate the standards and ensure compliance and quality assurance for tourism sector. It is proposed to establish Office of Tourism Commissioner under the Tourism Department to regulate the sector. Functions of the proposed Office of Tourism Commissioner would include:

- Develop standards for the hotel and restaurants industry for adoption by the Controller of hotels and restaurants, after due approval by proposed Punjab Tourism Council
- Support rating of restaurants and hotels
- Identify tourism potential of areas and events
- Work closely with spatial planning and land use authorities to advise them on the affect on tourism of their development control decisions
- Notify areas of tourism potential due to their beauty, urban design characteristics etc.

6.2.3 Specialized Institutional Capacity for Managing Heritage Sites

There is a need to develop specialized capacity to manage heritage sites and surrounding areas. Lahore Walled City Authority has been one such organization that has successfully managed the old city area of Lahore. Potentially, this function can also be given to Lahore Walled City Authority with enhanced mandate. Alternatively, government can also create a new organization, especially for this purpose.

The government would need to declare selected areas as 'heritage zones' and should take them out of normal local government purview and instead should be given to this specialized agency to manage³⁶. The agency should be responsible for zoning, commercialization, municipal arrangements and land use of such zones. The agency should also fully comply with international guidelines for preservation of heritage sites by UNESCO or any other organization.

For local management of sites, there is a need for specialized site-specific entities, working under this umbrella body, possibly as special purpose vehicles. These SPVs can also have contractual or other relationship with PSGPC and Gurdwara management committees.

³⁶ Please see Annex for a detailed note on Culture and Heritage of Punjab

Box 6.1 - UNESCO Guidelines for Heritage Sites

The World Heritage system identifies the State to hold primary responsibility for a heritage site. It considers management success to depend on the political, social, institutional and economic context of the specific property. There has been a shift in the heritage sector from simple physical protection to a more layered approach to management that takes into account social, economic and environmental concerns and provides a basis for giving the heritage site a function in the life of the community. However, this holistic approach has made the management of these sites very demanding.

According to Article 5 of 1972 World Heritage Convention, the State must undertake effective measures for conservation and protection of heritage sites. These measures include taking on necessary legal, scientific, technical, administrative and financial processes. The State must set up services with trained and relevant staff to ensure the correct execution of its functions. It must conduct research to work out operating methods that will help counteract the dangers that threaten its cultural or natural heritage.

According to UNESCO, three elements are necessary for managing heritage sites. These include a legal framework, an institutional framework and resources to deploy for its operations. For an effective legal framework, it is necessary to have a proper inventory, site demarcations and a clear directive to work with different departments. Provisions must be made to integrate sustainable local development concerns so that the benefits of such a site are shared with the local community and they feel a responsibility towards it. For a strong institutional framework, there is need for decentralization of power in order to bring decision-making closer to the heritage properties and for ease of problem solving. There is also the need to overcome the challenge of multiple organizations, which create the risk of overlap (wasteful repetition), poor accountability and reduced transparency. The right framework should encourage an open organizational structure and sufficient operational capacity to promote an integrated approach, which encourages stakeholder involvement. For efficient deployment of resources, it is important to ensure transparency (regular audits, standard review procedures, quality financial reporting, open-book approach, where possible) and accountability (clear distribution of responsibility and communication channels). There is also need for sustainable investment in natural, human and social capital. In particular, care should be taken to avoid institutional memory loss when fixed in-house expertise is reduced in favor of periodic outsourcing.

Restoration of sites: According to the Nara Conference, organized in co-operation with UNESCO, International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) and International Council on Monuments and Sites (ICOMOS), the key factor in restoration is maintaining authenticity of the heritage site. For assessing all aspects of authenticity of a site, the knowledge and understanding of the values associated with the heritage of that site is of utmost importance. This includes understanding what is the source of form and design of the site, materials and substance used, function, traditions and techniques associated, location and setting, and spirit and feeling, and other internal and external factors. Therefore, the respect due to all cultures requires that heritage properties must be considered and judged within their own cultural contexts. Without this understanding, conservation and restoration planning cannot take place.

Note: The example of Katas Raj can be used to demonstrate that restoration without understanding the values and the history associated with the heritage site can lead to restoration, which affects the authenticity of the restoration. This includes the use of marble on the floors or using modern paints on the façade. Though an expert's opinion would be better served to elaborate on this.

Pakistan Sikh Gurdwara Prabandhak Committee

As explained earlier, PSGPC is responsible for maintenance and upkeep of Gurdwaras as well as performance of religious rituals on special occasions and festivals. In addition, there are localized Gurdwara management committees. PSGPC is also managing multiple accounts for various purposes.

It is proposed that present role of PSGPC and site-specific Gurdwara Management Committees should be kept intact and in fact be strengthened to keep the stakeholders informed and involved. There is a need to formalize the structure of these committees and move towards corporatization, with better financial management systems.

Ancillary Departments

There is also a need to work with other relevant line departments. While the Punjab Tourism Council would provide an apex platform to ensure such synergy, at the department level, a detailed institutional review study should be undertaken with special reference to tourism sector. The scope of this study should include Auqaf Department, Environment Department and Local Government Department. Besides undertaking this study, there is a need to immediately establish a Heritage Tourism Cell in Auqaf Department to take stock of various heritage sites managed and devise a plan for promoting tourism.

Box 6.2 - Preserving the Past to Invest in the Future

To ensure tourism highlights all aspects of Punjab's culture and heritage, while maintaining its integrity, following are some recommendations:

- Pakistan has no heritage charter at the national level. A charter should be developed to guide the management of heritage sites. Pakistan can follow examples of charters developed by Australia and China.
- Before any action is taken to implement a tourism policy, a baseline survey should be carried out to identify all sites, which can be mapped using GIS. Data on current conditions is imperative to plan for restoration and associated costs. Such periodic needs assessment should be built into the framework of the relevant authorities responsible for the sites. Currently, there is no such formal mechanism.
- Urban planning of cities should be sensitive to the needs of a tourist and to the heritage of the city.
- Restoration and preservation of heritage should not just be limited to the sites but also include uplifting of the surrounding areas. By-laws should take into account the need for preserving these sites.
- Municipalities should be sensitized to the significance of conservation. Countries like Turkey have a conservationist in their municipalities to advise them on issues related to preserving heritage.
- Cities, with a rich heritage, can also be declared as heritage cities. By laws can then be developed according to the city's needs. This model would work like the Walled City Lahore Authority.
- A website with a calendar of all cultural activities in collaboration with Arts Councils, art galleries, craft centers and local music industry can be designed. This can include festivals and melas. Local craft's workshops, food places, mango gardens, can also be highlighted a tourist attraction.
- Some heritage properties can also be re-used for cultural purposes. One such example is the Ustad Daman Academy that faces Badshahi Mosque. These places can be supported and transformed into small museums with some cultural practices like discussions, talks, and other art activities. The community and other small groups involved in culture industry and cultural practitioners can collaborate with the tourism department to run these places.
- Culture and heritage should be highlighted in school curriculums and programs should be initiated that teach material sciences, art history and conservation.
- Routes/circuits of shrines and gurdwaras should be formed for tours.
- Sikhs should be involved in the process, wherever restoration of Sikh sites is undertaken

6.2.4 Institutional Capacity to Implement Religious, Cultural & Heritage Tourism Project

Proposed Institutional and Implementation Arrangements of the Project

A Project Implementation Unit (PIU) will be anchored in the Punjab Resource Management Program (PRMP) under the P&DD, which coordinates all development policy programs in the Punjab Province. This arrangement is due to the complex coordination role, the policy articulation role, and the strategic communication associated with the project. The GoPb has appointed the Head of PRMP as chief counterpart for the Project and he will initially be supported by a Deputy Director and two consultants in the sub-unit to coordinate implementation with the relevant line departments. The positions of a full-time Project Director and specialists in financial management, procurement, environmental and social safeguards, M&E and project planning and development will be filled once the loan negotiations have been concluded. Deputy Commissioners at the district level will be responsible for execution of site-specific activities. At the operational level, the Secretary of P&DD will provide guidance and support to the PIU and empower PRMP for effective coordination among provincial departments.

PIU-PRMP in charge of project management will be responsible for: (i) implementation of project activities including procurement, financial management, safeguards management, M&E and community/stakeholder consultation campaigns; (ii) coordination with the Finance Department, the Accountant General's office; and (iii) ensuring that WBG fiduciary regulations and requirements are followed.

Financial Management

PRMP has prior experience of implementing WBG funded projects like the Punjab Public Reform Management Project and the Punjab Job & Competitiveness Project. It is thus familiar with fiduciary and reporting requirements. However, PRMP has no prior experience in maintaining and operating a designated account under an IDA Credit and reporting under an IPF. Further, strengthening governance is essential given the multi-sectoral dimensions of the Project and fragmented sector coordination within the government. FM staff capacity at PRMP needs to be strengthened by engaging a financial management specialist and an assistant accountant-cum-cashier and the establishment of an internal auditing function in the PIU. Outsourcing functions in a timely manner to mitigate risks pertaining to accounting and internal controls is an option.

A separate designated account will be opened for the Project in accordance with agreed procedures for operation and maintenance of the designated account issued by the Finance Division of the Ministry of Finance (GoP). It will receive funds for the WBG's eligible share of financing. Funds will be front loaded to the respective designated account based on the cash forecasts for the following six months provided in Interim Financial Reports (IFRs). The PIU will submit semester IFRs within forty-five days of the close of the semester. The Project will also be subject to an annual audit by the Auditor General of Pakistan. Audited project financial statements shall be submitted to the Bank within six months of the end of each financial year.

Procurement

The project's components will be implemented by the PRMP, which is conversant with the WBG's fiduciary requirements for a Project for Results (PforR). The fiduciary performance of the on-going PforR is rated Moderately Satisfactory. Several risk mitigation and capacity enhancement measures were

Box 6.3 - PRMP's Capacity to Implement Procurement

PRMP reports to the Chairman of P&DD. The major procurements undertaken by PRMP are nested in the legal structure of Punjab Procurement Rules 2004, which were initially enunciated in 2009 and were later amended in 2014. These rules are generally found by this review and other WBG reviews to be aligned to good procurement practices. These rules provide broad based policy guidelines for procuring goods, works and services. PRMP has reasonable exposure to procurement of high value items and also has experience in procurement of goods and services according to the World Bank guidelines. This is essential because PRMP will be managing the procurement on behalf of the implementing entities. PRMP has used bidding documents of ADB and the World Bank. The additional procurement and contract administration specialist(s) and independent contract administration arrangements by outsourcing the role of engineer are likely to provide a reasonably robust implementation support.

agreed in previous projects. PRMP did not have enough in-house procurement support so it was agreed that existing teams will work alongside a specialist initially for two years. Two procurement specialists in addition to a contract administration specialist with IT background were also hired. The appraisal mission will confirm existence of realistic procurement planning and implementation cycle keeping in view of external constraints; trusted complaint management; amicable dispute resolution mechanisms and firm debarment procedures.

There is also a need for building robust contract management and monitoring capacity.

6.2.5 Promoting Private Sector-Led Growth

Tourism Development Corporation of Punjab (TDCP)

There is a need to revamp the present structure of TDCP and transform it into an investment mobilization and marketing & promotion arm of the Tourism Department. All market operations run by TDCP should be divested and the organization instead should work on structuring and developing new projects using private financing through PPP mode and through promoting and encouraging purely private projects. Ideally the agency should be renamed as **Punjab Tourism Investment & Promotion Agency**. In order to do that TDCP would need to develop a pipeline of PPP projects and take them to the market. Additionally, it should also work with the government to develop an appropriate incentive package to promote domestic and international private investment.

In addition, the overhauled organization should also be responsible for marketing, branding and communications. TDCP should take full responsibility for marketing and promoting of Punjab as a preferred tourist and travel destination of quality, especially highlighting various themes such as heritage tourism. However, TDCP should actively seek collaboration with private sector to undertake targeted and effective communication and marketing campaigns. Further details on the communication strategy and some illustrative tourism products for Punjab are annexed.

TDCP should also establish an **Investor Facilitation Desk** to assist potential investors interested in investing in tourism sector of Punjab. The facility should provide a one-window gateway and a single point of contact to get all requisite provincial regulatory approvals and clearances and get support for getting any federal regulatory approvals. Staff from various relevant departments should be housed at this desk to manage the backend process.

A Tourism Investment Committee has also been proposed for decision-making regarding PPP projects and its details are provided in the private sector participation framework.

Tourism Infrastructure Fund

Details of the proposed Tourism Infrastructure Fund are given in the chapter on private sector participation framework.

Institute of Tourism and Hotel Management (ITHM)

There is need to revive ITHM and transform it into a vibrant state-of-the-art institution for skill development. Specifically, following interventions should be undertaken to strengthen the institute.

International Partnerships and Linkages: Affiliation or partnership with a recognized foreign hospitality institute would be imperative to improve standards of the local training institute and for its degree or diploma program to be internationally recognized. As part of this arrangement, students could study for a semester at the partner institute abroad in a student exchange program. There could also be a visiting faculty/instructor program that entails short-term teaching in the institute and periodic teacher training workshops for the local faculty. However, there should be a concerted effort towards attracting highly trained full-time faculty to the institute. The foreign partner/affiliate could potentially help in the search and hiring process by identifying and recommending instructors.

Curriculum Improvement: As stated earlier, one of the major constraints of ITHM is curriculum design and development, which needs to be in accordance with international standards. It is recommended that for hospitality and tourism management there should be a one-year diploma program (eligibility after intermediate) and a three-year bachelor degree program (eligibility after intermediate) with the partner/affiliate institute. The curriculum should not only follow international standards but should also address the challenges and needs of the industry in Pakistan. Such changes would therefore ensure that the degree is recognized internationally.

In the program, hospitality and tourism should be taught as a degree program with a common core but a choice of different majors/electives. The majors could include hospitality, tourism, food and beverage. Culinary arts should be addressed with a choice of several diplomas and courses. The courses developed should cater to the hot kitchen, pastry and various international cuisines. Event, sports and entertainment management can be added later to the curriculum.

Finally, the objective of curriculum reform should be to get international accreditation agencies recognize the institution. Examples of these would be New England Association of Schools and Colleges (NEASC, USA) and International Centre of Excellence in Tourism and Hospitality Education (THE-ICE).

Upgrading Campus Facilities: The current state of campus facilities across all the ITHM institutes in Punjab fall significantly short of international standards. A modern hospitality institute should provide international standard facilities for the students enabling practical

trainings in hospitality, tourism, and food and beverage. ITHM must have well equipped interactive classrooms and a professional training kitchen where students are both taught and can practice their culinary skills. There should also be a fully operational restaurant where the students can work and experience food and beverage management and it should ideally be open to the public. A small size hotel on the premises would be ideal for student training. There should be a well-designed computer lab where all hospitality and tourism related computer programs are taught.

Professional Development: The institute should have a strong career-counselling department for internships, work placement and general career guidance. Partnerships should be created with hotels, restaurants, clubs and tour operators in Pakistan where the students can work and get hands on skill trainings in all departments while studying. Three to six month internship opportunities need to be created for students nationally and internationally.

Branding and Marketing: It is essential to create a strong brand image for IHTM and market it extensively. A dynamic website and effective presence in all social media channels is imperative. Attractive brochures and student handbooks should be created. Print media should also be used periodically.

6.2.6 Strengthening Private Sector Capacity

There is also a need to strengthen private sector capacity so that they can be better organized and act as counterparts to government in a much more meaningful manner, driving the sector growth and identifying priorities for future.

Pakistan Hotels Association (PHA)

In 1963 under Section 3 of the Trade Organizations Ordinance, the Pakistan Hotels Association was formed under the license granted by the Ministry of Commerce. Reportedly, this is the only representative body of the hotel industry in Pakistan and the Hotel Association claims that it has representation from all scales and grading of leading hotels in Pakistan. The objective of the Association has been to strengthen, promote and work with Ministry of Tourism for the development of tourism and serve as an advisory body to the government. The PHA claims to have played an important role in advising the Federal and Provincial government in resolving challenges faced by the hotel industry.³⁷

Following recommendations³⁸ have been postposed for strengthening of PHA:

- The PHA should have strong representation from the small, medium and large hotels carrying the grading of unclassified to 5-star hotels. All provinces should have their own chapters of the Association with representation from the above-mentioned sectors. Quarterly meetings of the provincial chapters should take place, addressing challenges faced in the industry and how these challenges can be resolved. These should be reported to the executive committee of the PHA. The executive committee should have a strong liaison with the federal and provincial governments to assist the hotel industry in the promotion of commerce and economic development in Pakistan.

³⁷ <http://www.tdcp.gop.pk/new/>

³⁸ Some of these recommendations and suggestions have been derived from the stated objectives and functions of The Hotels Association of Sri Lanka.

- The objectives of the provincial chapters and PHA should be to advise the government or the relevant tourism sector stakeholders on appropriate processes and incentives necessary to encourage growth in the tourism and hotel industry. The Association should work towards promoting the tourism industry and help in making it a healthy and buoyant economic sector in the country. It should help instill cooperation between all sectors of the hotel industry by acting as an effective platform for promotion and advocacy of the hospitality and tourism industry.
- Local and international organizations from the public and private sector should get involved in tourism through projects led by the PHA. The PHA should form worldwide affiliations and partnerships with hotel associations, regulatory bodies, tourism authorities and related institutions. They should regularly participate in international seminars and trade shows in conjunction with the government, which focus on hospitality and tourism. PHA should take the lead in organizing, sponsoring and designing International trade fairs and tourism expos with the government in all the provinces. Such expos would showcase the potential of the tourism and hospitality industry in Pakistan with the objective of attracting private sector investment in the sector.
- Membership of the PHA should be given upon approval by the Executive Committee. There should be three types of memberships namely associate, regular and lifetime members. Associate members would be persons/corporate bodies who have begun the construction of an approved hotel.
- Regular membership would be available to persons/corporate bodies owning at least one fully constructed approved hotel. Lifetime membership should be granted to persons who have been members for a long term and who have performed extraordinarily in the hospitality and tourism sector.
- Membership in the association should be marketed extensively stating the benefits of such an association and its affiliations. The association would be geared towards overlooking the interests of all its members in areas connected with the tourism industry. As mentioned before, strong liaison must be created with government stakeholders. PHA should also have a close association with the Hospitality Institute of the TDCP. It can help organize internship programs and job placements for graduates or diploma holders. Members of the Pakistan Hotel Association should also be invited to teach and give guest lectures at recognized hospitality institutions.
- The circulation and distribution of all tourism industry material (brochures, marketing material, tourist site information etc.) should be channeled through PHA as well as the Pakistan Association of Tour Operators. These two associations would gain immensely if they supported each other in their talks with the government and tourism agencies. The two working in conjunction can assist the government and related agencies in innumerable tourism related projects. They should also work together on creating interesting tourism promotions that are packaged with discounted room nights, and food and beverage offers. Both these associations should have attractive, useful and well-designed websites that have links to related government agencies.

Pakistan Association of Tour Operators (PATO)

PATO claims to be a private, non-profit, non-political organization. The objective of the Association is to promote tourism in Pakistan and all the provinces. Each province of the country has its respective chapters with appointed Vice presidents that report to the President and General Secretary. The Association has regular elections for these posts.

The Association aims to promote the interests of all licensed tour operators with the relevant government agencies. They have worked towards forming relationships with transporters, hoteliers and handicraft shop owners to forward and protect the interests of their Members. One of their objectives has been to promote education and training as well as provide scholarships and conduct research in the field of Tourism.³⁹

Following recommendations have been postposed for strengthening of PATO:

- It is imperative that the Association engages in regular talks with key government agencies relevant for tourism sector on the underlying challenges that are faced by tour operators and tourism related sectors. In turn the government should work closely with PATO to create a roadmap to promote tourism in Pakistan. The firsthand experience and knowledge of this pool of seasoned tour operators can majorly assist in planning tourist trails based on religious, historical, cultural and adventure tourism. Besides designing the tourist trails, the association should advise the government on infrastructure development and the type of facilities that local and international tourists seek in Pakistan.
- PATO should have a strong liaison with the Pakistan Hotel Association and the two should communicate on a regular basis. These two associations represent and serve the hospitality industry and can help each other tremendously to achieve the bigger goal of creating tourism opportunities in Pakistan. As has been suggested for accomplished PHA members, relevant PATO members should also be invited to teach and give guest lectures at recognized hospitality institutes.
- Both these associations should have clarity about the relevant government body or agency they should be communicating, coordinating and working with to resolve industry challenges. The government should make use of their intellectual, operational and human capital to create and promote tourism. An example of how the government and these associations could work together and gain leverage would be for PATO to assist the government in creating a 'tourism calendar' and then proceed to design events based on it. These events could comprise of a series of happenings that take place in several venues over a select period of time. As per the requirements various related agencies would be employed for the execution of these events. For example a celebration of spring in Punjab could be a series of events in various cities showcasing a variety of activities. PHA would then proceed to create a plan and chalk out promotions for the hospitality sector. This would come under the classification of seasonal tourism. The same model can essentially be followed for all classifications of tourism.
- It is extremely important to create a framework between the agencies, associations and bodies, both government and private, for a healthy flow of information and extensive communication. This will lead to the creation of an inspiring vision for the hospitality and tourism industry that is shared across the board. Useful policy decisions will be made

³⁹ <https://www.pato.org.pk>

from the input received. For example, currently tour operators require a province specific license and cannot operate nationally with just one license. With active linkages between the association and government agencies such constraints would be addressed and reviewed at length following which appropriate steps could be taken to modify or change the policy.

- Finally, it has to be stated that the aims and objectives declared by PATO in its memorandum are well thought out and progressive. The organizational structure and membership classifications follow international best practice. The tour operators are mainly focusing on adventure tourism and some on historical tourism. Religious and cultural tourism does not seem to be an area of interest currently. A great deal of work has been done over the years to develop adventure tourism and the very same experts and stakeholders should be encouraged and incentivized by the government to develop the infrastructure for historical, religious and cultural tourism.

6.3 Proposed Legal & Regulatory Reforms

While a tourism project cannot reform the whole gamut of laws regulating spatial plans and building design, a tourism program will have to work to improve urban design in its areas of focus. Therefore it is of utmost importance that the urban design of Nankana sahib and other areas of religious and cultural pilgrimage is improved. One way to do that is to shift the control of Nankana Sahib and other such heritage sites to a specialized agency (such as Walled City of Lahore Authority, as proposed in institutional reforms) and thereby allow the Authority to use its expertise to develop these heritage sites to a high standard. Another way is to take over control of EPTB and improve its institutional ability to manage areas like Nankana sahib.

On the regulatory side a number of laws will have to be amended to provide for both high standards and robust enforcement mechanisms. A summary of actions required in the legal and regulatory sphere is as follows:

Table 6.1 Proposed Regulatory Reforms for Tourism Sector

Law	Legal and institutional Actions required	Details
Walled City of Lahore Authority Act (in case the government decides to use WCLA, otherwise a new law would be required to create a new statutory body)	Amendment in the law	Amend schedule to the Act and include the area of Nankana Sahib (and other heritage sites) in it Amend the name of the Law to the Walled Cities and Historic Areas of Punjab Act
Evacuee Trust Properties Act, 1975	Amendment in the law Take over by the Provincial Government	Write to the Federal Government to hand over ETPB Make arrangements for employee and asset transfer

Hotel and Restaurants Act, 1976	Amendment in the law Establishment of a website for listing registered hotels and restaurants including their rating Establishment of a reliable local booking website Revamping of the office of the Controller of hotels and restaurants	Amendments identified in section 2.2.1
Travel Agencies Act, 1976	Amendment in the law Establishment of a website for registered travel agencies and tour operators	Amendments identified in section 2.2.2
Tourist Guides Act, 1976	Amendment in the law Establishment of a website for tourist guides and their specializations	Amendments identified in section 2.2.3
Punjab Prohibition of Kite Flying Ordinance, 2001	Issuance of a new law to regulate the sport so that people are protected from dangerous kite flying	Identification and issuance of standards to regulate size of kites Identification and issuance of standards to regulate the cutting strength of kite strings
Punjab Special Premises Preservation Ordinance 1985	Amend the law to provide for robust enforcement arrangements	
All spatial planning and land use laws	Amendment in the law	Require consultation with the Office of the Commissioner of Tourism before allowing land use change in areas of tourism potential

6.3.1 Legal Framework to Support Institutional Reforms

Following legal and regulatory reform would be required to support the proposed institutional reforms:

- Law to create and empower Punjab Tourism Council and Office of Tourism Commissioner
- Amending Walled City of Lahore Authority Act to manage control of heritage sites or enact new legislation for a new entity
- Law/policy for tourism PPP framework and tourism investment incentive package
- Establishment of Heritage Trust to enforce the Punjab Special Premises Preservation Ordinance, 1985
- Legal structure for Tourism Infrastructure Fund

6.3.2 Easing the Pakistan-India Visa Regime

The Pakistan-India visa regime was initially governed by the 1974 Protocol and liberalized in 2012 Protocol with the signing of the Bilateral Visa Agreement. Although not fully liberalized, the 2012 regime still demonstrates a recognizable shift forward from the 1974 Protocol. The 2012 Protocol created additional visa categories to expand the ambit of travel between the two countries from 9 visa categories to 13.

Despite liberalization on paper, there are still many restrictions in practice, for example excessive amounts of documentation are required and applications have to be made a long time in advance. All these restrictions deter many potential Pakistani travellers (of all types) visiting from India. Visas for pilgrimages are now covered under the Pilgrim Visa category. The Protocol allows 800 Hindus for three pilgrimages and 7500 Sikhs for four pilgrimages to visit Pakistan every year, for up to 10 days each. Sikh pilgrims are restricted to Nankana Sahib, Hasanabdal and Lahore. Only 2 of the 15 shrines in Pakistan covered under the Protocol are on the list of proposed sites for the program — Gurdwara Janam Asthan in Nankana Sahib and Panja Sahib in Hasanabdal. Since the number of pilgrims allowed is so limited, people have to apply almost two years in advance, as slots fill up quickly.

Given the restrictive conditions on other visa categories, the Pilgrim Visa remains the most viable option for visitors to travel for religious / cultural purposes. The entire visa mechanism is complex as responsibilities are distributed across a large bureaucracy where the influence of externalities on the process is significant. For this purpose, the report puts forth several recommendations on easing visa regime:

- Carry out a study to map the visa process from the initial point of contact of at the High Commission all the way until the visa is issued.
- A simplified visa process to create a positive impression. GoP can use its embassies and consulates to provide special visa services to Sikh visitors. They can reach out to Sikh populations; register interested Sikh tourists through an online service to speed up the visa process.
- Separate immigration counters at airports for faster processing.
- A sophisticated marketing and information awareness campaign targeted at the Sikh diaspora. Gurdwaras in these countries can be used as focal points. The campaign would highlight the processes to visit and efforts of the government to maintain and improve the religious sites. It could involve an international conference of Sikh leaders in Pakistan.
- Creation of Host Families Program in Pakistan to create social networks and increase people-to-people contacts.
- Special security plan committed to protecting Sikh pilgrims.
- Ensure adequate infrastructural facilities and services around the religious sites.
- The Directorate of Immigration and Passports needs to establish a website for visa applications with facility for filing of electronic applications and submission of fees. This will bring Pakistan in line with international best practice. Visa free travel might be difficult to implement since this facility is granted on reciprocal basis.

7 PRIVATE SECTOR PARTICIPATION FRAMEWORK FOR TOURISM SECTOR

The principles of policy for the tourism sector, approved by the Government of Punjab, envisage robust private sector-led growth for the sector in the province. Insights from other countries as well as feedback from stakeholders also point towards the need for having more space for private sector with government facilitating that process. This is in line with Government of Punjab's approved principles of policy for the tourism sector. Government believes that the primary role of the public sector is to provide an enabling environment to promote tourist traffic and private investments in the sector and to put in place an efficient regulatory structure to ensure that tourists are well served. Government is also fully resolved to creating space for private sector to grow, while minimizing the role of government in commercial activities, inadvertently distorting competition.

In order to increase private sector participation in tourism sector, there is a need to create a pipeline of potential investment opportunities and provide all the support such as ancillary infrastructure to make such investments successful. However any such efforts by the government in this direction should include devising an efficient and transparent mechanism for preparing a pipeline of PPP projects in tourism sector and offering them to the market; ensure a regulatory cover for such mechanism; provide an overall enabling environment for private investments in infrastructure facilities and services; eliminate any undesirable obstacles to such investments; address the lack of trust between the public and private sectors to collaborate in tourism sector; and mobilize and encourage private sector to actively participate in the sector.

7.1 Constraints to Private Investments

There are a number of existing constraints to private sector investment in tourism and other sectors. Some of them include the following:

- Exorbitant real estate costs discouraging investors from initiating new ventures
- Unpredictability of tax policy and ad hoc changes in applicable taxes, discouraging investors from investing in projects with longer gestation periods
- High cost of doing business with excessive regulations, poor law and order and public safety situation, etc.
- Limited financing avenues in the wake of commercial financing for such projects, weak capital markets and absence of private equity
- Poor contract enforcement, leading to expensive and prolonged litigation

7.2 Component I - Proposed Private Sector Participation Framework for Tourism

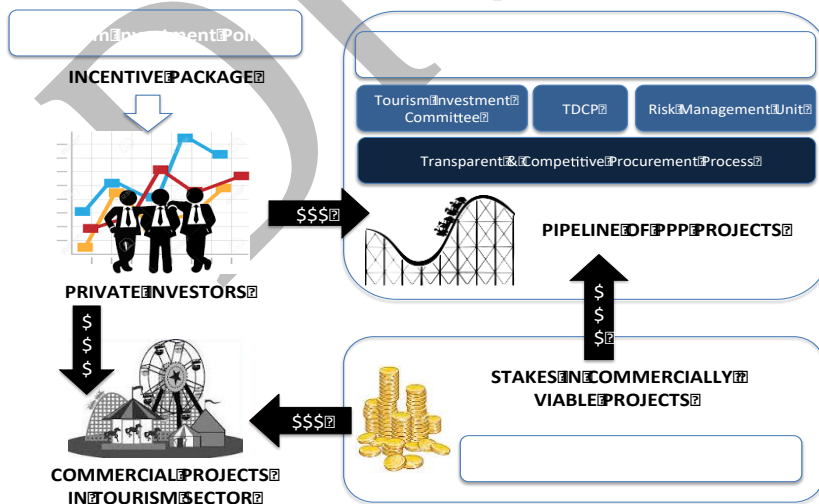
Given the requirements and nature of tourism sector, it is proposed to have two components of the private sector participation framework. The first should cater to PPP projects, with a wider connotation, where government is transferring some of its own risk to the private partner. The other component should relate to developing an investment policy or an incentive package to promote purely private investment in the sector, through government stimulation. A third section in this framework highlights the need for public-private collaboration in the area of skill development.

The salient features of the proposed framework are as under:

- Customized framework catering to the needs of tourism sector and having a flexible approach for varying size projects
- Broader view of private sector participation and not merely traditional PPP projects
- Transparent public tendering process wherever government support or concessions are involved
- Providing adequate incentives to investors to stimulate private investment in priority areas
- Supporting institutional structure to drive the proposed framework

The following schematic explains the overall private sector participation framework, including the PPP regime and other components.

Figure 7.1 Proposed Private Sector Participation Framework for Tourism Sector



7.2.1 Need for a Tourism PPP Framework

Defining PPPs

The public private partnership policy of Punjab uses the following definition of PPPs, while recognizing that there is no universally agreed definition:

“PPPs are mostly long-term contractual arrangements between the public sector and a private sector company for the provision of an infrastructure facility and/or service with a clear allocation of risks between the two parties.”

The policy further describes the main features of PPP as follows:

“PPPs have been adopted around the world as a service delivery tool. Instead of the public sector procuring a public asset and providing a public service, the private sector creates the asset through a dedicated standalone business (usually designed, financed, built, maintained and operated by the private sector) and then delivers a service to a public sector entity/consumer, in return for payment that is linked to performance. PPPs permit the public sector to redirect its capital expenditures to meet urgent social needs and convert the infrastructure costs into affordable operating expenditure spread over time. PPPs allow each partner to concentrate on activities that best suit their skills. For the public, sector that means focusing on developing sector policies and identifying service needs, while for the private sector the key is to deliver those services efficiently and effectively.”

PPPs are effective means for mobilizing private financing in a number of areas managed by public sector. The private partners’ responsibilities typically include financing, design and construction of a facility, as well as its operation and maintenance, for a specified period of time. Private sector can then recover the capital and operational expenses by either charging users for the service provided, through fixed or partially fixed periodic payments, or receiving availability payments in the form of unitary payments or annuities from the public sector over the concession period, or by a combination of both. Different projects generally require varying gestation periods to ensure affordable user charges. PPPs can be used for a number of objectives, such as creating fiscal space; value for money and transfer of risks.

Despite having this clear framework of PPP in Punjab, a lot of confusion has surrounded this phenomenon and a number of new models have been categorized as PPPs. It therefore must be made clear that general outsourcing of functions without any risk transfer; donation or contribution by private sectors for public goods; privatization or divestiture of government organizations, assets or liabilities; commercialized operation by state (such as TDCP); and autonomous companies (Section 42) manned by private sector resources should not fall under the category of typical PPP projects.

PPPs for the Tourism Sector

While PPPs have been used predominantly for infrastructure services, in recent years PPPs have also gained popularity in tourism sector in many countries, where much of the investment takes place in typically private sector space, but still driven by the public sector. However, given the nature of the sector such PPPs generally differ from traditional PPP projects. The role of state becomes especially important in tourism PPPs because of government’s control over protected areas or tourism sites, especially in case of historical sites or natural conservation areas. Therefore, in tourism projects private parties mostly bid for the right to invest for commercial use of state property in support of government’s policy objectives and subsequently pay a concession fee to the government and/or generate

revenues. The benefits for the government include revenue, promotion of tourism, up-gradation of assets, etc.

Tourism PPPs can take many forms, such as:

- Private sector upgrading government assets and managing them to recover investment (e.g. up-gradation and management of government guest houses)
- Participation of private sector in various services under a restricted quota/license given by the government (e.g. Hajj/Umrah quota for tour operators)
- Private sector performing a government function on behalf of the state (e.g. maintenance of government-owned heritage sites and recover expenses through entry tickets)
- Private sector investing and constructing a property for commercial use on government land (e.g. construction of hotel or theme park, on government land)
- Management of events and festivals by private enterprises (e.g. Jashan-e-Baharan in Lahore, sponsored by private companies)
- Traditional infrastructure services to support tourism sector performed by private sector (e.g. safari flights; private sector-run trains for tourists; paid public toilets; toll roads to open up tourism destinations; etc.)

In addition, it is also important to layout some broad categories in tourism sector, which typically lie in private sector investment space but may still need government support to promote investment:

- Accommodation such as hotels, lodges, resorts, camping sites, conference facilities, etc.
- Food, beverage and retail including restaurants, food kiosks and stalls, etc.
- Tourism activity infrastructure such as safari parks, hiking trails, paragliding, parasailing, etc.
- Heritage and culture covering historical sites, museums, shrines and religious sites, etc.

Regulatory Regime in Punjab and Applicability for Tourism

Punjab Public Private Partnership Act 2014: Government of Punjab has a dedicated statute for public private partnerships - Punjab Public Private Partnership Act 2014 – that defines the PPP procurement regime, institutional framework, etc. There is also a PPP Cell working under Planning & Development Department. The law however has been developed keeping in view traditional infrastructure investments and in recent past only a few transactions have been processed through this system. This law is not mandatory for tourism sector and Section 2 of the statute links applicability to sectors listed in First Schedule, which does not include tourism sector.

While it is proposed to have a separate PPP structure for tourism projects, suiting to their specific needs, the government can amend the First Schedule of Punjab Public Private Partnership Act 2014 and make it applicable on tourism sector.

Punjab Public Procurement Rules: The traditional procurement regime in Punjab is covered under Punjab Procurement Regulatory Authority (PPRA) Act 2009 and Punjab Procurement Rules and caters to procurement of both goods and services. Some low level PPPs such as service or management contracts can theoretically be undertaken under this regime. While Public procurement rules regulate the process of entering into contracts, they are unsuited to deal with partnering arrangements where investments are tied to revenues or vice versa.

Further the level of technical and financial inquiries are very different for ordinary public procurements and complex PPP contracts. Moreover, the PPP approach represents a fundamental shift in the philosophy of public procurement. While the emphasis still remains for the public procurement to be as efficient as possible, there is a change in the evaluation of what is being procured. The focus under PPPs is towards outputs, i.e., services being provided. By contrast, the focus in the traditional procurement has always been on inputs

Power to enter into PPP Contracts as a Consequence of Legal Personality: While all PPP contracts are a consequence of general contractual powers of government or government agencies (being an incidental power of legal personality), contracting powers of government agencies may themselves be limited for statutory and public policy reasons. Known as the principle of *ultra vires*, this means that a government agency may not do things, which are not sanctioned by its establishing statute or incorporating instrument. The same principle applies to companies, who may not act beyond the terms of their articles.

Separate PPP Framework for Tourism Sector

There is no question about if and how public private partnerships can help development of tourism sector in Punjab. Tourism infrastructure development is expensive but vital and given the fiscal constraints, PPPs can provide additional fiscal space. The value for money argument and the mere fact that private sector can bring new expertise also hold valid. However, PPPs can also be introduced in tourism sector, under the existing PPP regime. As explained earlier, this could be achieved by introducing a minor regulatory amendment. However, it may be a better option to have a separate PPP regime for tourism because of the following reasons:

- The Punjab Public Private Partnership Act 2014, the statute defining the existing PPP framework, was originally formulated for large and traditional infrastructure projects. While over the years, government has introduced many changes and the threshold for project size is also fairly low, it still envisages more traditional form of PPPs. Moreover the law is not specifically targeted for investment promotion and rather provision of physical infrastructure services and improvement in efficiency. As explained earlier, the tourism PPPs are generally flexible in nature and may need innovative approaches. A separate framework for tourism can cater to these needs and cover a wider variety of projects. (For instance, the present law calls for award of contract to a single bidder. In case of tourism, the government may want to select a number of bidders through a single tender to develop hotels in a particular zone).
- Having a separate framework for tourism PPPs would not conflict with the current PPP regime, as tourism sector is not covered under the Punjab Public Private Partnership Act 2014 (Section 2 & First Schedule)
- The present regime recommends project preparation leading to exact specification of project outputs, which is a norm for traditional PPP projects. However, there could be many tourism PPPs, which would not essentially require such an approach. Given the nature of industry, the government may want to give flexibility to bidders on how best they can leverage the public assets, rather than providing a prescriptive approach, emanating from a feasibility study.
- The present PPP regime also provides an elaborate process with set time lines, resulting in a minimum period for a transaction. This suits generally large projects, however the

tourism PPPs may greatly vary in size. Having a separate regime would give the choice of multiple tracks for PPP projects, based on their size.

- The present PPP regime is quite elaborate, with involvement of multiple partners such as PPP Cell, PPP Steering Committee, Risk Management Unit, etc. This elaborate process generally results in a prolonged transaction. Various issues over the years have resulted in a very small pipeline of provincial PPP projects. For development of tourism sector, there is a need to quickly develop a solid pipeline and having arrangements in place that are more efficient and robust, calling for the need to have a separate PPP regime.
- Other sector-specific arrangements for PPP projects at the federal and provincial level, catering to specialized sector needs. For instance, at the federal level, Infrastructure Project Development Facility (IPDF) is the PPP unit but for power projects, two other organizations exist with their separate domains - Private Power Infrastructure Board (PPIB) and Alternative Energy Development Board (AEDB). Both these units in fact have done far better than IPDF in terms executing of successful PPP projects. Similarly in Punjab, Punjab Power Development Board (PPDB) and Punjab Power Development Company Limited (PPDCL) exist to cater to power sector PPP and joint venture projects. The tourism PPP framework can also be established on similar lines.

7.2.2 The Proposed PPP Framework

Any PPP framework should encompass all aspects of PPP projects ranging from project identification and preparation to procurement and financing. Considering that the proposed framework is just meant for tourism sector alone, as per the needs of the sector, an effort has been made to keep the structure lean and efficient. *It must be noted that the proposed tourism PPP framework heavily draws from the existing PPP regime applicable in Punjab, however there are some marked differences.*

- The proposed tourism PPP framework is based on the same fundamental principles as the provincial framework.
- The proposed Tourism Investment Committee (TCI) would replace the role performed by the PPP Steering Committee under the present PPP law. TCI, being a smaller forum with relevant stakeholders is expected to make the decision-making quicker.
- TDCP will act as the PPP agency, essentially combining the roles of PPP Node and PPP Cell, as envisaged in the provincial PPP framework.
- As opposed to provincial PPP framework, the proposed tourism PPP framework classifies the projects into two categories, based on their size, with large cap projects essentially following the same process as laid out in the Punjab Public Private Partnership Act 2014 and a swifter and less cumbersome process for small cap projects.
- Risk Management Unit (RMU) established under Punjab Public Private Partnership Act 2014 is envisaged to also support the tourism PPP framework
- Second schedule of Punjab Public Private Partnership Act 2014 defines the types of PPP contracts, while this definition is left open and flexible in the proposed tourism framework as long as it fulfills the basic criteria of being a PPP project.
- Flexibility has been provided in the proposed tourism PPP framework for inviting open proposals with different plans proposed by bidders to best commercially leverage the public assets.

7.2.3 Proposed Institutional Framework for Tourism PPPs

The following institutional arrangements are proposed as an integral part of the PPP framework:

- Constituting Tourism Investment Committee (TCI) to drive the tourism PPP regime and act as the apex body in this regard;
- Re-designating Tourism Development Corporation of Punjab (TDCP) as the unit to lead all tourism PPP projects and to provide support to the Tourism Investment Committee;
- Work with Risk Management Unit (RMU), established at Finance Department, under the provincial PPP regime (Section 6 of Punjab Public Private Partnership Act 2014)

Tourism Investment Committee (TCI)

The TCI should be a high-level body, with following proposed membership structure:

- Minister for Tourism in Punjab (Chairman);
- Head of Punjab Tourism Council;
- Secretary Tourism Department Punjab (Vice Chair);
- Representative of Finance Department (Member);
- Representative of Planning & Development Department (Member); and
- Managing Director TDCP (Secretary)

The TCI may co-opt other senior government officials or private experts as members in its meetings as necessary.

The Tourism Investment Committee will have the following responsibilities:

- Approve/reject PPP project proposals submitted by TDCP;
- Approve/reject recommendations on contract award to the selected private sector partners submitted by TDCP;
- Help solve major problems impeding PPP project preparation and implementation;
- Support developing a healthy pipeline of PPP projects;
- Assure that project structures are appropriate given the local requirements and assure public sector interest, while keeping the projects substantially attractive for private sector

Tourism Development Corporation of Punjab

It is proposed that TDCP assumes most of the responsibilities relating to PPP projects, including project identification, project preparation, tendering, monitoring of project implementation, contract enforcement during operation, etc. TDCP will also need to provide technical support to the TCI. Presently, TDCP does not have any technical capacity to undertake complex PPP projects. There is a need to build some permanent capacity in TDCP to sustainably perform PPP related functions.

It is proposed that going forward TDCP should have following responsibilities:

- Identify suitable PPP projects in tourism sector and prioritize them;
- Recruit transaction advisors for project preparation and tendering for large cap projects;
- Supervise the preparation of feasibility and pre-feasibility studies and if their outcome is positive, submit the PPP project proposals to Tourism Investment Committee;

- Evaluate the type and amount of government support sought for the large cap PPP projects in close cooperation with the Risk Management Unit in Finance Department;
- Conduct a competitive tendering process consisting of pre-qualification and bidding;
- Carry out bid evaluation and submit recommendations on contract award to the TCI; and
- Monitor implementation and operation of tourism PPP projects.
- Prepare a pipeline of tourism PPP projects

TDCP should act as the driving force to promote and facilitate PPP development in the tourism sector in Punjab. To fulfill this mandate, TDCP should have strong public private partnership capacity and perform the roles of a PPP catalyst and advocate, knowledge manager, policy advisor as well as project manager.

Another important responsibility of TDCP will be to ensure adequate information on private sector participation in tourism sector among the various stakeholders. That would include, on the supply side, enhancing the awareness of Government of Punjab's policies and strategies among investors, and serving as a conduit for conveying investor concerns, and on the demand side, providing an opportunity to civil society and general public for being informed and expressing their concerns about private sector participation in tourism development and the delivery of allied infrastructure services. To disseminate among all stakeholders the relevant information, including a pipeline of potential tourism PPP projects and status reports on the more advanced ones, TDCP should develop and maintain a tourism PPP website.

Given the PPP related responsibilities, TDCP should have the following functions:

- Policy and procurement
- Project implementation and monitoring
- Financial advisory
- Legal advisory
- Investment services and private sector engagement

TDCP should have an institutional development plan, with re-designating of roles and recruitment of new staff with requisite capacities on market-based salaries. Government should also focus on capacity development of TDCP staff so that they are fully equipped with PPP-related knowledge and skills. This could be done through overseas and local training courses and workshops, as well as a more sustained on-the-job support by consultants during the first year of operation. Funding for the capacity-building program should be sought from both multilateral development partners and bilateral donors.

Box 7.1 - Divesture of Commercial Assets Managed by TDCP

It is proposed that while TDCP should take on the role of the lead PPP agency for the tourism sector, it should divest from all commercial assets and projects, being managed directly. These projects can be offered to the market through this framework to develop a good pipeline of PPP projects.

Risk Management Unit

Section 6 of the Public Private Partnership Act 2014 calls for establishment of the Risk Management Unit (RMU), which forms an integral part of the provincial PPP regime. The RMU has been established in Finance Department and is operational. It is proposed that the tourism PPP framework should also use the same RMU for the following activities:

- Provide support and advice to Tourism Department and TDCP with regard to risk management in a PPP project through out the public private partnership process;
- Examine whether requests of government support and the proposed risk sharing arrangements are consistent with the tourism PPP framework and other rules and regulations and if they are fiscally sustainable;
- Make recommendations to Tourism Investment Committee;
- Recommend the inclusion of approved government support in the annual budget of province; and
- Monitor direct and contingent liabilities of the government incurred through the PPP projects.

Large and Small Cap Tourism PPP Projects

There is a need to draw a careful balance between the need of providing enough flexibility to the government to undertake tourism development and promote private financing on one hand and ensuring transparency through a thorough PPP regime on the other. The proposed PPP framework attempts at balancing between these two priorities through a customized approach differentiating between the small and large cap projects. It is proposed to follow a different approach for large cap PPP projects over the size of a certain threshold.

Large Cap Projects: There is a need to institute a comprehensive and thorough procurement regime for larger PPP projects to attract private investment for sizeable opportunities in accommodation and resort development and other areas. Such projects would require substantial private investment and would typically be greater than PKR 100 million-estimated project cost. Such projects would have sizable turnover, relatively high project risks, and will have suitably long contract periods. Therefore there is a need to have a robust mechanism in place to cater for adequate due diligence and preparation for such projects. The purpose is to make the PPP opportunities attractive to both parties and, at the same time provide protection to them. It is proposed that procurement of large cap projects should follow the guidelines given for normal PPP projects, as stipulated in Punjab Public Private Partnership Act 2014. (Details are given in an annex on flow of project-related activities). However, the tendering process should provide flexibility to select more than one bidder, if the nature of the contract desires so.

Small Cap Projects: The business opportunities targeted for these PPPs will be characterized by relatively small capital investments of less than PKR 100 million, fewer employees, and relatively low turnover, typically activity-based or making use of existing infrastructure or requiring relatively small infrastructure investments. The PPP feasibility and procurement mechanisms are therefore simplified, quick and appropriate, and the standard PPP agreement terms should be tailored specifically for smaller enterprises. The purpose is to make these opportunities both attractive and easy to pursue. The procurement of small cap projects should follow the guidelines given subsequently in this framework in section on flow of project-related activities.

More details on the proposed PPP framework for tourism sector is annexed at the end.

7.2.4 Proposed Tourism Infrastructure Fund

Commercial banks in Pakistan traditionally shy away from project finance with the exception of a few sectors such as energy. In order to encourage investment in the sector, government should support private financing, possibly through creation of Tourism Infrastructure Fund,

which can take partial stake in commercially viable projects, to encourage other institutional investors. Such a fund can be established under TDCP, after approval of the government. The fund should initially be financed through government contribution but later on banks and other financial institutions can also be encouraged to invest in the fund. International development partners should also be requested to make grants or equity investments into the fund. The fund would primarily provide partial financing for private sector and PPP projects within the tourism sector. The primary objective of the fund would be to encourage banks and other financiers to also take stakes in potential well-structured tourism projects. The Fund should make investments in commercially viable opportunities only and should not provide any subsidized financing. The fund should be managed by professional fund managers. It is expected that in due course, a significant market will be established for tourism projects, with greater willingness in lenders to finance such projects and the government may be able to recoup its investment with profit.

7.3 Component II - Investment Policy for Tourism Investments

In addition to the tourism PPP framework, there is a need to provide an incentive package to attract private investments in tourism sector. This package should form part of an investment policy for tourism sector (or can even be integrated into the overall tourism policy). While there is a need to hold in-depth dialogues on such a policy, the following aspects should definitely be covered under such policy.

7.3.1 Use of Public Assets and Land

Public assets and publically owned land (or land acquired by government) can play a significant role in development of tourism sector, if these can be offered to private sector for development and management. These would be especially important in the wake of exorbitant real estate prices. However, given the past examples, government officials generally shy away from such transactions. There is a need to develop an equitable and transparent process, covered under the private sector participation regime, to give security to government officials. This could even be achieved without the transfer of title and such assets/land can be leased out to the private sector, as per the process laid out in the tourism PPP framework. These assets can also be used for joint ventures, with special purpose vehicles owing lease to such assets, with equity stake of the government. All such stakes in SPV can also be held through TDCP.

7.3.2 Approval for All Permits / Development Plans

The government should not only ensure approvals of all permits and plans for PPP projects, as stipulated in the tourism PPP framework, but should also facilitate them in case of private projects, in priority areas, as long as they comply with basic criteria, which should be clearly laid out. Such guarantee from public sector, ensuring maximum time frame in which these approvals will have to be granted, can greatly enhance investors' confidence.

7.3.3 One-Window facilitation

Government should facilitate all tourism sector investors with one-window facilitation desk, where the representatives of all relevant agencies should sit. Such a desk would prevent visits from investors to a wide range of agencies and would encourage them to invest.

7.3.4 Financial arrangements

Any tourism investment policy should especially focus on financial arrangements for successful close of mega projects, supporting tourism sector. As explained earlier, commercial banks in Pakistan traditionally shy away from project finance with the exception of a few sectors such as energy. In order to encourage investment in the sector, government as part of its investment policy should support private financing, possibly through creation of Tourism Infrastructure Fund, which can take partial stake in commercially viable projects, to encourage other institutional investors. Similarly, government may consider providing partial risk guarantees to investors for selected areas to stimulate investment.

7.3.5 Tax Policy Predictability

The recent tax policy fiasco in real estate sector has shattered investors' confidence and any such assurance may greatly help in encouraging investors. Even otherwise investors some time shy away from investing, apprehending untoward future changes in tax regimes. Unpredictability of tax policy therefore, poses the most critical challenge and risk for the private sector. While the proposed investment policy should provide guaranteed for tax policy predictability for provincial taxes, it might not be able to do so for federal taxes. In order to encourage investment in tourism sector, provincial government may consider bearing the risk for any such untoward change in policy for a stipulated time, where the government can compensate the investor for any adverse changes in federal tax regime. Reportedly, Government of Punjab has already offered similar guarantees to Norinco, a Chinese company, for the Orange Line Project. A similar incentive for tourism sector can be instrumental in promoting investment in Punjab.

7.3.6 Alternative Dispute Resolution

Contract enforcement is another sour point for investors, who shy away from expensive often-prolonged litigation for resolving disputes. The investment policy should recommend an effective alternative dispute resolution mechanism to resolve investment disputes in tourism sector to reduce litigation and providing an objective forum to investors for quicker resolution of issues.

7.4 Private Sector Participation in Hospitality & Tourism Skills Development

Currently there is a dearth of private sector institutions that specialize or offer international level courses in hospitality, tourism and the culinary arts in Pakistan. These disciplines have also not been formally introduced in the degree programs of reputed academic institutions/universities due to several reasons.

Given the traditional lack of focus on tourism sector, it has not been viable and conducive for the private sector to invest in the sector. Therefore the scale of the industry has remained relatively small which has subsequently led to a low demand for specialized human resource. The key market stakeholders in the hotel, restaurant, tour and travel industry have managed to create a workforce by hiring unskilled or semi-skilled employees and training them on the job. The hospitality industry also suffers from a negative image and

is therefore not one of the most sought after professions in the country. This perception issue has also been a barrier in creating a demand for hospitality programs or institutions.

However there is a silver lining. Over the years the food and beverage industry has seen an immense boom with international chains entering the market and sustaining themselves. This has subsequently led to a substantial growth in home-grown brands that mirror themselves on these international chains. The industry currently has seen a mushrooming of outlets ranging from small street food vendors to fine dining restaurants in all the major cities of Pakistan.

In order to break away from the current situation of lack of private sector investment in skills development and training in the sector, the following initiatives could be taken by the government.

7.4.1 Investor Conference for Tourism Skills

Government should organize a series of international investor conferences in which international hospitality institutes and potential investors are invited. These conferences should be in partnership with the private sector and in coordination with relevant government departments. The objective should be to showcase the immense potential of tourism and hospitality industry in the country in order to incentivize international institutions and investors to establish hospitality schools in Pakistan. A possible investor in hospitality schools could be the IFC, a member of the World Bank Group. In 2013 IFC, made a \$150 million equity investment in Laureate International Universities to expand access to quality higher education in emerging markets. Laureate owns several hospitality schools.⁴⁰

7.4.2 Public Private Collaboration for Establishment of a Hospitality School

The government and the private sector should invest in creating one international standard hospitality school in Lahore. The facilities should have a professional kitchen lab where students are taught and practice their skills. The facility should also have a small restaurant where the students work and it should be open to the public. A small hotel on the premises where the students train and work would be ideal. The institution should have a Research & Development Department and also offer consulting and training services to the Public & Private sector. The standards of the institution should be such that international students from the Middle East, Africa and Asia would also be the target market⁴¹.

⁴⁰ Redden, Elizabeth (2014-03-03) "World Bank affiliate invests \$ 150 million in for-profit college provider". Inside Higher Ed Killar, Steve "World Bank invests in Baltimore based Laureate Education". Baltimore Sun

⁴¹ The Hashoo Group has been working on creating a hospitality institute. They should be approached to develop this institute in partnership with TDCP keeping all the above points in mind. The Agha Khan Foundation, which is both in hospitality industry and in education services would also be an ideal partner for a possible joint venture with TDCP to establish a world-class hospitality institute. Alternatively, reputable academic institutions such as Lahore University of Management Sciences (LUMS) should be approached to offer courses in Hospitality, Tourism and Culinary Arts as part of their Business Management programs. The government could support such programs by allocating resources towards faculty recruitment, program and curriculum development etc.

The Punjab Skills Development Fund (PSDF) can also be leveraged for funding hospitality-training programs in the institute. Currently PSDF is planning to work with both the Hashoo group and Serena Hotels in financing some of their training programs. However as PSDF is just a funding agency and not a direct skills provider, the type of training imparted is constrained by the standard of the existing training institutes in the country. With a high quality hospitality training institution established, this particular constraint would be relieved.

Draft

8 CONCLUSION

While highlighting the potential of tourism sector in Punjab, especially in the context of Sikh and Buddhist religious tourism, this report has proposed specific reforms that should not only improve the World Bank's project design but also inform the future tourism policy of Punjab. This report has been developed after the team had provided advice on calibrating the government project design document (PC-I) and proposed principles of policy for tourism sector, which were subsequently approved by the government.

The report also sheds light on the overall policy framework; demand assessment especially for Sikh and Buddhist tourism; preliminary economic analysis and business case for investment in tourism sector; and how private sector led growth can be ensured. The report also highlights some pertinent information gaps that the government should address on a priority basis. The proposed governance arrangements take into account the multi-departmental considerations; fully incorporates private sector and other stakeholders' concerns; and are expected to lead to smooth realization of policy objectives.

It is important to note that this report is not a sector strategy for tourism sector and instead only proposes the requisite institutional framework that must be developed to stimulate growth in the sector and the private sector participation regime that is likely to enhance investment flow to the sector. Based on this advice, the government would be required to develop and approve a comprehensive tourism policy for Punjab. Such a policy will not only provide cover to the proposed institutional structure and private investment regime but will also address a number of other issues highlighted in this report relating to marketing and branding, quality standards, skills development and infrastructure.

The overall objective of the World Bank funded 'Regional Cultural and Heritage Tourism' project is to assist the Government of Punjab in its 5-year Medium Term Growth Framework, which is aimed to optimally exploit the potentials of recreational, adventure, cultural, historical and heritage tourism. A good tourism program can contribute towards economic growth through creation of jobs, foreign exchange earnings, and opening up trade, knowledge sharing, regional development and much needed portrayal of a soft image for Pakistan. This report provides an important contribution towards these goals. In order to take this effort further, the government would need to develop an action plan covering actions like creating evidence for informed policy making; formulation of tourism policy for

Punjab; strengthen existing capacity and restructure Department of Tourist Services and TDCP; establish and operationalize the proposed institutions and undertake further diagnostics for ancillary departments like Auqaf; develop a pipeline of tourism PPP projects; develop integrated infrastructure plans for tourism sites (especially for heritage tourism); work closely with private sector to keep the information flow and be responsive to their needs; develop quality standards and put in place a compliance regime; work on tourist safety and security; undertake targeted marketing and branding campaigns; and reform the regulatory regimes to improve travel and tourism competitiveness, overall business environment and private investment regime. Government of Punjab may also consider developing a comprehensive and robust sector strategy for tourism sector with costed work plans.

ANNEXURE

Draft

ANNEX A: LIST OF STAKEHOLDERS CONSULTED

Groups Participants

Tour Operators, Lahore

Hotel Management, Lahore

Name	Organization	Designation
Qazi Muhammad Ali	Park Lane Hotel	Senior Sales Manager
Malik Zeeshan Javed	Park Lane Hotel	EAM
Syed Abdul Majid	The Nishat Hotel	Deputy General Manager
Grant Rauben	Avari	Cluster General Manager
Qasim Jafri	Imperium Hospitality	CEO
Naeem Chaudhry	Pearl Continental	Hotel Manager
Mahmood Chaudhry	Hotel Crown Plaza	Managing Director
Qamar Munir	SSC	Senior Operations Manager
Sheikh Muhammad Ejaz	The Residency	General Manager
Maryam Omar	Punjab resource Management Program	Research Associate

Tour Operators, Islamabad

Name	Organization	Designation
Masood ul Malik	Hindukush Trails/Ayun Fort Inn	Director
Irfanullah Baig	Pakistan Association of Tour Operators	President
Saifuddin Ismailji	E – Travelers Club	Founder
Amjad Ayub	ATPL/Tourism consultant	CEO
Mehmood Malik	Tourism consultant	Managing Partner
Faizan ul Haq	Royal Airport Services	Manager Business Development
Mariam Qasmi	Royal Airport Services	Social Media Executive
Tahir Imran Khan	Panoramic Pakistan	Managing Director
Meharban Karim	Explore Pakistan Tourism	Director
Najeeb Ahmed Khan	Himalaya Holidays Private	CEO

Hotel Management, Islamabad/Rawalpindi

Name	Organization	Designation
Raja Khushnood Khan	Hotel Margala	Deputy Sales Manager
Khawaja Fawad	Pearl Continental	Deputy Sales Manager
Mazhar S. Kiani	Ramada	Director HR
Feroz Khakwani	Ramada	Director Sales Manager
Hamid Subhaiy	Islamabad Hotel	Director Operations
Rizwan Tirmizi	Islamabad Hotel	Director Sales & Marketing

Meetings with relevant departments

Name	Department	Designation
Shafiq Sabri	Department of Tourist Services	Assistant Controller
Imran Gondal	Evacuee Trust Property Board	Deputy Secretary Shrines
Siddiq ul Farooq	Evacuee Trust Property Board	Chairman
Mian Abdul Qadir	Evacuee Trust Property Board	Secretary
Khalid Ali	Evacuee Trust Property Board	Additional Secretary Shrines
Ahmer Malik	TDCP	MD
Abdul Ghafoor	Auqaf	Deputy Director Architecture
Kamran Lashari	Walled City Authority	DG
Tania Qureshi	Walled City Authority	Deputy Director Media, Marketing and PR
Nayyar Iqbal	YASA & T	Secretary
Dr. Nusrat Naz	EPA	Director ETHEPA
Ijaz Ahmed	Archaeology	DG
Maqsood Ahmed	Archaeology	Deputy Director North
Jawad Khan	PSDF	CEO

Interviews with Sikh yattris

Around 15 groups of yattris were interviewed while they were staying at Gurdawara Dera Sahib. These included diaspora and Indian Sikhs.

ANNEX B: CULTURAL HERITAGE OF PUNJAB, PAKISTAN

Overview

Cultural heritage can be defined in multiple ways with widest scope. It comprises of both tangible, including built structures, landscapes, museums, art and artifacts; and intangible, like language, music, food, cultural values and practice. When developing a report on cultural heritage with a perspective of developing a comprehensive tourism industry, it is mandatory to use the lens of cultural heritage management, fashioned according to context and requirements of each individual situation. It must incorporate both the cultural heritage context and the tourist business options and risks for both communities involved, and the operating organizations/government bodies. Cultural heritage management needs to be integrated across existing business systems, procedures and practices at every site with more nuanced knowledge supported by experts of cultural heritage. Sound cultural heritage management is integral to relationships with communities, in order to develop a more supportive community and valuable tourism. Integrated cultural heritage management can offer wide economic, social, and environmental benefits. This report focuses on main cities of Punjab Province highlighting main cultural heritage sites, with brief outlining of flora and fauna, cuisines, and other intangible practices. Each city description is followed by focused recommendations for integrated tourism and cultural management. In the end, the report offers recommendations for over-all cultural heritage management necessary for long-term results.

Terminology

Culture

Culture defines our identities, providing a framework through which we set values of lives and practices. The diversity of cultures is vital for the continuity of human development.

What does Living Culture include?

- Oral traditions and expressions, including language as a vehicle of the intangible cultural heritage
- Performing arts
- Social practices, rituals and festive events
- Knowledge and practices concerning nature and the universe
- Traditional craftsmanship

What does Heritage- tangible and built environment means?

Built heritage is a physical representation of culture and of cultural diversity. Monuments, religious buildings, and houses provide a connection with earlier times, serving as physical reminders of people, events and values while providing tangible spaces in which intangible forms of culture can be expressed.

What

does Cultural Heritage Management involve?

Cultural heritage management involves proactive approach for selecting, assessing, implementing plans, and policies regarding cultural heritage. It recognizes the protection of culturally significant places, objects, and practices in a substantial way against many forms of threat from societal, natural or other causes. It often includes collaborations with communities to protect and enhance their culture and its practices. It may result in the development of resources for documentation, conservation, and modification in practices by active engagement of designers/cultural practitioners/and scholars with engendered practices and/or communities.

Comprehensive Cultural Heritage Program

Aims and objects

- To highlight the significance of cultural heritage within the historical and socio-cultural framework that will in turn help develop a comprehensive cultural identity of Punjab.
- To protect and safeguard the physical spaces comprising of built heritage for the non-physical varied, complex, and eloquent expressions of culture.
- To recognise the practices, representations, expressions, knowledge, skills, instruments, objects, artefacts and cultural spaces, as well as communities, groups and, in some cases individuals as part of cultural heritage.
- To recognise and work in collaboration with communities and groups who are involved from generations in creating and recreating their intangible cultural heritage with direct and indirect response to their environment, interaction with nature, and history. To further provide them with a sense of identity and continuity, thus promoting respect for cultural diversity and human creativity.

Punjab a brief historical background

The word Punjab is a combination of two words *Panj* (five) and *Aab* (water) referring to land of five rivers, which are Satluj, Ravi, Beas, Channab, and Jehlum that flows through this land. Punjab is Pakistan's second largest province by area after Balochistan and is Pakistan's most populous province. It is bordered by Khyber Pakhtunkhwa, Balochistan, Sindh, with Islamabad the Federal Capital and Azad Kashmir on its northern border. It also shares borders with the East Punjab part of India, Rajasthan, and Jammu and Kashmir. Its provincial capital is Lahore. The history of Punjab's habitation goes back to ancient times with Harappa's discovery connected it with Indus valley civilization dating back to 2600 BC. Punjab features heavily in the Hindu epic poem, the Mahabharata (KatasRaj), and is a cradle of major Buddhist site Taxila, the oldest university of the world. In 326 BCE, near Mong, on banks of Jehlum River King Porus was defeated by Greek invader Alexander the Great. Over its history, Punjab has seen many invasions from Northwest including by Tamerlane, Mongols, and Nader Shah. Mughals gave Punjab a new majestic face with Lahore being their alternate center. Punjab also experienced Sikh rebellion followed by Sikh rule leaving its traces in the cultural diversity, followed by 100 year rule of the British Empire. Punjab was central to the independence movements during early twentieth century with Lahore being the location of the passing of the Lahore Resolution in 1940, which came to be called the Pakistan Resolution. However, this ultimately resulted in the division of Punjab in the formation of Pakistan in 1947.

Languag

es: Punjabi, Potohari, Saraiki, Urdu, dialects of Punjabi (Majhi/Rachnavi, Malwai),

Festivals: mela chiraghan, kabaddi and wrestling matches, Basant (banned at the moment), Urs of all the shrines at different times of the lunar calendar, spring festivals, Literally festivals in Lahore and Faisalabad, festivals of sufi music, puppetry, theater, and classical music mostly hosted by Rafi Peer Theater and many more.

Crafts: wood carving, wood work, lac turning, comb making, weaving cloth fabric, khais, lungi, silk lungi, carpets, rugs, hand block printing, walking sticks, cutlery, khussas, pakhi (hand held fans) brooms, pottery (clay, fine clay, metal works in brass, bronze, copper, and steel in tapai, dhalai and chamak patti style, jewellery both silver, stone, bone, stones and in gold, basketry including chabian for rotis, namda, ivory inlaid and carving works, doll making, truck art, embroideries, folk toys, furniture both traditional and modern, kasha kari, leather crafts, blue pottery, jaalis in wooden, reeds, bamboos and stone inlaid works, rugs and durries, phulkaris, parandas, naala.

Craft Clusters: Lahore district, Kasur, Sheikhpura, Narowal, Gujrat, Jehlum, Kasur, Sialkot, Pakpattan, Sahiwal, Mianwali, Jhang, Multan, Sargodha, Bahawalpur, Karore Pakka,

Cuisines: kheer, nihari, hareesa, pateesa, kunna, biryani, lassi, seasonal shorbets fruit juices, sarson ka saag, several forms of sweets, BBQ, several types of fish, daal in many forms, naan and rotis in various forms, biryani and rice dishes, katama, Falooda, and many more.

Flora: ditabark, pipal, shisham, aam, kikar, neem, mangoes, apples, jasmine, roses, typha, hydrilla, corn, wheat, rice,

Fauna: wagtails, common sterling, yellow brow warbler, cuckoos, sunbirds, blackbuck, wild sheep, wild goats, markhor, cows, buffaloes, camels, falcon, eagle, peacock, squirrel, gazelles,

Dances: Bhangra, Jhummer, Luddi, Sammi, Dandia, Gidda,

Famous intellectuals/poets/saints of Punjab: Baba Farid 12-13th CE Pakpattan, Guru Nanak 15th-16th CE Nankana Sahaib, Shah Hussain 16th CE Lahore, Sultan Bahu 16-17th CE Jhang, Buleh Shah 17th -18th CE Kasur, Waris Shah 18th CE Sheikhpura, Khawaja Ghulam Farid 18th-19th CE Mithankot, Faiz Ahmed Faiz 20th CE Sialkot, Munir Niazi 20th CE Lahore, Saadat Hassan Manto 20th CE Lahore, Noor Jahan 20th Century CE Kasur and Lahore, Nusrat Fateh Ali Khan 20th CE Kasur-Lahore,

Case study-Selected Tour of Panjabi Sites

1. Multan

Physical Features: Chennab River, Sutlej River.

More than 6000 years old, this city has grown to become an influential political and economical center with a dry port. According to top Hindu legends, it was the capital of the Trigarta Kingdom during Mahabharata war. Multan has had various names over the years. Multan is titled as the City of Sufi Saints, because of the large number of shrines and sufi saints in the city. Traditional bazaars (old markets), mosques, shrines and other tombs adorn the city landscape. The most famous temple, Prahladpuri Temple, from where the term for Holi Hindu festival originated, is also located in the city along with many other ancient Hindu temples. The River Chenab separates it from Muzafargarh and River Sutlej from Bahawalpur, making it a bend like formation.

Famous Built Heritage of Multan:

1. Tomb of Shah Rukne-Alam
2. Eidgah Mosque
3. Ghanta Ghar Chawk
4. Tomb of Bahauddin Zakaria
5. Delhi Gate
6. Suraj Kunj Temple
7. Ahmed Shah Abdali Monument
8. Multan Fort
9. Multan Museum
10. Shah Shams park
11. Nigar khana
12. Fort Qasim
13. Damdama
14. Chaman zar askari lake
15. Nishtar hospital
16. Multan Arts Council
17. Monument of Van Alexander

Intangible cultural Heritage of Multan:

Cuisine

1. multani sohn halva
2. toshas (traditional sweets)
3. nihari and qorma
4. chicken pulao, chhola (chickpeas curry)
5. bbq
6. satoo
7. phika khuwa
8. chilra (dosa)
9. kupri
10. dhodha
11. lassi
12. billay aali siwiyan

Festivals

1. basant (banned at the moment)
2. spring festival
3. urs shah shams Tabriz
4. urs bahauddin zikria

Crafts

1. Blue pottery
2. camel skin painted objects
3. embroidery
4. jewellery
5. hand made rugs
6. hand made salt lamps
7. painting
8. naqashi-kari
9. sheesha gari
10. ukeer sazi
11. camel bone products
12. leather works
13. wood works
14. gota kinari
15. zardozi
16. khussa

2. Lahore:

Physical features: River Ravi, Lahore is situated on the flat alluvial plain at the average attitude of 702 ft above sea level. Parts of the city are situated at a slightly higher level of mounds of the debris of former cities.

The second largest city of Pakistan, the capital of Punjab Province, is bearer of thousands of years of thriving cultural tradition. It has changed hands from Hindu, Buddhist, Greek, Muslim, Sikh, and British rule to becoming the cultural capital of modern-day Pakistan. Lahore, according to a mythological legend, is named after Lava or Loh, son of Hindu god, Rama, who founded the city, while the other son, Kusa, have founded the neighbouring town of Kasur. The bordering river Ravi was known as Iravati in ancient India. The first historical reference to the city is provided by the Chinese traveller, Hiuen Tsang in 630 A.D. Surviving attacks of Muslim invaders for two centuries, the Rajput rule ended in a defeat by Mahmud of Ghazni in 1008 A.D. Qutbuddin Aibak and Iltutmish built and embellished the city. After surviving Gengiz Khan in 1241, and many passing by rulers of Khilji, Tughlaq, and Tamburlaine the Great, it was the master mind of Mughals who gave another life to the city bringing splendor and riches to the city. Lahore was an alternative seat of Mughal court, where Akbar held discussions with learned scholars, Portuguese missionaries, inculcating principles of liberal thinking and cultural richness. Abul Fazal chronicles Lahore in Ain-e-Akbari as:

...
“a great city in the Bari Doab; in magnificence and populousness it has few equals; in old history it is called Lohawar. In the time of His Majesty the fort has been built of solid bricks and lime and as from time to time, the seat of government was established here, lofty palaces were built, to which additional beauty was lent by luxuriant gardens. It is the resort of people of all nations from every city, and wonderful works have been made here.”

Lahore's walled city is built on an alluvial plateau that traverses a range of hills in the north, in the area of the fort. Resulting in higher walled city than the rest of Lahore's districts which are completely flat plains. Only six of Lahore's thirteen gates built during the Mughal era, survive today. **Roshnai Darwaza/Gate** next to the Badshahi Masjid, was the main entrance to the walled city, from the side of the court. Used to be highly illuminated due to nobilities frequent use, hence called 'gate of light'. **Kashmiri Gate**, also located in the north, faces the direction of Kashmir. **Masti Gate**, is a name coming from a Punjabi pronunciation of the word masjid which was present nearby. Only ruins survive behind the fort. **Khizri gate** was renamed **Sheranwala Gate** (lion's gate) by Maharaja Ranjeet Singh who placed two caged lions at the gate to warn enemies. **Yakki Darwaza/Gate** is a distorted form of Arabic word zaki, which was the name of the martyr who defended the city from Genghis Khan's army. There is no trace of the gate although there are two tombs situated near the gate entrance. Further east is **Delhi Gate** which faces Delhi. Prince Dara Shikoh was in charge of the district. Masjid Wazir Khan, with its famous frescoes stand tall to tell the tale of Mughal glory. British changed the façade by incorporating Victorian style. Next is **Akbari Gate**, which is no longer there, but is close to Akbari Mandi. Next in the south is the most significant gate, **Lahore Gate** facing Lahore, which was the city outwards. The passage for caravans coming from Multan, it is also a resting place for Sultan Qutbuddin Aibak, whose mausoleum is next to it. **Mochi Gate**, named after cobbler community or a distortion of a word moti, meaning pearl. Immediately behind the gate lies a garden which is historically known for its meeting point and speeches of politicians and poets. It is here that Allama Iqbal read his famous poem 'Shikwa, Jawab Shikwa'. **Bhatti Gate**, facing the famous shrine of Lahore's patron saint, Data Ganj Baksh, was named after the city's Rajput founders of Bhati tribe. The gate leads into the most famous bazaar of Lahore, Bazaar-e-Hakeema during Maharaja Ranjeet Singh. It was known for its intellectual tradition, and also called Chelsea of Lahore. It is here that Allama Iqbal started his poetic career in regular intellectual meetings held by the Hakims of the Bazaar in their home. The Faqir Khana Museum is also located here housing many riches of the world collected during Ranjeet Singh period. **Taxali Gate** in the west was named after a mint nearby. This gate was demolished during the British period.

Lahore Fort/Shahi Qila and **Badshahi Mosque** (1673) is situated in the north-west corner of the Walled City. The fort was built and destroyed several times. The backed brick masonry along with red sandstone is a Mughal architectural marvel combined with colourful frescoes, marbeled screens/jalis and sparkling glass in Sheesh Mehal added by Emperor Jahangir around his private court and bedroom chambers. With Hazoori garden in between, Badshahi Mosque stands tall and majestic opposite Lahore Fort adjacent to Taxali Gate. The huge domes juxtaposed against Lahore fort are a sight of perfection in beauty offering amalgamation of power and spirituality forming identity of the city.

The **Samadhi of Ranjit Singh** is a building housing the funerary urns of the Sikh ruler Maharaja Ranjit Singh (1780 - 1839). It is located near the Lahore Fort and Badshahi Mosque in Iqbal Park, which is one of the largest urban parks in Pakistan. Construction of the building was started by his son, Kharak Singh on the spot where he was cremated, and was completed by his youngest son, Duleep Singh in 1848.

Shalimar Garden (1641-42) is located along the old course of River Ravi. This Mughal garden is majestic landscape architecture, perfect to the finest detail offering a splendor of oasis amid the hot, dry, and flat plains. This garden was put on UNESCO's world heritage list in 1981. The upper and lower terraces are typical char-bagh, divided by canals and pools with 410 fountains, with walls in the fountain pavilion bearing niches to house lamps with camphor to create a shimmering light effect mixed with aromatic fusion.

Wazir Khan Mosque (1634) is within close vicinity of Delhi Gate, Walled City. It was built by Shaikh IImud-din Ansari, Viceroy of Punjab under Shah Jahan. The mosque's distinguishing architectural feature is the use of minarets at each of its four corners--the first time such a design was employed in Lahore. Much of the mosque is constructed of cut and dressed brick decorated with glazed tile mosaics.

Ali Mardan Khan Tomb (built 1657) Ali Mardan Khan provided guidance on canal construction, especially in regard to the Shah Nahar canal of Shalimar Gardens. Originally, the tomb sat amidst a large garden, but today only the large gateway survives. The tomb sits within the confines of a modern-day rail yard.

Dai Anga Tomb (built 1671) Located at the site of Gulabi Bagh, the tomb was built for Dai Anga, the wet nurse of Shah Jahan. The tomb is rectangular in plan with eight perimeter rooms and a central chamber, surmounted by a low dome on a tall base. The space inside is empty, as the actual tomb of Dai Anga lies below in a subterranean chamber. Interior decoration includes inscriptions from the Q'uran.

Kamran's Baradari (built 1520s or mid 17th-century) The baradari originally stood at the edge of the Ravi river, but over time, as the course of the river changed, the site became an island. Sometime over the course of centuries the river flooded, taking half the baradari along with it. As Mughal buildings are generally symmetrical, it was possible for historians to infer the design of the lost portion and it was rebuilt in 1989 at a cost of 19.6 million rupees (about \$1 million USD at the time).

Jahangir's Tomb (built 1627-37) The tomb of Jahangir is located in Shahdara, a suburb of Lahore to the northwest of the city. The area had been a favorite spot of Jahangir and his wife Nur Jahan when they resided in Lahore. The mausoleum itself is square in plan. Except for the four corner minarets the layout is entirely horizontal with a flat roof covering the whole of the structure.

Nur Jahan Tomb (built 1640s) Nur Jahan's tomb is stylistically similar to Jahangir's tomb, but is about half the size and lacks corner minarets.

Lawrance garden/Bagh-e-Jinnah is a historical park, formerly known as the Lawrence Gardens. Originally built as botanical garden modelled on Kew Garden. Today, the large green space also contains Masjid Dar-ul-Islam, and Quaid-e-Azam Library.

Pak Tea House is an intellectual tea-café located in Lahore, Punjab, Pakistan known for its association with progressive academic's and left-leaning South Asian intelligentsia.

Minar-e-Pakistan has been constructed at the site where the Lahore Resolution was passed in 1940. The object of this Resolution was to launch the struggle for the attainment of a separate homeland for Muslims of the Subcontinent, which was then governed by the British.

Lahore Zoo: Established in 1872, is one of the largest zoos in South Asia. It is currently managed by the Wildlife and Parks department of the Government of Pakistan.

Lahore Museum is regarded as one of the oldest and the most authentic in Pakistan. It was built during the times of the British under the curatorship of John Lockwood Kipling. Lahore Museum has been constructed in the Mughal Gothic style. The museum houses the famous fasting Buddha and many important Buddhist, Hindu sculptures and varied artifacts from Sikh and Islamic period.

Shrine of Hazrat Data Gunj Bakhsh: Syed Abdul Hassan Ali Hajveri commonly known as Data Gunj Bakhsh (The Bestower of Treasures) is the luminous figure of history of the subcontinent. While Muslims conquered subcontinent by force, the saints like Data Gunj Bakhsh influenced the people to embrace Islam voluntarily through their eternal teachings and rational approach towards life.

The Javed Manzil or the Allama Iqbal Museum is a national monument and museum. The site served as the residence of Muhammad Iqbal for three years and also as his death place. It was listed as a Tentative UNESCO site.

Lahore's intangible cultural heritage: Alhamra art council, Faiz ghar, Lif, Basant (banned), Sufi music, Shah jamal dhamaal, Perru's café, Food street, bazaars and markets, parks, poetry recitals of Heer waris shah around hazoori bagh and Waris Shah's Urs in the outskirts of Lahore, live Theater.

3. Chiniot:

On the banks of Chenab River in the region called Sadal Bar, this small town is located in an exotic place in the foothills of hillocks. This is an ancient town of before the times of Alexander's arrival in the region. During the Mughal period, Chiniot produced many artisan, thriving primarily in wood carvings for furniture and other decorative jharokas, truck decorations/art, and intricate monumental architecture.

Shahi Mosque (1655) reflects glorious past and sheer beauty with intricate floral patterns, which make the mosque much distinct from many such similar buildings.

The shrine of famous **Sufi Saint Hazrat Shah Burhan-ud-Din** is one of the most frequently visited spiritual places in Chiniot city. A simple but awe-inspiring building of the shrine is constructed on vernacular style, which reflects Mogul Architecture.

Omar Hayat Mahal Library or **Gulzar Manzil** is an early 20th-century wooden architectural wonder. Omar Hayat Palace is a five story building which stands in the heart of the city. Two upper stories were removed in 1993 due to heavy rainfall and storms which may have affected the adjoining buildings. It is a great tourist attraction for both local and foreign visitors.

Rehti Fort's ruins are still present in front of the Omar Hayat Palace. It was built in 1326, during the regime of Sultan Muhammad Tughlaq (1325-1351), the eldest son of Ghiyas ud-Din Tughluq.

Bara Mandir (Big Temple) is an old Hindu Temple and still there is a huge flow of people that come here to worship.

Crafts: wood works, truck art, furniture.

4. Sialkot:

On a low hill in the centre of the old city are the few remains of **Sialkot Fort**. It is one of the oldest forts in Pakistan established around the 2nd century AD. Also of interest is the birthplace of Dr. Muhammad Iqbal (1877–1938) which has been turned into a small museum containing some of his personal belongings and a library and named as **Iqbal Manzil** (Iqbal House).

Marala Headworks is located on the Chenab River about 20 km from Sialkot. Two major water canals originate at the Marala Headworks - the Marala-Ravi Link Canal and the Upper Chenab Canal. The area around the Marala Headworks Lake is also a picnic spot.

Apart from surgical goods, Sialkot also hosts important industries including Leather Tanneries, Leather Garments, Musical Instruments, Sportswear including Martial arts wear, Gloves, Badges, Seat and Walking Sticks, Cutlery, Hunting Knives, Air Guns and Shotguns.

5. Bahawalpur:

It is located in the south of Punjab province, just south of the Sutlej River. The state of Bahawalpur was founded in 1748 by Muhammad Bahawal Khan and was incorporated as a municipality in 1874. East of Bahawalpur is the Cholistan Desert which covers an area of about 15,000 km² and extends into the Thar Desert of India. At one time there were 400 forts in the area and archaeological finds around the Derawar Fort, the only place with a perennial waterhole, indicate that this fort was contemporaneous with the Indus Valley Civilization.

The Noor Mahal (Noor Palace) was built in 1872 like an Italian chateau on neoclassical lines,

The Sadiq Garh Palace – situated in Dera Nawab Sahib, was established in 1882 by the King of Bahawalpur, Nawab Sadiq Muhammad Khan (IV).

Lal Suhanra is a national park of Pakistan situated in Bahawalpur district of Punjab province, which is one of the largest national parks in South Asia. Lal Suhanra is spread over 162,568 acres and is notable for the diversity of its landscape, which includes areas of desert, forest and wetland. The management objectives of the national park include: conservation of native fauna & flora species of Cholistan, particularly endangered one e.g. Chinkara, Blackbuck, Blue bull and others to ensure a sustained wildlife management of threatened wildlife species in the country.

6. Uch: Close to Bahawalpur, Uch is an important historical city founded by Alexander the Great, located at the confluence of The Indus and Chenab rivers. It was an important center in medieval India, an early stronghold of the Delhi Sultanate in the 13th century. Uch Sharif contains the tombs of Bibi Jawindi, Baha'al-Halim, Ustad Nuriya and Jalaluddin Bukhari, which are considered masterpieces of Islamic architecture with glazed blue tiles delicate surface decoration and are on the UNESCO World Heritage Site's tentative list.

Considered one of the most ornate monuments in Uch, the tomb of **Bibi Jawindi** is an important site for visitors. The exterior of the building is octagonal in shape and has three tiers with the top one supporting a dome, while the interior is circular due to thick angled walls rising up two stories.

Both the interior and exterior of the building are richly decorated with Islamic scriptures, carved timber, and bright blue and white mosaic tiles. The base tier is supported by eight tapering towers in each corner and the compound enclosing the shrine is preserved in its original form.

Panjnad is formed by successive confluence of the five rivers of Punjab, namely Jhelum, Chenab, Ravi, Beas and Sutlej. Jhelum and Ravi join Chenab, Beas joins Sutlej, and then Sutlej and Chenab join to form Panjnad near Uch Sharif. The combined stream runs southwest for approximately 45 miles and joins Indus River at Mithankot. This place offers great respite for fishing, boating and study of natural wild life of the region.

Recommendations

- Local craft's workshops, food places, mango gardens, to be listed and mapped for a tourist attraction. The small industries department can be a potential partner for a development of a design center, which connects both craft persons with designers and design students from major art and design institutes in modifications of crafts for contemporary global needs. It could work out as a constant feature in the art and design institutions where the designers are bridging the gaps between old traditional crafts and new ideas challenged by new materials and technologies.
- Public and private school children to be encouraged to visit historical sites with interactive educational kits developed by National College of Arts. These activities will enforce new and nuanced understanding of cultural heritage of the place among new generation. The same material can also become part of larger repository on cultural heritage of Punjab to be developed.
- A website with calendar of all cultural activities in collaboration with Arts Councils, art galleries, craft centers and local music industry to be formed.
- Local eateries from *dhabbas* to upscale restaurants to be encouraged to conduct live music, poetry, and dance performances. That way, both cultural practitioners will get direct encouragement and the food industry will thrive by offering more enriching experience to the visitors. It will also inculcate more liberal attitudes.
- Taxali gate in Lahore is known for music industry, instruments and many renowned musicians have lived and some are still living in the Walled City. This place also has a thriving traditional food street with Phajey-ke-payee, poori halwa, and nihari on their menu. The restaurants in the traditional food street and the new food street developed by Walled City authority facing the Lahore Fort can support the music industry by inculcating regular classical/semi classical, folk and popular song recitals, concerts and performances.
- Similarly, in the same area, there are many small houses, which used to be residential places of known poets and intellectuals. One such example is the Ustad Daman Academy that faces Badshahi Mosque. These places can be supported and transformed into small museums with some cultural practices like discussions, talks, and other art activities. The community and other small groups involved in culture industry and cultural practitioners can collaborate with the tourism department to run these places.
- A visit to football factory followed by a boat ride in Head marala supported by wild life people with information and experience of closely looking at the flora and fauna of the area, with fisheries community, and local dhabbas can be a great tourist attraction.

- Scholarly researched materials to be produced by art institutions like National College of Arts that covers the cultural heritage of Punjab and Pakistan in a holistic manner, with layers of history tracing the routes and development of cultural clusters over the period of last few thousand years. These publications can be for several levels, ranging from interactive educational designed activity books for school children to coffee table cultural heritage scholarships.
- Interactive video games about cultural heritage of Punjab should be available online. There are many games at present designed by NCA and BNU thesis students, which are not circulated due to lack of sponsorship.
- Small museums in both large and small cities like Kasur Museum, Taxila Museum etc should be enlisted and incorporated with the built heritage and the craft scene of the area. There are many sites, which are not mentioned above like Aimanabad, which need to be documented and written about.
- The important Sikh (Punja Sahab, Nankana Sahab), Hindu (Katas Raj Temples) and Buddhist (Taxila) must be seen as very important pilgrimage sites. But these do not offer many facilities for international tourists. Local flora and fauna, visits to wild life excursions, like Uchhali lake in Soan Valley, can become part of a tourist plan/program with enough facilities.
- The importance of incorporating local communities as stakeholders cannot be overstated, through business opportunities, cultural practices and saving the environment from ruin.

Conclusion

The vastness and diversity of the built and intangible cultural heritage of Punjab is reflected by selected examples presented above. The complete picture of the networks of artisans, their clusters in various districts of Pakistan, how communities are interacting with their flora and fauna and other physical features of the land can be incorporated in a comprehensive cultural tourism policy document. Equally important is to know the places, objects, and practices that are important to communities, and understanding why these are valued. In-depth research resulting into reports, websites, archives, and books that will analyse, present, and demonstrate the complex web of tangible and intangible structures and formations present in the province. It is suggested that a system needs to be developed which brings all stakeholders, both community/practitioners and the implementing organizations, on board to make a viable and sustainable program. By demonstrating respect for a community's values a sound community and stakeholder relationships will be formed that will benefit the community economically and socially into the future, while giving more life to the places and histories of the built environment.

ANNEX C: CULTURAL HERITAGE OF PUNJAB, PAKISTAN

Better Planning and Management for Religious sites and their vicinity

The present Government of Punjab effort to develop a new policy to promote heritage tourism presents a good opportunity, not only for the promotion of such tourism but also for provision of better facilities to the pilgrims and to better manage heritage sites and areas. In order to properly address and promote heritage tourism and to cater for the better planning and management of heritage sites according to best internationally accepted practices a new regulatory body needs to be established. It is to be noted that currently most of Hindu and Sikh religious sites are under the control of Evacuee Trust Property Board (ETPB) which has limited experience and expertise in managing these, or maintaining these in a socio-culturally sustainable manner. The planning for the development of such sites is also being undertaken by organizations such as the Lahore Development and the TDCP, which have no expertise in special sites and areas nor the required cultural sensitivity to do so. The new regulatory body's main focus should be on the development of Religious Tourism with the ability to spearhead the effort of implementation in coordination with other developmental agencies. Its organizational culture should be as such that it is not only sensitive to the sacred sites of minorities, but also understands the dynamic involved in implementation of such projects. For this, the organization will need to be empowered and its staff will require training in specialized areas.

The city of Nankana Sahib should have a special regulatory body to plan and develop for heritage tourism while being conscious of the special needs of these sites and areas and the requirements of culturally sound maintenance and restoration. It has also to ensure that the aim of promoting tourism does not impinge upon the basic purpose of these sites i.e the visits of the pilgrims and their facilitation. Further, the concept of integrated development needs to be understood and incorporated during policy, planning and implementation stages. Some of the components of integrated development for a city like Nankana Sahib are listed below:

- Urban physical spatial planning/ future growth patterns
- Zoning plan
- Land-use plan
- Special locations/ sacred sites to have specific urban design criteria
- Building/ Zoning By-laws including height limitation (especially around sacred sites)
- Ensure sacred sites to have congregation areas, vistas and no visual impairment
- Restoration/ Conservation of religious sites/ Preservation of Heritage.
- Traffic pattern
 - Circulation Plan
 - Segregation of vehicular and pedestrian traffic
 - Accessibility (Access to the city from roads/ railways)
- Infrastructure
 - Water Supply
 - Sewer
 - Electricity
 - Telecom
 - Gas
- Support Facilities

- ongregation spaces
- Residential areas
- Hotel
- Hospitals
- Schools
- Sports
- Commercial activities
- Gender related
- Security

Similarly, the approach of Religious Tourism can also be applied to other religious sites as well including Hindu and Buddhist temples located in various parts of Pakistan, like Katas, Malot, Taxilla to name a few.

Only by creating and empowering an organization whose main function is to address, implement and promote 'Heritage Tourism' and 'Integrated Development', we can realize missed opportunities like Nankana Sahib.

As a first step such a body will have to develop site and site related area specific strategic plans. The plan for Nankana Sahib will have to cater for all the interventions / activities listed above. Such a plan will need to be in accordance with best international practices and undertaken by a company with expertise and experience in the area for planning for heritage areas. Tentative cost for such a study for Nankana would be about 50 million rupees.

○ C

ANNEX D: FURTHER DETAILS ON PROPOSED TOURISM PPP FRAMEWORK

Project Preparation

To reduce uncertainties for investors, the PPP projects should ideally be thoroughly prepared before the selection of private sector partners by undertaking feasibility studies, acquiring the necessary land, and obtaining the necessary permits and approvals. While the proposed tourism PPP framework should generally comply with these principles, in cases where the government is unclear on what could be the best way to leverage its assets or concessions, it is proposed that the government should seek open proposals that can create the maximum value for the government and the tourism sector. However, even in these cases, the financial bidding should be around a single parameter, such as the annual lease or concession fee paid to the government, to be able to compare varying proposals. Moreover, even in such cases the feasibility or pre-feasibility studies should inform about the project potential such as the expected visitor profile, existing tourist traffic, etc. besides other aspects.

In general however, government should take the lead role in undertaking feasibilities, land acquisition and obtaining necessary approvals and permits to avoid land speculation; ensure strong competition, preventing individual bidders to prepare their own feasibility studies; attract competitive bid prices through preventing bidders from including significant risk margins; and swifter contract negotiations and financial closure through eliminating uncertainties and issues left open in the tender documents.

Selection of the private sector partner should start only after the PPP project has been thoroughly prepared. It should be a transparent process consisting of prequalification and bidding. Direct negotiations should not be allowed, because without competition, government will not know whether the province is getting the best value for its money. For major PPP projects, the government should use professional transaction advisors. To facilitate the selection process, model tender documents for different types of PPP projects should be developed.

Flow of Project-Related Activities: The sequence of activities, during main phases of the project cycle, comprises preparation, transaction, execution, implementation and operation.

TDCP will identify and conceptualize the potential PPP projects from the department's ADP, divestures from TDCP, new projects emerging from tourism sector plan and other documents. It should also manage preparation of the PPP projects. In case of large cap projects, it should include a feasibility study, environmental impact assessment, risk analysis, assessment of the need for government support, stakeholder consultations, determination of the PPP modality (project structuring), and preparation of tender documents including the draft contract. In case of small cap projects, only a pre-feasibility would be required.

As explained earlier, in both these cases, the government should have the flexibility of inviting open or flexible proposals to get creative proposals, but only after the feasibility or pre-feasibility is done.

Subsequ

ently, TDCP will prioritize the identified PPP projects, using criteria such as supply and demand gaps, social and economic benefits, financial attractiveness, risks and uncertainties involved, and readiness for implementation. The prioritized PPP project proposals will be submitted to the Tourism Investment Committee. The approved PPP projects will be widely publicized.

Requests for government support will be an integral part of the PPP project proposals submitted by TDCP. Such support should only be involved for large cap PPP projects. TDCP will also consult the Risk Management Unit, for assessing budgetary implications, which will review their justification and eligibility, and analyze the fiscal impact of the related direct and contingent liabilities. Based on this review and analysis, the Risk Management Unit will make a recommendation to the Tourism Investment Committee on approval/rejection of the requested government support. If approved, the Risk Management Unit will coordinate with relevant sections in Finance Department to make the necessary arrangements for including such support in the provincial budget, while the TCI will ensure allocation of resources from the departmental budget.

Private partners for all PPP projects will be selected through transparent and competitive tendering, using a two-stage process of pre-qualification and bidding for large cap PPP project (or single stage as set under Section 16 of Punjab Public Private Partnership Act 2014). For large cap projects, the government will use provisions set under Sections 14-18 of Punjab Public Private Partnership Act 2014. For small cap projects, pre-qualification will not be mandated and the government would have the flexibility to go for single stage process and directly inviting technical and financial bids. Direct negotiations to select private partners will not be allowed. After obtaining approval for the PPP project and government support, if any, from the Tourism Investment Committee, TDCP will initiate the tendering process. Depending upon the nature of the project, adequate time should be given to prospective bidders for submitting proposals.

TDCP will be responsible for monitoring and supervising the PPP project during its implementation and operation to ensure its conformity with the plans, specifications, performance standards, and tariffs in the contract. TDCP will also submit quarterly reports on the PPP projects to the Tourism Investment Committee.

The following sections from Punjab Public Private Partnership Act 2014 will also apply of the proposed tourism PPP framework, with Tourism Investment Committee replacing the PPP Steering Committee and TDCP replacing the PPP Node and the Government Agency.

- Section 8 on PPP arrangements
- Section 17 on bid evaluation (Minimum days limit does not apply of small cap projects)
- Section 18 on bid security
- Section 19 on government support
- Section 20 on unsolicited proposals
- Section 22 (Sub sections 1, 2 and 4) on preparation and negotiation of PPP agreement
- Section 25 on dispute resolution
- Section 26 on project termination

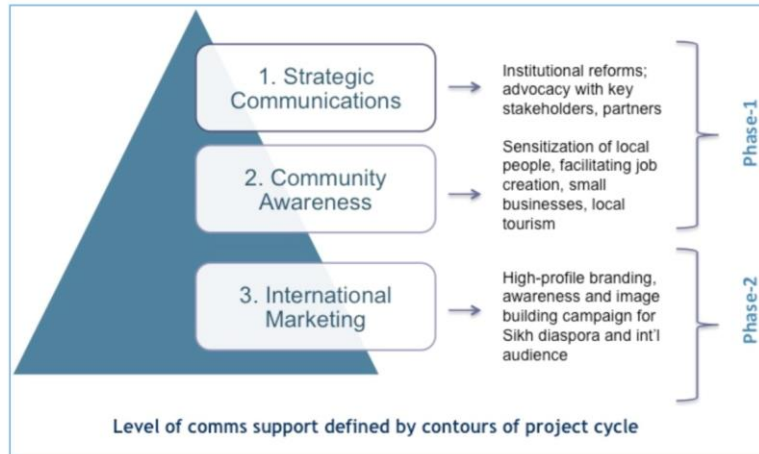
ANNEX E: COMMUNICATION STRATEGY

Communications, outreach and marketing strategy will play a vital role in the effective and efficient delivery of Punjab Tourism policy for economic growth. The primary role of communications is to prompt institutional change and support at the policy level. This would allow Punjab to be promoted as a culturally diverse, vibrant and secure destination to host international tourism for economic growth. The initial target market must be the international diaspora in the USA, UK, Canada and South-East Asia for the promotion of regional tourism in Punjab, Pakistan. Heritage and cultural tourism in Punjab is an opportunity to cash as an engine of economic growth, jobs and livelihood creation. The communications strategy must be inclusive and therefore requires proactive participation of government, private sector and local communities.

One important aspect of the strategy for maximum outreach through communication is that it will address information blockades at the service delivery level. These bottlenecks affect how the potential target audience perceives information about the sites of heritage tourism, interact and engage with different aspects of tourism industry service providers in Pakistan, e.g. ensuring awareness and visibility of tourist infrastructure, security, hospitality facilities and amenities around the heritage sites.

International tourists have been constantly reluctant towards opting Pakistan as a heritage tourism spot. This is primarily due to awareness and perception gap with respect to the softer and secure image of Pakistan. These gaps are key hurdles towards affecting mindsets and decision-making process of international tourists. It is essential that a high profile branding, awareness and aggressive outreach is directed at marketing the experience around cultural heritage to diaspora communities and international audience, which will facilitate to gradually dissolve such barriers.

Communications will therefore encourage proactive participation of several stakeholders, including government departments and ministries, private sector, professional artists, experts and practitioners from creative and heritage industries, service providers and suppliers from tourism and hospitality sector, civil society, development organizations, financial institutions, communities, etc. To this end, communications will need to enact a three-pronged framework to design and deliver a coherent, comprehensive and differentiated communications and marketing strategy, reaching out to multiple levels of target audience.



Source: World Bank Communication Strategy

Draft

ANNEX F: LIST OF DESTINATIONS IN PUNJAB FOR DOMESTIC TOURISM

List of destinations of historical and/or religious importance, attracting more than 1 million visitors annually

	District/ Tehsil	Name of Site	Type of Attraction
1	Khanewal / Khanewal	Railway Junction	Historical Tourism
2	Lahore / Lahore City	Lahore Fort	Historical Tourism
3	Lahore / Lahore City	Minar-e-Pakistan	Historical Tourism
4	Rawalpindi / Rawal Town	Railway Station	Historical Tourism
5	Lahore / Lahore City	Lahore Railway Station	Historical Tourism, Other
6	Kasur / Kasur	Baba Buleh Shah Shrine	Historical Tourism, Religious Tourism
7	Lahore / Lahore City	Badshahi Mosque	Historical Tourism, Religious Tourism
8	Multan / Multan	Shah Rukn-e-Alam Shrine	Historical Tourism, Religious Tourism
9	Multan / Multan	Baha-ud-Din Zakria Shrine	Historical Tourism, Religious Tourism
10	Chakwal / Choa Saidan Shah	Saidan Shah Shrine	Religious Tourism
11	Khanewal / Mian Channu	Baba Mian Channu Shrine	Religious Tourism
12	Lahore / Lahore City	Data Darbar	Religious Tourism
13	Lahore / Lahore City	Masjid Ibrahim	Religious Tourism
14	Pakpattan /Pakpattan	Darbar Hazrat Baba Farid	Religious Tourism
15	Rawalpindi / Kotli Sattian	Balawra Sharif	Religious Tourism
16	Dera Ghazi Khan /Taunsa	Mahmoodia Tomb	Religious Tourism, Other
17	Dera Ghazi Khan /Taunsa	Tomb Hazrat Khawaja Suleman	Religious Tourism, Other

List of destinations of historical and/or religious importance, attracting 0.5- 1 million visitors annually

1	Chakwal / Choa Saidan Shah	Katas Raj Temples	Historical Tourism
2	Gujrat / Gujrat	Aziz Bhatti Shaheed Shrine	Historical Tourism
3	Jhelum / Dina	Rohtas Fort	Historical Tourism
4	Jhelum / Pind Dadan Khan	Khewra Salt Mine	Historical Tourism
5	Lahore / Lahore City	Iqbal Tomb	Historical Tourism
6	Lahore / Lahore City	Shalamar Bagh	Historical Tourism
7	Lahore / Lahore City	Kims Gun - Zamzama	Historical Tourism
8	Sahiwal / Sahiwal	Harrapa Archaeological Site & Museum	Historical Tourism
9	Faisalabad /Faisalabad City	Faisalabad Clock Tower	Historical Tourism, Tourism, Cultural
10	Multan / Multan	Multan Fort and Art Gallery	Historical Tourism, Tourism, Cultural
11	Lahore / Lahore Cantt	Fortress Stadium Commercial Area	Historical Tourism, Tourism, Cultural, Recreational Tourism
12	Sheikhupura /Sheikhupura	Haran Minar	Historical Tourism, Tourism, Recreational
13	Attock / Fateh Jang	Shahpur Dam	Historical Tourism, Tourism, Recreational, Other
14	Multan / Multan	Shrine Shah Shamas Tabraiz	Historical Tourism, Tourism, Religious
15	Nankana Sahib /Nankana Sahib	Gurdwara Janam Asthan	Historical Tourism, Tourism, Religious
16	Attock / Pindi Gheb	Maira Sharif	Religious Tourism
17	Dera Ghazi Khan /Dera Ghazi Khan	Sakhi Sarwar Shrine	Religious Tourism
18	Jhang / Ahmad Pur Sial	Darbar Hazrat Sultan Bahu	Religious Tourism
19	Lahore / Lahore City	Cathedral Church	Religious Tourism
20	Multan / Jalalpur	Baba Pir Qatal	Religious Tourism

21	Rajanpur / Jampur	Hazrat Noor Muhammad Shrine	Religious Tourism
22	Rajanpur / Rajanpur	Khawaja Ghulam Fareed Shrine	Religious Tourism

List of destinations of historical and/or religious importance, attracting 0.1- 0.5 million visitors annually

1	Attock / Hassan Abdal	Maqbra-e-lala Rukh	Historical Tourism
2	Bahawalpur / Yazman	Derawar Fort	Historical Tourism
3	Faisalabad / Jaranwala	Jaranwala Gate	Historical Tourism
4	Lahore / Lahore City	Jahangir Tomb	Historical Tourism
5	Lahore / Lahore City	Bara Dari and Hazuri Bagh Lahore	Historical Tourism
6	Lahore / Lahore City	Lahore Museum	Historical Tourism
7	Lahore / Lahore City	3rd Battalion 1965 War Monument	Historical Tourism
8	Lahore / Lahore City	Tomb of Anarkali	Historical Tourism
9	Lahore / Lahore City	Shahi Hamam	Historical Tourism
10	Layyah / Layyah	Railway station	Historical Tourism
11	Sahiwal / Sahiwal	Sahiwal Railway Station	Historical Tourism
12	Sargodha / Kot Momin	Takht Hazara	Historical Tourism
13	Sargodha / Kot Momin	Largest Banyan Tree Kot Momin	Historical Tourism
14	Sheikhupura / Sheikhupura	Sheikhupura Fort	Historical Tourism
15	Sialkot / Sialkot	Sialkot Fort	Historical Tourism
16	Bahawalpur / Bahawalpur	Noor Mahal	Historical Tourism, Cultural Tourism
17	Bahawalpur / Bahawalpur	Islamia University Bahawalpur	Historical Tourism, Cultural Tourism
18	Bahawalpur / Bahawalpur	Bahawalpur Museum	Historical Tourism, Cultural Tourism
19	Chiniot / Chiniot	Umar Hayat Palace or Gulzar Manzil	Historical Tourism, Cultural Tourism

20	Faisalabad / Faisalabad City	Lyallpur Museum	Historical Tourism, Cultural Tourism
21	Lahore / Lahore City	Islamic Summit Minar	Historical Tourism, Cultural Tourism
22	Lahore / Lahore City	Lahore Heritage Museum, Tollinton	Historical Tourism, Cultural Tourism
23	Lahore / Lahore City	Punjab Public Library	Historical Tourism, Cultural Tourism
24	Lahore / Lahore City	Quaid e Azam Library, Lahore	Historical Tourism, Cultural Tourism
25	Vehari / Mailsi	Masood Jandhir Research Library	Historical Tourism, Cultural Tourism, Other
26	Khanewal / Mian Channu	Municipal Park & Jinnah Public Library	Historical Tourism, Cultural Tourism, Recreational Tourism, Other
27	Kasur / Kasur	Ganda Singh Wala Border	Historical Tourism, Other
28	Lahore / Lahore City	Wagah Border	Historical Tourism, Other
29	Rawalpindi / Taxila	Mughal Garden Wah	Historical Tourism, Other
30	Sialkot / Sialkot	Clock Tower Sialkot	Historical Tourism, Other
31	Mianwali / Piplan	Chashma Barrage	Historical Tourism, Recreational Tourism
32	Attock / Hassan Abdal	Gurdwara Panja Sahab	Historical Tourism, Religious Tourism
33	Chiniot / Chiniot	Badshahi Mosque	Historical Tourism, Religious Tourism
34	Gujranwala / Wazirabad	Molana Zafar Ali Khan Shrine	Historical Tourism, Religious Tourism
35	Lahore / Lahore City	Samadhi Ranjit Singh	Historical Tourism, Religious Tourism
36	Lahore / Lahore City	Sunehri Masjid Lahore	Historical Tourism, Religious Tourism
37	Rahim Yar Khan / Sadiqabad	Bhong Masjid	Historical Tourism, Religious Tourism
38	Rawalpindi / Taxila	Julian	Historical Tourism, Religious Tourism
39	Sargodha / Bhalwal	Sher Shah Suri Mosque	Historical Tourism, Religious Tourism
40	Sheikhupura / Sheikhupura	Pir Waris Shah Shrine	Historical Tourism, Religious Tourism
41	Sheikhupura / Sheikhupura	Sacha Sodha Gurdwara	Historical Tourism, Religious Tourism

42	Bahawalpur / Ahmedpur Sharqia	Mazarat Uch-sharif	Religious Tourism
43	Chiniot / Chiniot	Darbar Hazrat Bu Ali Qalandir	Religious Tourism
44	Dera Ghazi Khan / Dera Ghazi Khan	Tomb of Peer Mulla Quaid Shah	Religious Tourism
45	Dera Ghazi Khan / Dera Ghazi Khan	Zinda Pir	Religious Tourism
46	Gujranwala / Gujranwala	Gurdwara Rori Sahib Emnabad.	Religious Tourism
47	Gujrat / Gujrat	Shah Daula Pir Shrine	Religious Tourism
48	Hafizabad / Hafizabad	Presbyterian Church Hafizabad	Religious Tourism
49	Jhang / Jhung	Shah Jewna Darbar	Religious Tourism
50	Jhang / Jhung	Darbar Hazrat Amman Ullah Hathi Sarkar	Religious Tourism
51	Jhelum / Pind Dadan Khan	Jalalpur Sharif	Religious Tourism
52	Khanewal / Kabirwala	Abdul Hakeem Shrine	Religious Tourism
53	Khanewal / Kabirwala	Kabir Bukhri Shrine	Religious Tourism
54	Khanewal / Mian Channu	Nasir Hussain Shah Shrine	Religious Tourism
55	Khushab / Khushab	Darbar Badshahan Khushab	Religious Tourism
56	Khushab / Noorpur Thal	Sayedan Shah Bukhari Shrine	Religious Tourism
57	Lahore / Lahore City	Bahria Town Masjid Lahore	Religious Tourism
58	Lahore / Lahore City	Masjid e Shuhada	Religious Tourism
59	Lahore / Lahore City	Wazir Khan Mosque	Religious Tourism
60	Lahore / Lahore City	Darbar Mian Mir	Religious Tourism
61	Layyah / Karor	Raian Shah Shrine	Religious Tourism
62	Lodhran / Dunyapur	Sultan Ayub Qatal (Shrine)	Religious Tourism
63	Mianwali / Mianwali	Sultan Muhammad Zakria Shrine	Religious Tourism
64	Multan / Multan	Shahi Eid Gah Sharif	Religious Tourism

65	Multan / Shujabad	Faqeer Fazal Shrine	Religious Tourism
66	Muzaffargarh / Jatoi	Masjid Sakina Tus Sughra	Religious Tourism
67	Narowal / Shakargarh	Gurdwara Darbar Sahib Kartarpur	Religious Tourism
68	Okara / Renala Khurd	Darbar Hazrat Daud Bandgi	Religious Tourism
69	Rawalpindi / Murree	Roman Catholic Church	Religious Tourism
70	Rawalpindi / Potohar	Rawat Fort	Religious Tourism
71	Rawalpindi / Taxila	Archaeological Museum Taxilla	Religious Tourism
72	Sahiwal / Sahiwal	Jamia Masjid Faridia	Religious Tourism
73	Sheikhupura / Sharaqpur	Darbar Hazrat Sher Muhammad	Religious Tourism
74	Sialkot / Sialkot	Imam Ali Haq Shrine	Religious Tourism
75	Vehari / Burewala	Baba Haji Sher Dewan	Religious Tourism

List of destinations of historical and/or religious importance, attracting less than 0.1 million visitors annually

1	Attock / Hazro	Attock Fort	Historical Tourism
2	Attock / Hazro	Behram ki Baradari	Historical Tourism
3	Attock / Jand	Attock bridge (old)	Historical Tourism
4	Attock / Jand	Khushal Garh Bridge	Historical Tourism
5	Bahawalnagar / Fort Abbas	Fort Abbas Qila	Historical Tourism
6	Bahawalpur / Ahmedpur Sharqia	Sadiq Garh Palace	Historical Tourism
7	Bahawalpur / Bahawalpur	Khatri Bangla	Historical Tourism
8	Bahawalpur / Bahawalpur	Moigarh fort	Historical Tourism
9	Bahawalpur / Bahawalpur	Darbar Mahal	Historical Tourism
10	Bahawalpur / Kharpur Tamewali	Purana Bangla	Historical Tourism
11	Bahawalpur / Yazman	Mir Garh Fort	Historical Tourism
12	Bhakkar / Mankera	Mankera Fort	Historical Tourism

13	Chakwal / Kallar Kahar	Fossil Museum	Historical Tourism
14	Gujranwala / Wazirabad	Gurdwara Guru Kotha Wazirabad	Historical Tourism
15	Gujranwala / Wazirabad	Musaman Burj	Historical Tourism
16	Jhelum / Dina	Tilla Jogian	Historical Tourism
17	Kasur / Kasur	Kasur Museum	Historical Tourism
18	Khushab / Quaidabad	Amb Sharif Temples	Historical Tourism
19	Lahore / Lahore City	Tomb of Noor Jahan	Historical Tourism
20	Lahore / Lahore City	Tomb of Asif Khan	Historical Tourism
21	Lahore / Lahore City	Tomb of Dai Anga	Historical Tourism
22	Lahore / Lahore City	Lahore Budho Tomb	Historical Tourism
23	Lahore / Lahore City	Chauburji	Historical Tourism
24	Lahore / Lahore City	Tomb of Qutb-ud-Din Aibak	Historical Tourism
25	Lahore / Lahore City	Kamran's Baradari	Historical Tourism
26	Lahore / Lahore City	Bab-e-Pakistan	Historical Tourism
27	Mandi Bahauddin / Mandi Bahauddin	Cheelianwala Monument	Historical Tourism
28	Mandi Bahauddin / Mandi Bahauddin	Qadirabad Fort	Historical Tourism
29	Okara / Depalpur	Depalpur Fort	Historical Tourism
30	Rahim Yar Khan / Rahimyarkhan	Pattan Minara	Historical Tourism
31	Rajanpur / Jampur	Harrand Fort	Historical Tourism
32	Rawalpindi / Kallar Syedan	Krishna Temple	Historical Tourism
33	Rawalpindi / Kallar Syedan	Haveli Bheem Singh	Historical Tourism
34	Rawalpindi / Murree	GPO building	Historical Tourism
35	Rawalpindi / Taxila	Sirkap	Historical Tourism
36	Rawalpindi / Taxila	Sirsukh	Historical Tourism
37	Rawalpindi / Taxila	Nicholsan Tower Trail	Historical Tourism
38	Rawalpindi / Taxila	Mora Muradu	Historical Tourism

39	Sargodha / Sahiwal	Historical Gates of Sahiwal, Sargodha	Historical Tourism
40	Sheikhupura /Sheikhupura	Ghanta Ghar Shaikhupura	Historical Tourism
41	Sialkot / Pasrur	1965 War Monument	Historical Tourism
42	Bahawalpur /Bahawalpur	Bahawalpur Library	Historical Tourism, Cultural Tourism
43	Dera Ghazi Khan /Dera Ghazi Khan	Jirga House	Historical Tourism, Cultural Tourism
44	Lahore / Lahore City	Allama Iqbal Museum Lahore	Historical Tourism, Cultural Tourism
45	Okara / Okara	Mir Chakar Khan Rind Tomb	Historical Tourism, Cultural Tourism
46	Dera Ghazi Khan /Dera Ghazi Khan	Tomb of Ghazi Khan	Historical Tourism, Cultural Tourism, Other
47	Jhang / Jhung	Heer Ranjha Darbar	Historical Tourism, Cultural Tourism, Religious Tourism
48	Attock / Hazro	Wasif Masood Shaheed Bridge	Historical Tourism, Other
49	Attock / Jand	Bhul Gulyal Dam	Historical Tourism, Other
50	Nankana Sahib /Sangla Hill	Clock Tower Sangla Hill	Historical Tourism, Other
51	Rajanpur / Rajanpur	Indus Queen Ship	Historical Tourism, Other
52	Dera Ghazi Khan /Dera Ghazi Khan	Date Palm Garden	Historical Tourism, Recreational Tourism
53	Rawalpindi / Rawal Town	Rawalpindi Cricket Stadium	Historical Tourism, Recreational Tourism
54	Sargodha / Sargodha	Kirana Hills, Sargodha	Historical Tourism, Recreational Tourism
55	Attock / Jand	Jand public park	Historical Tourism, Recreational Tourism, Other
56	Khushab / Khushab	Sodhi Garden and Rest House	Historical Tourism, Recreational Tourism, Other
57	Attock / Fateh Jang	Udaasi Temple and Mari, Fateh Jang	Historical Tourism, Religious Tourism
58	Bhakkar / Mankera	Shri Maha Veer Ji Temple	Historical Tourism, Religious Tourism

59	Chakwal / Choa Saidan Shah	Malot Fort	Historical Tourism, Religious Tourism
60	Khushab / Khushab	Graveyard of Sahaba	Historical Tourism, Religious Tourism
61	Lahore / Lahore City	Dai Anga Mosque	Historical Tourism, Religious Tourism
62	Multan / Multan	Dewan Sawan Temple	Historical Tourism, Religious Tourism
63	Okara / Okara	Bhuman Shah	Historical Tourism, Religious Tourism
64	Pakpattan / Pakpattan	Sikhon ki Marri	Historical Tourism, Religious Tourism
65	Rawalpindi / Taxila	Dharma Rajika Stupa	Historical Tourism, Religious Tourism
66	Sargodha / Bhalwal	Arya Samaj Mandir	Historical Tourism, Religious Tourism
67	Attock / Fateh Jang	Darbar Sain Hazir Hazur	Religious Tourism
68	Bahawalnagar / Bahawalnagar	Darbar Hazrat Syed Fazal Hussain	Religious Tourism
69	Bahawalnagar / Chishtian	Darbar Hazrat Taj ud Din Sarawar	Religious Tourism
70	Bahawalnagar / Chishtian	Darbar Hazrat Noor Muhammad Maharvi	Religious Tourism
71	Bahawalpur / Ahmedpur Sharqia	Shrine Kabir ud Din	Religious Tourism
72	Bahawalpur / Bahawalpur	Darbar Jalal ud Din Surkh Bukhari	Religious Tourism
73	Bahawalpur / Hasilpur	Baba Shah Rangeela Shrine	Religious Tourism
74	Bahawalpur / Kharpur Tamewali	Darbar Khawaja Khuda Bakhsh	Religious Tourism
75	Bahawalpur / Yazman	Mazarat Ashabe-e-Rasool	Religious Tourism
76	Bhakkar / Mankera	Magbara Nawab Sarbuland	Religious Tourism
77	Chakwal / Chakwal	Noori Sarkar Mazar	Religious Tourism
78	Chakwal / Choa Saidan Shah	Chahal Abdaal	Religious Tourism
79	Chiniot / Lalian	Darbar Pir Muhammad Siddique Lalian	Religious Tourism
80	Dera Ghazi Khan / Dera Ghazi Khan	Jammia Masjid	Religious Tourism

81	Faisalabad / Chak Jhumra	Temple Chak Jhumra	Religious Tourism
82	Gujranwala /Gujranwala	Chan Pir Shrine	Religious Tourism
83	Gujranwala /Gujranwala	Gurdwara Baba Sahib Ji Bedi	Religious Tourism
84	Gujranwala /Nowshera Virkan	Gurdwara Khara Sahib, Bhaike	Religious Tourism
85	Hafizabad /Hafizabad	Mian Khair Muhammad Shrine	Religious Tourism
86	Jhang / Jhung	Maai Challan Wali Sarkar	Religious Tourism
87	Jhang / Jhung	Lal Nath Temple	Religious Tourism
88	Jhang / Shorkot	Maai Baap Darbar	Religious Tourism
89	Jhelum / Sohawa	Pir Haibat Shah Qalandri Baithak	Religious Tourism
90	Jhelum / Sohawa	Shrine Ghulam Haider Shah	Religious Tourism
91	Kasur / Kasur	Baba Shah Kamal Chishti (Shrine)	Religious Tourism
92	Khanewal / Jahanian	Lal Haider Shah Bukhari Shrine	Religious Tourism
93	Khushab / Khushab	Sakhi Sayed Al Maroof shrine	Religious Tourism
94	Khushab / Khushab	Dada Golra Shrine	Religious Tourism
95	Lahore / Lahore City	Major Shabir Sharif Shaeed	Religious Tourism
96	Lahore / Lahore City	Gurdawara Dera Sahib	Religious Tourism
97	Lahore / Lahore City	Ghazi Ilmuddin Shaheed Mazar	Religious Tourism
98	Layyah / Karor	Gaddu Lal Temple	Religious Tourism
99	Layyah / Layyah	Darbar Shah Habib	Religious Tourism
100	Layyah / Layyah	Darbar Jallo Shah	Religious Tourism
101	Layyah / Layyah	Mandir Shrine cum Temple	Religious Tourism
102	Mandi Bahauddin /Mandi Bahauddin	Gurdwaras Mandi Bahauddin	Religious Tourism
103	Mandi Bahauddin /Phalia	Grudawara Bhai Bannu	Religious Tourism
104	Multan / Jalalpur	Shahi Mosque Jalapur Pirwala	Religious Tourism

105	Muzaffargarh /Muzaffargarh	Baba Sher Shah	Religious Tourism
106	Muzaffargarh /Muzaffargarh	Muhib Shah Sarkar	Religious Tourism
107	Muzaffargarh /Muzaffargarh	Darbar Naukar Shah Ghazi	Religious Tourism
108	Nankana Sahib /Sangla Hill	PRESBYTERIAN CHURCH SANGLA	Religious Tourism
109	Narowal / Narowal	EPIPHANY CHURCH	Religious Tourism
110	Narowal / Zafarwal	Mandir Dharman Village	Religious Tourism
111	Narowal /Shakargarh	Kutab Shah Wali Shrine	Religious Tourism
112	Okara / Okara	Darbar Karman Wali Khan	Religious Tourism
113	Pakpattan /Pakpattan	Parnami Mandir, Malka Hans	Religious Tourism
114	Pakpattan /Pakpattan	Milab Das	Religious Tourism
115	Rajanpur / Jampur	Sakhi Shah Jahan Bukhari	Religious Tourism
116	Rajanpur / Jampur	Hamza Sultan Shrine	Religious Tourism
117	Rajanpur / Rojhan	Sahib Shah Darbar	Religious Tourism
118	Rajanpur / Rojhan	Sakhi Rindan	Religious Tourism
119	Rawalpindi / Kahuta	Hazrat Baba Pir Dhani Sarkar	Religious Tourism
120	Rawalpindi / Kallar Syedan	Mohiudin Islamic center	Religious Tourism
121	Rawalpindi / Murree	The Holy Trinity Church	Religious Tourism
122	Rawalpindi / Potohar	Mankiala stupa	Religious Tourism
123	Sargodha / Sahiwal	Mandir/Temple in Sahiwal	Religious Tourism
124	Sialkot / Pasrur	Up church Chawinda	Religious Tourism
125	Sialkot / Pasrur	Kotli Bava Fageer Chand	Religious Tourism
126	Sialkot / Sialkot	Jubilee Church	Religious Tourism
127	Sialkot / Sialkot	Holy Trinity Church, Sialkot	Religious Tourism
128	Toba Tek Singh /Gojra	Kashi Ram Chand Temple	Religious Tourism
129	Toba Tek Singh /Gojra	Gurdwara Singhs BHA Goira	Religious Tourism
130	Toba Tek Singh /Kamalia	Parnami Mandir	Religious Tourism

131	Vehari / Burewala	Baba Jinday Shah	Religious Tourism
132	Vehari / Mailsi	Khawaja Abu Bakar Waraq	Religious Tourism
133	Vehari / Mailsi	Shahi Mosque Malik Wahan	Religious Tourism
134	Rajanpur / Rojhan	Peer Dhanu Shah	Religious Tourism, Other
135	Rajanpur / Rajanpur	Shahdad Gore	Religious Tourism, Recreational Tourism
136	Faisalabad / Faisalabad City	Jinnah Park Faisalabad	
137	Lahore / Lahore City	Gates of Lahore & Walled City	Historical Tourism
138	Gujrat / Kharian	Mohri Sharif Darbar	Religious Tourism

ANNEX G: ILLUSTRATIVE TOURISM PRODUCTS FOR PUNJAB

Tourism in Punjab is principally suited for the tourists interested in culture, ancient civilizations, and spirituality and epic history. Punjab was part of the ancient Indus Valley Civilization more than 4000 years ago. Harappa near present days Sahiwal is the main site of Indus Valley Civilization in Punjab. The province is home to several historical sites, including some of the world heritage sites such as the Shalimar Gardens, the Lahore Fort, the Rohtas Fort and Taxila. Beside this there are number of historical sites of Mughal era and British Raj.

The ancient city of Taxila in the northwest and Ketas Raj in Salt Range was once a major center of Buddhist and Hindu influence. Several important Sikh shrines are in the province, including the birthplace of the first Guru, Guru Nanak. This offers great opportunities to develop **spiritual tourism, religious tourism and heritage tourism** in Punjab.

The culture of Punjab derives its basis from the institution of Sufi saints, who spread Islam and preached and lived the Muslim way of life. People have festivities to commemorate these traditions. The fairs and festivals of Punjab reflect the entire circle of its folk life and cultural traditions. This makes Punjab attractive for tourists who are interested in **cultural tourism**

Punjab's geography mostly consists of the alluvial plain of the Indus River and its four major tributaries in Pakistan, the Jhelum, Chenab, Ravi, and Sutlej rivers. There are several mountainous regions, including the Koh-e-Suliman Range in the southwest part of the province. Fort Manro is a popular hill station of this area. Margalla Hills, Salt Range, and Pothohar Plateau are located in the in the north. Murree Hills in the Northern Punjab make foothills of Himalayan range is famous among domestic tourists because of its famous hill stations. Using this great landscape diversity **leisure tourism** and **adventure tourism** products such as theme based holiday resorts, low altitude hiking and trekking, rock climbing, paragliding, hot air ballooning safaris, camel safaris, river and canal cruise trips, sailing and boating and other water sports can easily be developed. These areas also offer great opportunities for tourists interested in exploring natural environment, wildlife, and vegetation etc. So products suitable for **Eco tourists** can also be developed.

Punjab houses Cholistan desert in the south, which cover an area of 26,300 km². The dry bed of the Hakra River runs through the area, along which many settlements of the Indus Valley Civilization have been found. This area offers great potential to develop product like safari trips.

Lahore is the largest city of Punjab. Other main cities are Multan, Bahawalpur, Faisalabad, Sargodha, Gujranwala, Sialkot and Rawalpindi. These cities are famous because of their typical culture, handicrafts, cuisine and other interesting features and landmarks. There is great potential to develop **urban tourism**. The city of Lahore also has potential to be developed as major center for **conference and convention tourism** in Punjab.

The main components of any tourism product include availability of natural or manmade tourist sites, accommodation, transportation, recreational facilities and other tourism amenities. In order to develop above tourism products there is need to establish a good coordination mechanism among various departments and agencies of provincial government and involve private sector by offering special incentives to motivate them to invest in tourism sector.

ANNEX H: MATRIX OF PROPOSED TOURISM PRODUCTS

Tourism Product	Suitable Geographical Areas	Key Stakeholders	Strategy
Heritage Tourism	<ul style="list-style-type: none"> • Lahore • Multan • Bahawalpur • Cholistan • Harappa • Taxila • Rohtas & Tilla Jogian 	<ul style="list-style-type: none"> • Tourism Department • TDCP • Archaeology Dept. • Culture Dept. • Local Government • Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Develop inventory of Heritage sites. • Establish coordination mechanism among key stakeholders • Develop site specific action plan for conservation and development of tourism infrastructure • Develop marketing and communication strategy • Develop human resource and build capacity of service providers • Tourism Management Plan
Religious Tourism	<ul style="list-style-type: none"> • Lahore • Nankana Sahib • Hasanabdal • Ketas • Taxila 	<ul style="list-style-type: none"> • Tourism Department • Auqaf Department • TDCP • Local Government • Archaeology Dept. • Culture Dept. • Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Develop inventory of religious sites. • Establish coordination mechanism among key stakeholders • Develop site specific action plan for conservation and development of tourism infrastructure • Develop marketing and communication strategy • Develop human resource and build capacity of service providers • Tourism Management Plan
Spiritual Tourism	<ul style="list-style-type: none"> • Multan • Chanan Pir • Uch Sharif • Pak Pattan • Lahore • Shaikhupura • Taunsa Shairf • DG Khan • Depalpur 	<ul style="list-style-type: none"> • Tourism Department • Auqaf Department • TDCP • Local Government • Archaeology Dept. • Culture Dept. • Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Develop inventory of Spiritual sites. • Establish coordination mechanism among key stakeholders • Develop site specific action plan for conservation and development of tourism infrastructure • Develop marketing and communication strategy • Develop human resource and build capacity of service providers • Tourism Management Plan
Cultural Tourism	<ul style="list-style-type: none"> • Lahore • Rawalpindi 	<ul style="list-style-type: none"> • Tourism Department 	<ul style="list-style-type: none"> • Develop inventory of culture events, sites and handicrafts.

	<ul style="list-style-type: none"> • Multan • Bahawalpur • Chinot 	<ul style="list-style-type: none"> • Aahan • TDCP • Local government • Small Ind. Dep • Culture Dept. • Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Establish coordination mechanism among key stakeholders • Develop site specific action plans • Develop marketing and communication strategy • Develop human resource and build capacity of service providers • Tourism Management Plan
Ecotourism	<ul style="list-style-type: none"> • Lal Sohanra N Park, Berhampur • Cholistan • Taunsa Barrage • Chashma Barrage • Head Baloki • Head Marala • Lehri Nature Park • Changa Manga • Salt Range wetlands • Khewra • Lathrar Valley (Kotli Sattian) • Murree Hills 	<ul style="list-style-type: none"> • Tourism Department • Forest and Wildlife • TDCP • WWF Pak • Local government • STFP • Hotel industry • Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Develop inventory of nature tourism sites. • Establish coordination mechanism among key stakeholders • Develop site specific action plans for the conservation of nature and development of infrastructure • Develop marketing and communication strategy • Develop human resource and build capacity of service providers • Tourism Management Plan
Conference and Convention Tourism	<ul style="list-style-type: none"> • Lahore • Rawalpindi 	<ul style="list-style-type: none"> • Tourism Department • LCC&I • TDCP • City government • Hotel Association • Civil Society • Event Management Cos. • Airlines • Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Develop calendar of events • Establish coordination mechanism among key stakeholders • Develop action plan • Develop marketing and communication strategy • Develop human resource and build capacity of service providers • Tourism Management Plan
Leisure Tourism	<ul style="list-style-type: none"> • Murree Hills • Fort Manro • Kallar Kahar • Lahore 	<ul style="list-style-type: none"> • Tourism Department • Forest and Wildlife • TDCP • Local government • Hotel Industry • Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Develop inventory of leisure tourism sites. • Establish coordination mechanism among key stakeholders • Develop site specific action plans • Develop marketing and communication strategy • Develop human resource and build capacity of service providers • Tourism Management Plan

Adventure Tourism	<ul style="list-style-type: none"> • Murree Hills • Fort Manro • Kallar Kahar • Cholistan 	<ul style="list-style-type: none"> • Tourism Department • Forest and Wildlife • TDCP • Local government • Adventure Sports Associations • Adventure Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Develop inventory of sites suitable for adventure sports activities. • Establish coordination mechanism among key stakeholders • Develop site specific action plans • Develop facilities for selected adventure sports • Develop marketing and community strategy • Develop human resource and build capacity of service providers • Tourism Management Plan
Rural Tourism	<ul style="list-style-type: none"> • Chakwal • Sargodha • Faisalabad • Sahiwal • Multan • Bahawalpur • Sialkot 	<ul style="list-style-type: none"> • Tourism Department • Agriculture Dept. • TDCP • Local government • STFP • Tour Opts. • Civil society • Local community • Media 	<ul style="list-style-type: none"> • Develop inventory of sites suitable for rural tourism. • Establish coordination mechanism among key stakeholders • Develop site specific action plans • Develop infrastructure for rural tourism activities • Develop marketing and communication strategy • Develop human resource and build capacity of service providers • Tourism Management Plan

ANNEX I: DATA COLLECTION STRATEGY FOR EVIDENCE-BASED DATA COLLECTION

One of the major issues in understanding the impact of tourism, and in developing a strategy to expand the tourism sector is lack of data. Basic data on number of visitors to religious and heritage sites in Punjab is missing. In addition more detailed data on current and potential visitor profiles is absent, except for Sikh tourists.

This data is crucial as it allows evidence based planning. A data strategy should include at least the following:

- Systematic and regular data collection on number of international and domestic visitors to each site, including Sufi shrines
- Surveys of tourists already in Pakistan, or exiting Pakistan, to record data on patterns, expenditures and potential avenues for improving tourism
- Surveys of high value, easy to capture visitors (such as Diaspora populations) abroad to ascertain what type of facilitation and services to provide to attract them

Furthermore, the United Nations World Tourism Organization (UNWTO) has developed a standardized statistical framework (Tourism Satellite Accounts) for collecting and analyzing data. This framework is used by several countries, and adopting it would provide a useful avenue for benchmarking over time and with other countries.

ANNEX J: MAJOR SUFI TOURIST SITES

Multan

Mausoleum of Hazrat Bahuddin Zakriya
Mausoleum of Shah Rukn-e- Alam
Mausoleum of Shah Shams Tabriz
Baba Buley Shah
Hazrat Muhammad Shah Yusaf Gardezi

Lahore

Data Darbar Shrine
Mausoleum of Dadaji Ganjbaksh
Mausoleum of Hazrat Mian Mir
Mausoleum of Shah Inayat Qadiri Shatari
Bibi Paak Daman 3 / Shrine of Ruqayah bint Ali

Shergarh

Shrine of Shaikh Daud Bandagi Kirmani

Garh Maharajah

Mausoleum of Sultan Bahu

Uch Sharif

Hazrat Jalaluddin Surkh Bukhari
Makhdoom Jahanian Jahangasht
Hazrat Bahawal Haleem
Shaikh Saifuddin Ghazrooni
Bibi Jawandi

ANNEX K: MAJOR SIKH TOURIST SITES

The five most respected Sikh religious sites are located in Punjab, which receive a large number of visitors. The sites include:

NANKANA SAHIB, LAHORE: Nankana Sahib formerly known as 'Rai-Bhoi-Di-Talwandi' is located at the south west end of Lahore. Nankana Sahib is the most sacred place for the Sikh religion as it where the founder of the faith, Guru Nanak was born. Rai Bular Bhatti was the ruler of this area and Baba Nanak's father was Rai Bular's employee. Rai Bular gifted approx. 20,000 acres (81 km²) of land all around the city of Talwandi to Guru Nanak and the town began to be called Nankana Sahib.

GURDWARA DERA SAHIB PANJVIN PATSHAHI: Gurudwara Dera Sahib Panjvin Patshahi - Shrine of Guru Arjan Dev (1563- 1606 A.D) is situated opposite Lahore Fort near Badshahi Mosque. This is the place where Sat Gur Arjun Dev Ji was martyred in the banks of River Ravi after being tortured by Chandu on 30th May 1606 AD. The followers of Guru Arjan Singh assert that it is the same spot where Guru Arjan Dev miraculously disappeared in 1606 A.D. in the waters of river Ravi. The site where Guru Arjun Dev was martyred a Thara (platform) Sahib was built by Guru Hargobind Ji in Samvat 1919 when he came to Lahore visiting Gur Asthans.

SAMADHI OF RANJIT SINGH: The Samadhi of Ranjit Singh is the mausoleum of the Sikh ruler Maharaja Ranjit Singh and is located near the Lahore Fort and Badshahi Mosque. This building was built in 1848 A.D by Kharak Singh son of Ranjit Singh. The tomb exemplifies Sikh architecture, it has gilded fluted domes and cupolas and an ornate balustrade round the top.

SHRINE OF GURU ARJAN DEV: Guru Arjan Dev (1563 - 1606 A.D), is a shrine built by Maharaja Ranjit Singh in the memory of Guru Arjan (15 April 1563 - 30 May 1606). He is the first Sikh martyr and the fifth of the eleven Sikh Gurus, who compiled writings to create the eleventh, the living Guru, Guru Granth Sahib.

HASAN ABDAL & GURDWARA PANJA SAHIB: Hasan Abdal is 48 km from Rawalpindi. It was founded by Emperor Jehangir according to his memoirs. This place was frequently visited by successive Mughal Kings on their way to Kashmir. Various religious groups through the ages have been visiting the Sikh Gurdwara (temple) also known as Panja Sahib. The Panja Sahib has a scared rock with the handprint of their religious leader, Guru Nanak. Just opposite the eastern gate of Gurudwara Panja Sahib, there is a small mosque and 'Chilla Gah' (meditation cell) of Baba Wali Qandhari. Adjacent to the pond is a building called Maqbara Hakeeman.