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Guizhou Cultural and Natural Heritage Protection and Development Project: Cultural Heritage Tourism Strategic Overview

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Guizhou Cultural and Natural Heritage Protection and Development Project: Cultural Heritage Tourism Strategic Overview

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For and on behalf of
Environmental Resources Management

Approved by: Mr Mark Eadie

Signed:
Position:   Technical Director
Date:      29 August 2006

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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>DRC</td>
<td>Development and Reform Commission</td>
</tr>
<tr>
<td>DMO</td>
<td>Destination Management Organisation</td>
</tr>
<tr>
<td>GTA</td>
<td>Guizhou Tourism Administration</td>
</tr>
<tr>
<td>ICOM</td>
<td>International Council of Museums</td>
</tr>
<tr>
<td>ICCROM</td>
<td>International Centre for the Study of the Preservation and Restoration of Cultural Property</td>
</tr>
<tr>
<td>ICOMOS</td>
<td>International Council on Monuments and Sites</td>
</tr>
<tr>
<td>IUCN</td>
<td>The World Conservation Union</td>
</tr>
<tr>
<td>NDRC</td>
<td>National Development and Reform Commission</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium-Sized Enterprises</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
</tr>
<tr>
<td>UNWTO</td>
<td>World Tourism Organisation</td>
</tr>
</tbody>
</table>
1 INTRODUCTION

1.1 BACKGROUND

ERM has been commissioned by the World Bank to undertake a strategic sector review of cultural heritage tourism in Guizhou Province in support of the project preparation process for the proposed Guizhou Cultural and Natural Heritage Protection and Development Project.

1.2 CHRONOLOGY OF REPORTS FOR THE SECTOR REVIEW

This Strategic Overview Report comprises the fourth and final deliverable under the Consultant’s Terms of Reference for this assignment. Reports submitted to date include:

- **Commencement Report** (September 2005): That provides the background and objectives of the sector review and scope of work.
- **Interim Report** (December 2005): That outlines findings, recommendations and policy options for the heritage and tourism sectors in Guizhou.
- **Strategy and Analysis Report** (May 2006): That presents institutional findings for heritage protection and tourism development in Guizhou. Specifically, this report outlined how institutional structures being developed by the Provincial Government as part of project preparation could be converted into permanent bodies for ongoing heritage management and tourism development.

1.3 PURPOSE OF THIS STRATEGIC OVERVIEW REPORT

The purpose of this Strategic Overview Report is to:

- Summarise the Consultant’s detailed findings to date in relation to the current condition of Guizhou’s heritage assets, threats to these assets and measures for conservation, preservation and interpretation;
- Provide an update of the PMO’s plans to incorporate heritage conservation and community development into the Provincial Government’s proposal for Bank financing.
- Outline recommendations for strengthening existing and planned institutional arrangements to improve tourism management and heritage protection capacity in Guizhou.
- Provide input to the Bank that may be used to develop a Project Concept Note (PCN) for the project.

This Report presents an overview of the Consultant’s key findings and recommendations. It is recommended that this report be read in conjunction with the Interim Report (December 2005), Strategy and Analysis Report (May 2006) and deliverables form the supporting studies below.
1.4 SUPPORTING STUDIES

In addition to the Strategic Overview assignment, ERM is undertaking two additional studies in support of project preparation in Guizhou: A Tourism Supply and Demand Assessment; and a Strategic Environmental Assessment. Where relevant, key finding of these studies have been incorporated into the recommendations presented in of this report.
2 UPDATE OF PROPOSALS FOR BANK FINANCE

2.1 HISTORY OF PLANNING CONTEXT AND TOURISM PROPOSALS

The Consultants understand that the sequence of recent plans and proposals relevant to proposals for bank financing of Guizhou’s tourism sector is as follows:

- Guizhou Provincial Tourism Development Master Plan, GTA and WTO, 2002;
- Draft Proposal for Bank Finance, Guizhou International Engineering Consultancy, August 2005;
- Guizhou Provincial Rural Tourism Development Plan, GTA, June 2006
- Guizhou Cultural and Natural Heritage Protection and Development Project Proposal, Guizhou Tourism Cultural Research and Promotion Centre, June 2006.

2.2 BACKGROUND TO THE TOURISM DEVELOPMENT PROPOSALS COVERED IN THE CONSULTANT’S SECTOR REVIEW

A recurring theme of the Consultant’s Interim Report (December 2005) and Strategy and Analysis Report (May 2006) and in the Bank’s ongoing contact with the PMO is that the PMO’s draft proposals for Bank finance (August 2005) are too heavily-weighted towards physical infrastructure components such as roads, car-parks and buildings without sufficient focus on heritage protection, conservation and interpretation, training and capacity building, and promotion of local economic development.

In June 2006, the GTA’s Guizhou Provincial Rural Tourism Development Plan was approved by the CNTA. This plan provides official strategic guidance for the development of the rural tourism sector and identifies around 160 villages for development. This plan is particularly relevant to the World Bank, since the proposals for Bank finance are primarily located within rural villages.

Based on the Guizhou Provincial Rural Tourism Development Plan (2006), the PMO commissioned the “Guizhou Cultural and Natural Heritage Protection and Development Project Proposal”, (Guizhou Tourism Cultural Research and Promotion Centre, June 2006), that goes some way towards addressing the lack of “soft” components (i.e., heritage protection, conservation and interpretation, training and capacity building, and promotion of local economic development) in the original proposal presented to the Bank for financing. An overview of these proposals is presented in Section 2.3.

2.3 GUIZHOU CULTURAL AND NATURAL HERITAGE PROTECTION AND DEVELOPMENT PROJECT PROPOSAL

Based on an assessment of their tourism appeal and location, 60 of the 160 sites identified in the Guizhou Provincial Rural Tourism Development Plan have been prioritized for development over the next five years under the loan being sought from the World Bank. The proposal provides a conceptual
development plan for 60 sites, including development and financial models, products to be marketed, and involvement of a range of stakeholders including private investors, NGOs and rural tourism associations. The Consultants are encouraged by the conceptual proposals that provide for participation and benefit of local communities, however note that these proposals will need to be integrated with the infrastructure development plans in the next steps of project preparation (see Section 2.5).

The GTA is proceeding with 18 rural tourism demonstration projects in the first phase of development under this proposal (see Section 2.4).

2.4 **DEMONSTRATION PROJECTS PLANNED BY GUIZHOU TOURISM BUREAU**

Eighteen rural village tourism demonstration projects were approved in 2005 within the Autonomous Prefectures of Qiandongnan, Qiannan and Qianxinan, which are the focus for rural village tourism in Guizhou. The Provincial Government plans to attract private sector operators to manage so-called “Cultural and Ecological Museums” at each of these locations, with input from an expert team and village tourism associations. The demonstration projects aim to protect local culture and natural heritage, while promoting sustainable use of these resources as tourism attractions to economically benefit local communities. An overview of the structure of the demonstration projects in provided in Figure 2.1.

*Figure 2.1 Structure of the Demonstration Projects*

As shown in Figure 2.1, each demonstration project comprises two key elements: a Cultural and Ecological Museum and rural tourism facilities. The Cultural and Ecological Museum will showcase traditional lifestyles and customs such as singing, dancing, textile weaving, wine making, etc, while the rural tourism facilities will comprise services and tourist infrastructure including hotels, restaurants and tour guides.

The proposed model for the demonstration projects, shown in Figure 2.2, involves Villagers’ organizations, an expert team and “socially responsible”
private investors, under the direction of local government. The three-way development model calls for the private developer to invest most of the start-up capital (accessing a substantial proportion of funds from the proposed World Bank loan), the Expert Team (sometimes also referred to as a NGO workstation) providing technical support, capacity building and local training and the Villagers’ Organisation- a collective village tourism association—providing goods (farm produce, handicrafts) and labour to the developer.

Figure 2.2 Demonstration Project Model

Source: Proposal for Guizhou Cultural and Natural Heritage Preservation and Development Project, Guizhou Tourism and Cultural Research and Promotion Centre, June 2006

Tourism Development Company

The GTA has entrusted the implementation of the 18 village tourism demonstration projects to the Guizhou Shanli Tourism Development Company. The Company is jointly invested by various domestic specialists in the fields of economics, management and culture, as well as entrepreneurs. According to the agreement, the company will implement the demonstration projects according to the model illustrated in Figure 2.2. A proportion of yearly operating profit, understood to be around 30%, will be paid to the villagers’ organization and expert workstation and to cover the costs of education and training for villagers. It is understood from the GTA that the proportion of operating profit to be returned to the local community will be subject to transparent government regulations that are currently being drafted (see Section 6.5).

Villagers’ Organisation/ Village Tourism Association

The demonstration projects will help local residents establish self-governed village tourism associations that will promote the participation of local residents in the development and operation of tourism assets and in heritage conservation.
The village tourism associations will be elected voluntarily by the local community at each the project site to represent the interests of the collective owners of the heritage resources of the village. They will provide the developers with the workforce, farm supplies and other products such as handicrafts, and souvenirs. The direct participation of villagers aims to promote confidence and pride in ethnic traditions and the conservation of heritage.

**Expert Team/ Expert Work Station**

The expert team will provide technical support to the local community to build capacity in human capital. It is also essential to leverage tourism and other development programmes initiated by domestic and international agencies, non-governmental organizations, UN bodies and academic institutions. According to the PMO’s proposal, the expert work station will act as a bridge between these resources and local communities.

Guizhou Rural Tourism Development Centre has set up expert workstations in three demonstration villages to date. The Guizhou Rural Tourism Development Centre has coordinated domestic and international assistance in establishing the village tourism associations and obtained the support of the Poverty Relief Office and tourism institutes within Guizhou Province. The Centre has also provided one month’s training to over 60 residents in the three villages on basic tourism principles and related service skills.

### 2.4.2 Budget for Rural Village Tourism Demonstration Projects

Investment in the demonstration sites mainly includes village improvements, construction of Cultural and Ecological Museums, transportation facilities (internal roads, pedestrian walkways, bridges and parking lots) water and electricity supply, sewerage systems, and tourist entertainment centres. According to the proposal, the total investment for the 18 demonstration sites will amount to around RMB 237 million, or RMB 13.17 million per site as detailed in Table 2.1.

<table>
<thead>
<tr>
<th>Project</th>
<th>Investment (million RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural and Ecological Museum</td>
<td>3</td>
</tr>
<tr>
<td>Construction and furnishing of the exhibition hall</td>
<td></td>
</tr>
<tr>
<td>Collection of items on display</td>
<td>2</td>
</tr>
<tr>
<td>Information system</td>
<td>0.5</td>
</tr>
<tr>
<td>Village improvements</td>
<td>1.5</td>
</tr>
<tr>
<td>Transportation facilities</td>
<td>2.7</td>
</tr>
<tr>
<td>Water and electricity supply, sewerage system</td>
<td>1.0</td>
</tr>
<tr>
<td>Catastrophe prevention project</td>
<td>0.67</td>
</tr>
<tr>
<td>Tourist entertainment centre</td>
<td>1.4</td>
</tr>
<tr>
<td>Entertaining facilities</td>
<td></td>
</tr>
<tr>
<td>Tourist information center</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total Investment</strong></td>
<td><strong>13.17</strong></td>
</tr>
</tbody>
</table>

*Source: Proposal for Guizhou Cultural and Natural Heritage Preservation and Development Project, Guizhou Tourism and Cultural Research and Promotion Centre, June 2006*
The proposal states that RMB 180 million of the estimated RMB 237 million will be financed through the proposed World Bank loan under the Provincial Cultural Heritage Protection and Tourism Development Project and will be repaid by the project developer. This represents a substantial proportion, over one-third, of the total proposed World Bank Loan of US$60 million. The remainder of the required investment will come from government subsidiaries and private investment (RMB 25 million) and funds raised by investors (RMB 32.06 million).

2.5 NEXT STEPS

According to discussions with the PMO in July 2006, the next step in preparation for Bank financing is to integrate the proposals above with the existing infrastructure construction plans, initially presented in August 2005. The intention is to “package” the set of components for presentation to the Bank as a holistic project that integrates protection and conservation of heritage resources with their sustainable use for the benefit of local communities.
3 BASELINE CONDITIONS

3.1 INTRODUCTION

This section provides an overview of the baseline situation in Guizhou with respect to the two main themes of the project; namely natural and cultural heritage, and tourism.

Guizhou Province is a mountainous region renowned for its diverse natural and cultural resources, particularly those of the 17 minority nationalities that inhabit the mountainous areas in the province. Guizhou is the home of several nationally significant areas of heritage importance, including the Huangguoshu Falls, China’s largest waterfall, the karst caves in Zhijin, Anshun and Xingyi cities, and many cultural relics created by Guizhou’s ethnic minorities, including those of the Miao, Buyi, Yao, Yi, Tuija and Dong nationalities. Guizhou has plentiful sunshine and a mild climate all year round. Yet for all these ingredients, the province remains the poorest in China, with annual per capita GDP of only US$607 in 2003.

3.2 HERITAGE FEATURES AND ASSETS

Guizhou Province is rich in cultural and natural heritage. Some of the major assets of the province include (or are associated with) a succession of natural areas, historical sites and monuments, ethnic minority culture and natural landscapes. The proposed project components include 10 State-level protected cultural heritage sites, provincial-level protected cultural heritage sites, as well as 8 national Nature Conservation Areas, 2 National Geoparks and 11 National Scenic Areas.

Natural Areas

Karst landforms of sheer limestone are found throughout the province and often form natural cave complexes. Most counties in Guizhou boast of having an important cave complex of some kind. Perhaps the most significant are Longgong (Dragon Palace) and Jiulong (Nine Dragons) near Tongren. The mountainous terrain is divided by a large number of rivers which drain into the Yangtse River in the north or the Pearl River in the south. These rivers leave deep valleys in their wake and a number of precipitous gorges can be found, such as the Wujiang, Wuyang/Shamuhe, Malinghe, Beipan, Chishui, Nanjiang and the Zhangjiang. Many of the rivers provide excellent conditions for rafting. There are a large number of waterfalls, some of which form a long train of cataracts both large and small as on the Xiangshui in the Libo–Zhangjiang National Park. Others, such as on the Malinghe and the Chishui Rivers, have but one or two such waterfalls. The most spectacular of all are the Huangguoshu Falls on the Bashui River, said to be the largest in Asia. A number of reservoirs have been formed (and continue to be formed) as a result of the construction of hydro-electric and other dams. Among the best known are the Hongfeng Lake (Red Maple), a recreational resort to the west of
Guiyang, and the Wanfeng Lake near Xingyi. Further lake-related tourist development will become possible with the completion of dams on the upper reaches of the Wu River around Zhijin, including the existing Dongfeng Lake Historic Sites and Monuments

Many are of great interest because they exhibit architectural forms and ways of living of past eras. This applies particularly to the fortified settlements of the Ming Dynasty such as the Old Ha) villages of Xixiu District and Pingba County, Qingyan, Longli (Liping County), Hailongtun, and Zhaiying. There are also a number historic settlements lining the Wuyang River, including Jiuzhou and Zhenyuan. Guizhou boasts numerous ancient monuments and temples such as Qinglongdong, a Buddhist temple cave complex in Zhenyuan. Of special interest to domestic visitors are the historic sites associated with the Long March of the Red Army in the 1930s. Most of these are located in Zunyi and surrounding areas. They include a meeting house which was the venue of the famous Zunyi Conference and the site of the great battle for Loushan Pass.

Ethnic Minority Culture

The vast majority of culturally important settlements are those of Guizhou’s ethnic minority people. The culture and traditions of Guizhou’s ethnic minority groups are particularly well preserved as a result of its isolation from the rest of China and the outside world. Many minority villages showcase traditional building and architectural forms which have persisted for centuries. The residents of minority villages have, in many cases, maintained living traditions of customary ways of life of their particular ethnic group. Customary song, dance and play performed in the distinctive architectural setting of a traditional village is attractive to many tourists. Such features may be observed in many villages of the main ethnic minorities in Guizhou– the Miao around Kaili, the Dong in Rongjiang, Congjiang and Liping Counties and the Buyi to the west of Anshun and near Xingyi.

Cultural Landscapes

Cultural landscapes represent the combined works of nature and of man. They are illustrative of the evolution of human society and settlement over time, through the influence of physical constraints and/or opportunities presented by their natural environment of successive social, economic
and cultural forces, both external and internal (defined by UNESCO(1)). An example is the landscape of the cultivated valleys in Jiuxi Ancient Town.

The majority of the proposed project components include elements of both ethnic culture and natural scenery and the concept of cultural landscapes is important in Guizhou, in that they encompass both physical features such as waterfalls or karst formations and also the ethno-cultural context of an area, which may include ethnic customs, traditions and practices.

3.2.2 Current Conservation, Restoration and Maintenance of Project Components

The existing condition of project sites varies from very good to very poor across the range of project components visited. Furthermore, given the very different nature of the project components ranging from monuments to ancient minority villages to nature conservation areas, it is difficult to make general comments applicable to all sites.

Ethnic Minority Villages

Guizhou is home to 17 ethnic groups including the Miao, Dong, Buyi, Tujia, Yi, Gelao and Shui peoples. Xijiang in Leishan County, the largest Miao village in Guizhou, is one of 13 villages in Guizhou that have been recognised as Settlements with Historical and Cultural Character by the National and Provincial authorities.

Many minority villages are located within Guizhou’s 54 designated scenic areas. However, the legal provisions for the protection of these scenic areas do not address safeguards for the protection of minorities’ cultural heritage (unless, they are deemed to be of significant scenic value). Many of the buildings and other structures within minority villages are structurally poor and in urgent need of restoration. For example, in the case of Jiuxi Ancient Town and Shang Langde Miao Village, brick and wooden houses are deteriorating and require urgent restoration. Of special concern is the situation of minorities’ intangible heritage. Stone houses in Jiuxi are in urgent need of restoration.

Cultural Landscapes

Cultural landscapes are an important heritage asset for Guizhou. However, this particular combination of natural and cultural resource is not explicitly protected under the current legal framework. Some sites in Guizhou may have potential for classification as cultural landscape according to UNESCO’s classification.(2)

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(2) International Convention for the Protection of the World’s Cultural and Natural Heritage, 1972, revised in 1992
The state of development of each of the proposed sites for tourist access varies widely. While several of the sites are well-known attractions that already attract many visitors (e.g. Huangguoshu Waterfalls, Malinghe Gorge) others are being developed as new attractions and currently have a very low visitor base (e.g. Jiuxi Ancient Town).

### 3.2.3 Threats and Risks to Natural and Cultural Heritage Sites

Threats to natural and cultural heritage sites in Guizhou include mainly anthropogenic causes such as lack of proper wastewater systems, inappropriate planning/zoning, and encroachment by agriculture and grazing. An overview of threats to the sites visited to date is provided below.

- **Landscape and visual impacts:** The risk of destruction of natural or build landscapes due to provision of infrastructure such as car parks and visitor centres is a serious threat. Also the risk of detracting from the visual amenity of a site or cultural landscape as a result of poor site planning, encroachment and changes in landuse.

- **Carrying capacity:** The number of visitors and/or visitor flow control represents a risk to the site itself or to visitor safety. In light of the estimated increase in the number of visitors to and from the tourist sites, it is necessary to develop flow control and restriction measures.

- **Intangible heritage:** These include any threat to the culture, the lifestyle or the traditions of minorities as a result of tourism development. In this regard, the commoditization of traditions such as the use of sacred rituals for tourism purposes should be avoided.

- **Need for Restoration Monitoring:** Unnecessary reconstruction or restoration that does not match the original architecture, style and colour or recreation is a threat to Guizhou’s heritage.

- **Zoning and Encroachment Issues:** Industrial wastewater effluent discharges upstream of Malinghe Gorge are reportedly causing water quality impacts within the gorge, which is being developed for water based activities including rafting.

**A threat to the Buyi Villages of Wangfenglin**

The local master plan for Wanfenglin Scenic Area prescribes a new architectural style for dwellings under construction in the villages. The objective is to recreate Buyi minority culture through architecture. According to the master plan that was developed by outside experts, traditional Buyi houses had white walls, round windows and wooden balustrades. However, the new style proposed is completely at odds with the existing stone houses that Buyi people have lived in for centuries.

- **Tourism facilities:** The architectural design and location of tourism and cultural facilities such as museums, visitor centre and lodges should be carefully assessed and guided by provincial interpretation and protection plans.
• **Socio-cultural impacts:** The constant presence of strangers in a town may cause tensions between the hosts and visitors, and society can change dramatically. The business potential is likely to attract outside investors and job-seekers, and the patterns of commerce can change. In Lijiang in Yunnan, most of the old shops in the city centre have been replaced by shops catering for tourists, and local residents have to travel further afield to do their shopping. Of course, tourism can bring many benefits – the people of Lijiang now enjoy better access to other cities as a result of highway improvements promoted by the tourism potential – but care needs to be taken to ensure that the benefits are shared fairly and that impacts are identified and managed.

An overview of threats and risks to heritage assets in the province is provided in Table 3.1 and further details can be found in Annex A to this report.

### Table 3.1 Main Threats and Risks to Natural and Cultural Heritage Assets

<table>
<thead>
<tr>
<th>Heritage Asset</th>
<th>Inappropriate Restoration</th>
<th>Carrying capacity</th>
<th>Natural Process</th>
<th>Landscape &amp; Visual Impacts</th>
<th>Intangible heritage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Areas</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Historic sites and monuments</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethnic minority culture and villages</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Cultural Landscapes</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>

*Inappropriate Restoration:* Including unnecessary reconstruction, or restoration that does not match the original architecture, style, colour etc.

*Carrying capacity:* The number of visitors and/or visitor flow represents a risk to the site itself or to visitors’ safety.

*Natural Processes:* Including weathering and erosion that threatens the site itself or depletion of water resources that may affect nearby communities.

*Landscape & Visual Impacts:* the risk of destruction of natural or built landscapes due to provision of infrastructures such as the car parks. Also the risk of detracting from the visual amenity of a site or cultural landscape as a result of site planning, encroachment, etc.

*Intangible heritage:* Threat to culture, lifestyle or traditions.

### 3.3 BASELINE TOURISM PROFILE

In 2001, Guizhou attracted 2,384,000 visitors- 32,000 (1.3%) from abroad and 51,000 (2.1 %) from Hong Kong, Macao and Taiwan; and 2,300,000 (96.6%) domestic visitors. An additional 3,795,000 overnight visitors are estimated to originate from within the province itself.

The most current statistics for foreign and domestic visitor arrivals to Guizhou since 1994 are presented in Figure 3.1 and Figure 3.2, respectively.
The principal international markets by country of origin mirror that of China as a whole, namely Japan (15%) and USA (12.5%). As compared to China as a whole, the proportion of Japanese and Korean tourist arrivals to Guizhou is smaller and countries such as Indonesia and Singapore are more important. English speaking countries are the largest market segment, accounting for around one-third (31%) of the international tourist market. This suggests that English language skills are important for Guizhou’s tourism industry.
While the domestic market in China has grown at an annualised rate of 8.2% over the last 10 years, Guizhou has grown at less than half that rate (3.37%) over the corresponding period. This means that the increase in domestic tourist numbers has benefited other provinces more than Guizhou. In other words, it seems that tourists prefer to visit other provinces than Guizhou. However, the effect of “business tourists” may be biasing this impression towards more visits in developed provinces. Unfortunately, owing to the methods used to collect tourism arrival statistics, there are no data that can disentangle this issue.

Guizhou currently has a relatively low level of tourism and is a little known destination by comparison with some of its neighbours such as Yunnan and Sichuan. Both these provinces have a comparable tourism product to that of Guizhou and a similar ethnic mix of population. They can be regarded as the principal competitors in the tourist market, both domestic and international. They have more mature tourism economies, their products are much better developed and marketed, and they consequently have many more visitors. Internationally, the Mekong basin countries such as Laos or Vietnam, offer a similar tourist product based on cultural and natural heritage.

At present visitors are concentrated in the Guiyang/Aushun area, with secondary areas being Qiandongnan, Qiannan and Zunyi. The provincial capital, Guiyang, is the natural transportation hub for visiting much of the province. The more remote areas are sometimes more easily reached by visitors from neighbouring provinces (Yunnan, Guangxi, Hunan, Sichuan and Chongqing). Although Guiyang will remain a hub for visitors travelling...
through the province, the long term objective of this strategy is to spread tourism more evenly across the province. However, it must be recognised that this objective will take time to deliver.

The main constraints on dispersal of tourism throughout Guizhou are the limited number of good roads to places of interest to visitors, and the short length of stay of visitors. At present, most visitors only spend two days in the province, and priority must be given to providing additional attractions that will encourage longer stay.

Further details of the baseline tourism profile and are provided in the *Guizhou Tourism Supply and Demand Report* (ERM, 2006)
4 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

4.1 INTRODUCTION

Economic development in Guizhou has, for 50 years, been dominated by state investment in heavy industry, coal mining and nonferrous metals, focusing not just on the large cities of Guyang, Zunyi, but also creating heavy industrial facilities in small cities and rural areas such as Liupanshui, Bijie, Tongren.

According to Guizhou’s provincial government, between the naissance of the People’s Republic of China in 1949 and the implementation of the “go west” strategy in 2000, the aggregate investment in fixed assets in Guizhou was about US$ 36.23 billions. Between 2000 and 2004, the investment in fixed assets was US$ 38.53 billions, roughly equivalent to the total sum of the investment incurred the previous 50 years. The investment has mainly been allocated to infrastructure, particularly communications and transport infrastructures. However important these investments might be for Guizhou, total investment is still low compared to most eastern provinces.

The careful development of Guizhou’s rich natural and cultural heritage assets to help the province’s tourism can act as a stimulus both for economic development and, directly and indirectly, help tackle issues including poverty alleviation, indigenous and ethnic peoples, pollution and environmental degradation. Furthermore, for many foreign tourists, Guizhou’s perceived remoteness can actually act as an attraction in its own right, with a fast developing trend for more exotic destinations in Europe, North America and Australasia.

4.2 PARTICULAR STRENGTHS

- Guizhou has the opportunity to promote itself to foreign tourists as being a new destination (but there is only ‘one shot’ at this strategy; you can not be new twice). Given that around 30% of China’s tourism revenue comes from the 10% of foreign visitors, any strategy that successfully focuses on foreign tourists would have substantial economic effect. In fact, given the real leverage of foreign tourists revenue is probably far greater, possibly as high as 55-60% of all direct true tourism revenue.

- Both Guizhou’s mountains, which have long been regarded as responsible for local poverty, and its minorities, which have long been regarded as a low developed population, have now come to be appreciated as resources for aesthetic and authentic experiences. The porous karst landscapes and the ethnic diversity including exotic native peoples have suddenly become attractions for foreigners and important income resources to Guizhou.
• Cultural routes, landscapes and ethnic tourism are increasingly fashionable in Europe and North America, and Guizhou has a wealth of untouched minority culture that is waiting to be discovered.

• The climate in Guizhou is one of its attractions. The entire province belongs to the subtropical humid monsoon climatic zone, thus giving opportunity to visit Guizhou all year round.

• Guizhou has a great number of official listed tourist sites, including, old villages and towns, and impressive natural features.

• Protection of cultural heritage is stated as a priority now, and the destruction of and damage to natural and cultural heritage is becoming an issue for local people as well as the government and media. Guizhou recognises that its heritage is valuable in both a financial and intrinsic sense.

• Guizhou tourism authorities are very much aware of the urgency of developing mechanisms to promote sustainable tourism and heritage protection. This open attitude shows in the readiness to accept international support in developing the province’s Master Plan and the wealth of knowledge on the situation and needs of minority people.

• Guizhou has spectacular scenery inhabited by hospitable, interesting people. Guizhou's charms are on a grand scale; were the province to be in Europe or South East Asia, it would be one of the world's great tourism destinations. The potential is clearly there.

• As a less developed tourist destination, compared to its neighbouring provinces, Yunnan, Guangxi and Sichuan, Guizhou has the opportunity of learning from their experience and applies lessons learned when developing its tourism industry.

4.2.1 Particular Weaknesses

• Many tourist sites have suffered from uncontrolled, inappropriate, low quality infrastructure and building development.

• There is no systematic destination management, and little local knowledge about what visitors might want to do or see.

• Marketing and promotion of Guizhou’s tourism is virtually non-existent; e-marketing is unappealing and does not give useful practical advice.

• Guizhou’s transportation infrastructure is at this moment, extremely weak: roads are poor, the railways are overcrowded and ticketing is difficult. However, it is being improved and several rural airports are under construction.

• The foreign language abilities of local people are extremely limited, even in existing sites visited by foreign tourists.

• Tourism is treated simply as a site-level product (as a "spot" for seeing or experiencing something), with no concept of tourism being a multi-sectoral, dynamic system.

4.3 Relative Opportunities

• The Provincial Tourism Development Master Plan (2002) projected tourism growth of between 6.3-6.5% till 2020. However, tourism in the
post-SARS period from 2004-2006 has grown at a much higher rate than this: 20% between 2004-2005 and a staggering 60% for the first 6 months of 2006. Of even greater significance, is the growth in tourism revenue which has outpaced the growth in visitor arrivals. The Eleventh Five Year Plan for 2006-2010 forecasts net tourism revenues to grow 25% annually from 2006-2010 to reach RMB 75 billion by 2010. This implies that tourism is growing much faster than other sectors in Guizhou and that the net revenue generation forecast in the Provincial Tourism Master Plan (2002) for the year 2020 will be reached around 2008. Such growth presents an unprecedented opportunity for poverty alleviation in Guizhou’s poorest areas. The challenge is to put in place mechanisms to ensure that local communities can capitalise on such an opportunity.

- Many of the cultural and natural attractions in Guizhou are per se attractive tourist resources. If well managed, in the mid-term these can become consolidated tourism products capable of competing in the international tourism market.
- Development of ethnic and community-based tourism, due to the great number of China’s ethnic nationalities in Guizhou.
- The demand from tourists’ consumption in minorities’ villages stimulates many new economic activities. Some villages within or near these popular ethnic tourist sites can change the division of labor, and develop new forms of production, such as running small restaurants, manufacturing handicrafts, or growing fruits and vegetables.
- Expeditions - making the most of European and American trends for unknown places and the rich geographical, ecological, geological and cultural heritage of the whole province.
- Adventure tourism, from rafting, horse riding, mountaineering, orienteering, hiking/trekking; Guizhou’s open spaces would be attractive to many foreign tourists especially.

4.4 **THREATS**

4.4.1 **Competition from Neighbouring Provinces**

Yunnan, Sichuan, Guangxi and Hunan, have many of the same attractions being promoted in Guizhou, including: natural features such as kart landscape, geological formations, limestone caves, beautiful rivers and waterfalls, and a variety of minority ethnic cultures and settlements. These are the direct competitors to Guizhou’s tourism development with the disadvantage that all four are better positioned in the international market and have more developed branding and marketing strategies. Places like Vietnam and Laos, located in the Mekong region are the main international competitors offering comparable tourism products.

Recently Guizhou, Sichuan and Chongqing have developed a plan for jointly developing the "Golden Triangle" tourist zone that will link together three existing state-level tourist spots. The plan calls for a total investment of RMB 9

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(1) Planning and Finance Department, GTA, July 2006
74.5 million by the three parties to convert the 2,870 km² joint zone into the world's largest, best conserved sub-tropical evergreen broad-leave woodland scenic zone.

4.4.2 Protection of Minority Culture and Traditions

Traditional cultural values are gradually disappearing in many regions of the world, as younger generations no longer share older generations' values and subscribe to modernism and impoverished indigenous communities around the globe have no strength to maintain tradition alive other than for commercial purposes. Globalisation poses a serious threat to traditional lifestyles and cultural expressions as indigenous communities around the world are compelled to commercialise their traditions and religious beliefs to survive. Preserving the social processes which have produced traditional knowledge is much more difficult than showcasing culture and traditions in a museum. The indiscriminate use of minority culture to attract tourism is a serious threat to the long-term survival of these communities and by extension to the sustainable tourism development of Guizhou. There is only a certain amount of outside pressure that minority culture can endure. Presently minority culture is presented to tourists mostly in the form of folk dances and ritual performances. Most minority dances and music have their own specific origins, and sometimes very serious meanings and purposes. Without such meaning, ritual will be only a husk.
5.1 **OVERVIEW**

The roots of heritage management in China stem from two sources: construction and infrastructure development, and from the management of archaeological sites.

Chinese heritage management is very firmly divided into disciplines or themes which are reflected in the style of management of every site. These disciplines or themes are archaeological; architectural and monumental; natural, geological and ecological; religious; performing arts; crafts; and ethnic.

<table>
<thead>
<tr>
<th>Discipline or Theme</th>
<th>Government authority</th>
</tr>
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<tbody>
<tr>
<td>Archaeological</td>
<td>Cultural Heritage Bureau</td>
</tr>
<tr>
<td>Architectural and Monumental</td>
<td>Cultural Heritage Bureau, Construction Bureau</td>
</tr>
<tr>
<td>Natural, geological and ecological</td>
<td>Construction Bureau, Forestry Bureau, Land and Resources Bureau</td>
</tr>
<tr>
<td>Religious</td>
<td>Religious Affairs Bureau</td>
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<tr>
<td>Performing Arts</td>
<td>Culture Bureau</td>
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<tr>
<td>Crafts</td>
<td>Ministry of Commerce, Ministry of Science and Technology</td>
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<tr>
<td>Ethnic</td>
<td>Ethnic Affairs Bureau</td>
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</table>

There is less treatment of heritage as a “whole” than is desirable and little fusion of these sciences, social sciences and arts, unlike the trends of convergence seen elsewhere in the world.

There are around 400,000 cultural heritage sites registered in China, of which some 70,000 are specifically protected legally, 60,000 at county and municipal level, 7,000 at provincial level and, until April 2006, 1,271 protected at national level. On 30 March 2006, SACH announced that a further 1,081 cultural heritage sites would receive state protection, presumably all of them already protected at provincial level. Protection at a certain level confers certain legal privileges of protection on all these sites, but it must be emphasised that the financial and resource burden of protection falls upon local authorities.

In China, protection of cultural heritage requires a clearly signposted and mapped protective/core zone and buffer zone for construction control (and has required this since 1982), the establishment of archives and management by specific entities (usually the Cultural Heritage Bureau) or assigned full-time personnel.

5.2 **LEGAL FRAMEWORK FOR CULTURAL HERITAGE PROTECTION AND TOURISM**

The legal framework for the protection and management of cultural resources in China is strong; however the degree of enforcement of regulations locally varies widely.
5.2.1 *International Obligations*

In 1985, the National People’s Congress ratified the *UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage (The World Heritage Convention)*, thereby integrating international practices into Chinese regulation.

Also of relevance is UNESCO’s "*Convention on the Protection and Promotion of the Diversity of Cultural Expressions*" (2005), which the Chinese Government has signed.

5.2.2 *National Laws and Regulations*

*1982 Law on the Protection of Cultural Relics*

Cultural heritage as legally defined by Article 2 of the 1982 Law on the Protection of Cultural Relics, and the use of the term Cultural Relics should be specifically noted as significant, is shown in *Box 5.1* below:

**Box 5.1 Definition of Cultural Relics in China**

The state shall place under its protection, within the boundaries of the People's Republic of China, the following cultural relics of historical, artistic or scientific value:

1. sites of ancient culture, ancient tombs, ancient architectural structures, cave temples and stone carvings that are of historical, artistic or scientific value;
2. buildings, memorial sites and memorial objects related to major historical events, revolutionary movements or famous people that are highly memorable or are of great significance for education or for the preservation of historical data;
3. valuable works of art and handicraft articles dating from various historical periods;
4. important revolutionary documents as well as manuscripts and ancient or old books and materials, etc., that are of historical, artistic or scientific value; and
5. typical material objects reflecting the social system, social production or the life of various nationalities in different historical periods.

The criteria and measures for the verification of cultural relics shall be formulated by the state department for cultural administration, which shall report them to the State Council for approval.

Fossils of paleovertebrates and paleoanthropoids of scientific value shall be protected by the state in the same way as cultural relics.

*1993 Rules for the Implementation of the Law on the Protection of Cultural Relics*

In May 1993, the State Council issued the Rules for the Implementation of the Law on the Protection of Cultural Relics, provided in Article 2, some clarity on the classification of movable property by dividing them into “valuable cultural relics” and “ordinary cultural relics”, the former also have three grades.
Articles 30 and 31 deal with the sale of movable cultural property by individuals to cultural heritage authorities, and provide some guidance on pricing, but not sufficient to create obvious solutions in many circumstances. Furthermore, the “valuable” and “ordinary” categorisation is not used in the context of sale by individuals or purchase, other than generically in passing.

Contrary to popular belief, the 1982 Law did (and does) require a delimited zone around immovable cultural assets and controls on building in that area (Articles 9 to 15). The 1991 Implementation Rules created further requirements, including that for the delimited zone to be created and signposted within one year (Articles 10 to 17).

More general requirements for the conservation of “memorial structures” were originally legalised in the Ministry of Culture’s 1986 “Management Methods for the Restoration of Memorial Structures”.

The first mention of Conservation Management Plans comes in a joint 1994 Requirement of the Ministry of Construction and the Ministry of Culture (“Requirements for Protection Plans in Historic Cities”) (Article 2), and the requirements are quite detailed. However, it must be stressed that these regulations apply only to cities being listed as “Famous Historic Cities”, an official designation. These cities, like UNESCO World Heritage Sites, are subject to additional regulation by the Ministry of Construction specifically.

To date, the Chinese government has listed 99 cities as Famous Historic Cities under key protection, including the capital cities chosen by the emperors of various dynasties, politically and economically important cities during ancient times, places where important historical events took place, cities enjoying great reputations for their rare cultural relics and historical remains, and those famous for exquisite art works.

Currently, the only cities in Guizhou classified as “Famous Historic Cities” are Zunyi City and Zhenyuan County.

1993 Administration Rule on Scenic Resort and Historic Sites Construction

This legislation applies only to designated scenic areas and historic cities, special categories of ‘landscape’ that are the responsibility of the Ministry of Construction. It provides indirect requirements for master plans for these areas, and is primarily aimed at preventing the construction of unnecessary tourism infrastructure.

2002 Revised Law on Cultural Heritage

Activities using explosives, prospecting and excavating are forbidden in buffer zone. New construction shall not deform the environmental features of the site. Time limit for removal of non-conforming buildings and structures.

2003 Measures of Approving and Issuing of Preservation Plans of National Key Protected Culture Heritage

These measures were significant for bringing in a requirement for conservation master plans for state and provincial protected cultural heritage,
although some form of master planning had been required since 1993 for designated scenic areas and historic cities. It also specified which institutes could prepare the master plans.

**2003 State Council Rules for the Implementation of the Law on Cultural Heritage**

Concepts, content, purpose of delimitation, and procedures for approval for delimitation of protective zone and buffer zone for construction control of a protected cultural heritage site specified. Local government is responsible for investigating construction of buildings or other structures that endanger the safety or deform the historic features of protected cultural heritage sites.

The *Principles for Conservation of Heritage Site in China (The China Principles)* were developed through a joint effort of China’s ICOMOS and the State Administration of Cultural Heritage in 2000. The China Principles are professional guidelines for conservation practices within the existing legislative framework. The China Principles are a valuable source of guidance for the conservation of architectural structures.

In August 2004, China ratified the UNESCO *Convention for the Safeguard of Intangible Cultural Heritage* and has drafted a *Law of the People’s Republic of China on the Protection of Intangible Cultural Heritage*. Currently, the NDRC, Department of Publicity of the CPC Central Committee and Ministry of Culture are further reviewing the draft law. In March 2005, the General Office of the State Council issued the “*Opinions of the General Office of the State Council on Strengthening the Protection of Chinese Intangible Cultural Heritage*” (No. 18 [2005]).

The protection and management of classified scenic areas is under the Ministry of Construction and construction projects undertaken within scenic areas must comply with the *Construction Management Regulation of the People’s Republic of China*.

### 5.2.3 Provincial Laws and Regulations

The Cultural Heritage Protection Regulation of Guizhou Province (2005) 《贵州省文物保护条例》 (2005 年) provides the framework for cultural heritage protection at the provincial level according to the corresponding national law.

In 2002 the Administration of Culture (文化厅) issued the *Guizhou Provincial Folk and Ethnic Traditional Culture Protection Regulation*《贵州省民族民间传统文化保护条例》.

The *Guizhou Provincial Scenic Area Management Measures* (1995) detail the administrative responsibilities for the management of classified scenic areas, and guidelines for protection, construction, development and management of scenic areas.

In addition, the *Guizhou Provincial Scenic Area Special Tendering Operation Management Measures (Provisional)* (2005) regulates the management of private
sector tenders and development projects within classified scenic areas, including infrastructure construction and maintenance, tourist activities, tourism service centres and accommodation.

Furthermore, a number of site specific management measures have been developed for popular classified scenic sites within Guizhou, including the *Hongfenghu Scenic Area Management Regulation* (1990), *The Huangguoshu Scenic Area Management Regulation* (1991), *The Libo Zhangjiang Scenic Area Management Regulation*, *The Wuyanghe Scenic Area Management Regulation*, and *The Ziyungetuhe Scenic Area Management Regulation*. 
In general, the Consultants find that the GTA and the Guizhou PMO are a relatively strong and mature organization. However improving inter-departmental cooperation would greatly assist in project preparation. The DRC has commissioned an engineering consultancy to prepare construction plans for the project and the GTA has commissioned the Guizhou Tourism and Cultural Research and Promotion Centre to prepare a separate proposal for the village tourism components of the project. Both of these agencies report to different government departments and the lack of a formalised PLG has meant that there is insufficient effective coordination between the parties. Of note, is the fact that the Construction Bureau has had little input into the preparation of the project proposal to date and, given the large number of scenic areas included in the tourism development strategy; this should be addressed as a matter of urgency.

The Consultants have identified a number of specific issues with the framework for Project preparation and implementation. These issues are discussed in Section 6.1 to Section 0.

6.1 ISSUE 1: ASSET ‘OWNERSHIP’ AND MANAGEMENT

6.1.1 Issue

The overzealous guarding of existing heritage and tourism assets by their government ‘owners’ is dividing the tourism and heritage efforts, potentially damaging both the asset and the environment as each owner works to maximise economic gain from its own resources, creating excess, poorly performing infrastructure and services at site, village and town levels: as a result, each is getting a slice of a rather small pie.

In any given location, there is usually more than one agency or bureau involved. Typically, a scenic area tourist site will involve multiple agencies. The Construction Bureau will have responsibility for development and overall management of the site, the Cultural Heritage Bureau will own and be responsible for any classified built heritage assets, and the Forestry Bureau may be responsible for ecological resources. Furthermore, the local Tourism Bureau is responsible for ‘developing the economic potential’ of the (usually larger) area. Where there is a further area of agriculture or town included, then agencies such as the Agriculture Bureau and the Ministry of Land and Resources are also part of the equation.

This is not an insurmountable obstacle and is a common challenge around the world. However, there is much evidence in Guizhou, as elsewhere in China, that this ownership of assets and responsibility results in ‘gate-keeping’ of the assets to the extent that there is very little, if any, shared activities: each owner plans independently and identifies revenue-earning opportunities in isolation. The result is that a full suite of facilities are built by each owner on its land,
often resulting in massive over-exploitation of resources, and in many cases, the tragic destruction of the asset itself. A classic example in China is the over-development of Zhangjiajie in north-western Hunan province. Within Guizhou itself, the plans at part of the Libo / Maolan Karst Forest in Qiannan further highlight the issue. At this site, the Construction Bureau plans to remove much of the existing infrastructure from within the scenic area in support of a 2006 application for UNESCO World Natural Heritage listing, while at the same time additional infrastructure is being planned for the site using Bank finance.

It is widely recognised in China that many tourism development initiatives, programmes or scenic areas require a common approach, but the evidence is that in most cases this results in an ineffective ‘Commission’ that can (but usually does not) bring the parties together. It is more common for the Commission or Management Bureau to be simply a overarching government structure for managing the planning process, but usually it does not create a locus for real operational management nor does it create a single management structure for the asset(s).

6.1.2 Recommendation

Changes needed to be made to the ultimately destructive nature of ‘asset ownership’ to allow the successful development of tourism in the Province. It is recommended that a Provincial Destination Management Office be established to manage heritage and tourism assets as a destination rather than as a set of individual tourism sites. The definition of the destination may be on several different levels, depending upon the current tourism demand, the potential demand and growth factors which would include existing and planned infrastructure of use to tourism.

Destination Management Office (DMO)

Destination management includes land use planning and forecasting, providing business permits and zoning controls, the creation and enforcement of cultural, environmental and other regulations, the development of business association initiatives, promotion and marketing activities, events coordination, and a host of other techniques to shape the development and daily operation of tourism-related activities.

The Guizhou Tourism Development Master Plan recommended that a destination management system be established with emphasis initially on creating brand awareness, quality products and co-ordinating festivals and events of international interest throughout the province. As described in Section 6.3, the Guizhou Provincial Tourism Bureau has been working with the Guizhou Normal University to develop an online destination management system. However, the Consultants consider the role of the Destination Management Office (DMO) to be wider than the current proposals and have outlined proposals for consideration of the Bank and PMO in the following sections.
Box 6.1 DMO Case Study- Bali Tourism Board

The Bali Tourism Board (BTB) was formed by nine Bali tourism associations in 2002 with a mandate to build and develop a better and more sustainable tourism industry in Bali. The BTB is a partnership between the travel industry, the government, and the local community. BTB enjoys an excellent and mutually supportive relationship with both local and central government and is recognized within government circles as being the definitive voice of the tourism industry in Bali.

BTB consults with and represents the tourism industry, the public, and government, with the aim of increasing the quality of life of the Balinese people while facilitating and enhancing the travel experiences of both domestic and international tourists.

Who Benefits?
First and foremost BTB contributes to the material development of the local communities of Bali through its promotion of responsible tourism. BTB’s local programs are helping to transform local residents from ‘gawkers and hawkers’ who hang around tourist attractions into hosts for their guests.

Tourism industry players also benefit from BTB’s coordination and promotion. Indeed, BTB’s success translates directly into success for the tourism industry.

Local government authorities also enjoy the benefits of BTB’s coordination and promotion in the form of a smoothly running tourism industry. In addition, the local and national governments reap additional tax revenues as the industry grows.

In short, BTB is the embodiment of a partnership between government, community, and industry for the favorable and responsible development and coordination of the tourism industry in Bali.

Source: http://www.bali-tourism-board.com

The Guizhou DMO would bring the various vested interests together to help develop the province’s tourism potential, while also acting as a focal point for further development of capacity within the province. The DMO would be directed by a board comprising interests from local and regional authorities, chambers of commerce, local tourism business associations4, academia, with the involvement of local NGOs and community and minority nationality groups providing direct input from a variety of relevant stakeholder groups. Elsewhere, DMOs take the form of tourism boards, councils, consortia or development organizations. The DMO is illustrated in Figure 6.1.

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4 The network of local tourism businesses (hotels, attractions, transportation services, service providers such as guides and equipment rentals, restaurants, etc.) are also a significant part of a destination.
The proposed provincial DMO would be a public-private body. It would help coordinate and promote tourism and help to enhance and consolidate current tourism, attract new tourism, promote destination trade and commercial facilities and make them cost-effective, developing minimum quality standards for accommodation and other tourist services as restaurants, crafts, tourist guides, and other businesses. The DMO would also provide a wide range of services and assistance to tourists during their visit to the province. Ultimately the DMO and PLG would all report to the GTA.

The Guizhou DMO would represent three groups:

1. **Government**: There would need to be representation from all levels of relevant government bodies including the DRC, Cultural Heritage Administration, Environmental Protection Bureau, Ethnic Minorities Commission, Forestry Bureau, Construction Bureau, Public Security Bureau, Agriculture Bureau, Information Bureau, Aviation Administration, Railway Bureau and key provincial media. The institutional representatives would coordinate policy guidance of tourism development and help to integrate tourism development into provincial development plans.

2. **Private Sector**: including businesses such as hotels, campgrounds, rural lodgments, restaurants, vehicle hire, travel agencies, tour operators, airline, railways and bus companies. This can best be done by marshalling existing private sector interests through the proposed GTIA to provide a single voice. The government agencies, and the GTIA (representing the private sector) involved in the DMO should
contribute an annual membership fee in order to both partially fund
the DMO but also to provide financial resources for the
abovementioned Guizhou Heritage Fund.

3. **Other stakeholders:** such as Chambers of Commerce, universities,
professional associations, civic associations, NGOs and invited
specialists. Each of these groups represents different interests and it is
important to share information when pursuing sustainability of
tourism development.

The DMO’s own policy and working arrangements would need to be aligned
with the Five Year Plans of the different agencies, and would require an initial
and annual ‘representatives’ conference’ to agree plans and focus funding and
staffing. Given the number of agencies, it would be prudent to ensure that key
provincial ministries are fully engaged, that there are several political and
administrative champions and that appropriate funding is secured.

It would be advisable to have full-time visitor centres at Guiyang and
Huangguoshu airports and at Guiyang, Zunyi, Kaili, Xingyi, Duyun railway
stations, with part-time booths set up at Tongren and Zhangjiajie (Hunan)
Airports. Unstaffed visitor booths for the presentation of tourist information
should be set up at main tourist sites across the province and at Beijing
Capital, Shanghai Hongqiao, Guangzhou, Xiamen, Shenzhen and Chengdu
airports.

It would be advisable to make use of some kind of reciprocal arrangement
with the tourism authorities in Hong Kong to provide specific information for
visitors there.

*Cluster Promotion Groups*

In order to make the work of the provincial DMO relevant at the local level, it
is proposed to create Cluster Promotion Groups (CPG), which would replicate
some of the DMO activities at local level, with clusters of sites working
together. The Provincial Tourism Master Plan (2002) proposes the creation of
12 tourism clusters. The Consultants suggest that CPGs first be developed for
a smaller number of the more mature clusters to act as pilot experiences for
further extension of the CPG concept. Indeed such an approach is already
being trialled for a group of 7 villages along the Bala River in Qiandongnan
where a management committee has been set up to jointly manage the cluster
of ethnic minority villages (see Figure 6.3). Each village will focus on a
specific attraction such as traditional architecture or leisure and recreation
activities.

Alternatively, clusters could be organized along the lines of the proposed
tourism routes (south, southeast and southwest) that are the focus of the
Provincial Government’s proposed tourism development plans. Although this
informal definition of a cluster is significantly larger than destination clusters
elsewhere in the world, it is considered appropriate in China where distances
are great and the level of development of tourism at local level is still in its
infancy. The CPG creates the opportunity to pilot local initiatives that can eventually grow to become sub-provincial DMOs in their own right.

As with the DMO, the CPG would represent the interests of three groups. Firstly, the CPG would include the local agencies that are included in the DMO and would carry out some of the same activities as the provincial DMO. Secondly, it is also important to involve local businesses in the management of the CPG to ensure alignment of priorities and activities. Private enterprises involved in the CPG would pay a membership fee in order to partially fund the CPG. The third group would represent other stakeholders, including the provincial DMO, Chamber of Commerce, professional and civic associations, NGOs and local community leaders.

6.2 ISSUE 2: INSUFFICIENT CULTURAL HERITAGE PRESERVATION AND PROTECTION MEASURES

6.2.1 Issue

While one of the overarching aims of the project is to promote the preservation of the Province’s cultural heritage for the benefit of the people of Guizhou, there appears to be little input from the Provincial Cultural Heritage Bureau in the planning and project preparation processes. This was reflected in the draft project proposal presented to the Consultants in August 2005, which includes insufficient protection measures for material and intangible heritage protection.

6.2.2 Recommendation

It is considered critical that cultural heritage tourism management be guided by means of a cross-sectoral observatory to ensure that heritage is not reduced simply to an economic commodity for tourism purposes, but rather is managed for its intrinsic and future value for the people of Guizhou.

The monitoring and evaluation of tourism management, material heritage protection and particularly intangible heritage protection policies and programmes is an important institutional function that needs to be performed by relevant government departments. The Provincial Tourism Bureau, Cultural Heritage Bureau and the Provincial Bureau of Culture each have roles to play in this regard. It is suggested to create a Cultural Heritage Management Observatory to serve these functions.

The main functions of the observatory would include the gathering and analysis of technical knowledge and communication between the variety of institutions, businesses and organisations concerned with cultural heritage. The Observatory would provide know-how and expertise for the effective sustainable management, conservation and preservation of Guizhou’s material and intangible heritage and cultural landscapes, and mitigate against inappropriate commercial exploitation. The running of the observatory would
require the support of universities and research centres. International organisations including ICOMOS, ICOM, ICCROM, IUCN and UNWTO could also play a consultative role for the observatory. Given the particular importance of ethnic minority cultures in the province, it is also recommended that there is specific representation and involvement of national and provincial minority institutes and universities, and that a special effort is made to include representatives of sub-provincial arts, music and social groups.

It is considered appropriate for the Observatory to be based on a consultative framework, comprising a panel of experts meeting quarterly, chaired by the Director of the Cultural Heritage Bureau, and an annual conference (concurrent with the Provincial DMO Conference) to provide direct linkage and input to the tourism planning and development process.

The recently revised proposals for rural tourism development in Guizhou (Proposal for Guizhou Cultural and Natural Heritage Preservation and Development Project, Guizhou Tourism and Cultural Research and Promotion Centre, June 2006) call for three-way cooperation between a private developer, village tourism association and an expert team (see Figure 2.2). In principle, the consultants support this approach and note that expert team could have a role in protecting cultural heritage resources at the local level. Representatives of the expert team could participate in the proposed annual conference to ensure that the policies and guidance of the provincial Cultural Heritage Tourism Management Observatory are implemented locally.

6.3 ISSUE 3: TOURISM MARKETING AND PROMOTION

Marketing and promotion of tourism products has traditionally been weak in Guizhou, as is the case throughout most of China. However the Provincial Government’s recent marketing campaign “Colourful Guizhou” (多彩贵州) appears to have been very successful with tourist arrivals far exceeding long-term averages in the last 18 months (20% growth between 2004-2005 and a staggering 60% growth in arrivals for the first 6 months of 2006, according to the GTA).

The GTA has been actively identifying ways to improve marketing and promotion of Guizhou tourism through an online destination management system (DMS). The GTA’s official tourism website www.gz-travel.net (Box 3.1) contains travel information and an online booking system for public use and is the most visited website for Guizhou tourism.
Additionally, the GTA plans to expand an existing Provincial DMS that provides online travel information to visitors at www.aroundguizhou.com (Figure 6.2). The expansion of this online system would include additional content and cover new sites as well as allow online bookings and reservations. The system was originally developed in 1994 in collaboration with the Guizhou Normal University (GNU). The content was provided by the Guizhou Tourism Bureau and the GIS component was provided by the Guizhou Normal University. It is unclear what the relationship between the two promotional websites will be and the Consultants note that the two websites are not currently linked.

Source: www.gz-travel.net
6.3.1 Recommendations

The PMO proposes to expand the existing DMS platform, (see Figure 6.2) as part of the Bank-financed project. Having discussed this sub-project with the PMO and having visited the Guizhou Normal University for a demonstration of the system in May 2006, the Consultants strongly support the development of this DMS based on a public-private partnership. It is recommended that the provincial DMO manage the DMS with assistance from the Guizhou Normal University. The DMO must take a coordinating role with the DMS since it shall be responsible for guiding the overall marketing and promotion strategy for Guizhou as well as coordinating tourism planning, marketing and development initiatives.

It is recommended that tourism service providers be offered membership free of charge. This is critical in order to ensure that the DMS has a comprehensive coverage of attractions and services that will attract potential visitors.

Elsewhere in the world tourism service providers are charged a commission for each successful sale obtained through the DMS. This should be investigated for Guizhou.

Figure 6.2 Existing Destination Management System

Source: www.aroundguizhou.com

The Consultants suggest that the DMS upgrade could proceed in three stages as follows:

Stage 1

The purpose of this stage is to upgrade the current website so that it is more comprehensive in terms of information provided about the main attractions in Guizhou and their accessibility, alternative routes and modes of transportation to reach the sites. Increasing the coverage of the database of existing tourism service providers is also badly needed.
Stage 2

The website should be more marketing-oriented, following a well defined marketing policy from the DMO. The website should consider the positioning of Guizhou’s image and the main products on offer: nature-based and village tourism, and "Red tourism". Importantly, the DMS should be tailored to each market segment, such that appropriate language and marketing techniques are used for different target markets.

Further expansion of the database of service providers would be made during this stage and the 18 pilot Cultural and Ecological Museums proposed could be included at this stage. Reservations and booking would be available online or through a call centre for a large proportion of the products marketed.

Stage 3

A complete guide of all tourism services provided and how to reach them should be available on the Internet. Customers should be driven by their own preferences while searching the website, resulting in access to the most useful information according to the market segment to which they belong.

Information on the website should be in foreign languages as well. Japanese and English would be the first priorities, followed by Korean and other South-East Asian languages at later stages.

Each tourism company should be able to access and customise their websites and their booking conditions at any time. At this stage, the possibility of booking in advance should cover most of the tourism services.

6.4 ISSUE 4: PRIVATE SECTOR PARTICIPATION

6.4.1 Issue

The under-representation of the private sector in tourism in China is a nationwide issue. The government, at national, provincial and local level remains an active planner and player, resulting in little opportunity for the private sector to grow. Elsewhere in the world, government agencies act as regulators and enablers, creating a stable, clear framework for the private sector to develop. In China, the government at times acts as a barrier to entry, requiring excessive certification and financial guarantees in the name of ‘provision of quality’.

With the exception of several small pilot projects such as Tian Long and Ji Dao Villages (see Figure 6.3), the private sector has contributed little other than small-scale retail businesses and accommodation in Guizhou to date. The existing economic planning and development, and inward investment process, is centrally-planned. In China, and especially in the Western Provinces, the process of creating a stable framework is developed mainly in isolation from business interests; the state, SOEs, large foreign companies and
foreign business lobbies have a disproportionate influence on developments, while the tourism sector globally is characterized by the successful development of small- and medium-sized enterprises.

However the GTA is actively looking to promote private sector investment and has approved the implementation of 18 village tourism demonstration projects to the Guizhou Shanli Tourism Development Company. The GTA apparently intends to allow such tourism development companies access to Bank-finance in order to kick-start private sector participation in the tourism industry. This raises the question of the equitable distribution of economic benefits to local communities (see Section 6.5).

6.4.2 Recommendations

Of immediate benefit in Guizhou, would be for government to retreat from “ownership” of tourism resources and allow the private sector to make the investments, take the risks and earn the rewards within a framework that addresses commercial, environmental, social, economic and heritage issues.

Several attempts have been made to encourage private sector participation in Guizhou’s tourism sector, with mixed results. For example, a 10 year concession was provided to a private operator to manage the Huangguoshu Waterfalls in attempt by local government to maximize the economic potential of the attraction. However improper management of the site caused damage to the physical environment and the contract was cancelled after one year. The site is now managed by an independent Management Commission. More recently, private sector involvement has been promoted at Tian long Village in Anshun, and at the Bala River cluster of villages (see Figure 6.3). The Consultants note that the newly proposed three-way model (See Figure 2.2) for rural tourism development that involves the private sector is a further attempt to address this issue.

While private sector participation may contribute much-needed financial resources, transparent regulation of the sector is required; not only to provide security to potential investors but also to ensure that cultural heritage resources are utilized in a sustainable manner that benefits the people of Guizhou. It is understood from the DRC that Provincial authorities are currently drafting laws to regulate the private sector participation in Guizhou’s tourism sector. The Consultants consider this to be a positive step.

It is suggested that the existing Guizhou Tourism Industry Association (GTIA) be strengthened through formal representation within the Guizhou DMO. A second function of the GTIA would be to engage with provincial authorities to ensure that the voice of the private sector is heard and that opportunities to help the sector grow are identified and enabled. Guizhou, like all Chinese provinces, needs the private sector to grow to provide jobs and taxes in the future, but there are few pragmatic, organised channels for doing so. The present system relies on larger companies lobbying politically and this does not represent the interests of SMEs.
The GTIA’s focus should be on:

- Streamlining of business and operational approval and permitting processes.
- Simplifying quality and certification procedures, with fees representing the cost of administering these processes and not used as an additional source of general taxes.
- Educating small businesses and potential small businesses about tourism, hospitality, hygiene, marketing and planning.
- Understanding the needs of existing and future sector businesses.
- Acting as a liaison between the Guizhou tourism sector and airlines, bus companies, car hire companies, railway bureaus and travel agencies in China.
- Jointly representing Guizhou at trade fairs and promotional events
- Identifying barriers to entry to the sector for businesses.
- Commissioning market research activities on the tourism sector in Guizhou.

It is appropriate for the GTIA to be led jointly by its members and the GTA, with the Deputy Director of the Guizhou Provincial DMO also acting as the Director of the GTIA. This ensures that there is full alignment of the GTIA with other tourism developments in the province. Currently, the GTIA is chaired by the Director of the GTA.

6.5 ISSUE 5: COMMUNITY PARTICIPATION AND ECONOMIC BENEFIT

6.5.1 Issue

One of the overarching goals of the project is to contribute to local economic development by allowing communities to capitalise on opportunities presented through increased tourism to the Province. Studies from around the world have shown that even comparatively small annual numbers of tourist arrivals can distort the local economy, create localised price inflation and create a threat to existing, non tourist business in tourist towns and near scenic attractions. The creation of sustainable tourist destinations in Guizhou must not only involve local people but ensure that they benefit economically from development of the tourism sector.

Economic benefit to local communities is critical to the Bank’s proposed investment achieving its goal of rural poverty alleviation and promoting the long-term viability of cultural heritage, particularly traditional ethnic minority customs and practices.

Mechanisms for participation of host communities in the tourism development and planning process in Guizhou are in their infancy and should be strengthened. Several public-private initiatives have been trialled with mixed success, for example in Jixi Village, Anshu and in Jidao Village along the Bala River (see Figure 6.3).
### ADVANTAGES

Tourism development has undoubtedly had a positive effect on the local economy. Since the private operator has been managing the site, average annual income has reportedly risen from RMB 1,400 to RMB 2,280, in large part from tourism. The Company currently employs 120 villagers who are thought to earn about 300 RMB/month.

Eight per cent of the Company’s profit is paid to the Committee, which decides how to spend the money e.g. by providing grants or loans for villagers and agreed village projects. The process is transparent since the accounts of the Company are published for all the villagers to see. The company also helps villagers to get loans from banks by providing guarantees.

### DISADVANTAGES

Fundamentally, there is a question of “ownership” of the village and the ancient Han culture. Is it fair that a private operator takes virtually all the profits generated from this tourism development? The Company manager himself raised the proportion of profits distributed to the Committee as a source of tension.

The Company decides which buildings should be improved or restored and with what materials, which poses a risk of damage to cultural heritage.

Under the current lease agreement, local residents are not permitted to open any tourist facilities such as home stays or shops that are in competition with the Company.

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### ADVANTAGES

The shareholder system ensures that economic benefits accrue directly to the host villages. By generating income from tourism, villagers gain awareness and appreciation of the intrinsic value of the community’s cultural heritage, thereby providing further incentive for protection of both material heritage assets as well as cultural and traditional values. According to Provincial authorities, the community itself now monitors renovations undertaken in the local village to ensure that they are in keeping with the traditional architectural style.

### DISADVANTAGES

The lack of a transparent standard to evaluate the investments by individual community members is a concern, particularly in relation to intangible cultural heritage assets. Traditions and culture belong to each community and cannot be “invested” on an individual basis.

Another obstacle within this model is the development of selection criteria for choosing private sector participants, which has not yet been developed. It is expected that such criteria will be controversial and introduce difficulties to implementation process.
Community involvement in tourism development planning is important because it prevents impacts and issues (and potentially social unrest) arising. In tourism, the impacts frequently creep up unnoticed until they are big issues, but regular engagement and dialogue can avoid most of the problems. The proposed establishment of village tourism associations under the Rural Tourism Development Proposals (June 2006) outlined in Section 2.4 are a further attempt to strengthen the participation of local communities in rural tourism development. Under this approach, elected village tourism associations will represent the interests of the local community and have a say in the strategic direction of tourism development in their village. In principle, the Consultants support such an approach but highlight the need for: a) local capacity building; and b) regulation of private sector concession arrangements at rural villages.

6.5.2 Recommendation

The World Bank considers participation to be of utmost importance in ensuring that project benefits accrue to the local population, particularly to the poor and ethnic minority groups. It is widely acknowledged that both social and economic benefits can be greatly enhanced and spread across all social groups by adopting a community-driven participatory approach in all aspects of project design and implementation. Moreover, the Seoul Declaration on Tourism in Asia’s Historic Towns and Areas recognises that host communities are part of a chain of stakeholders with a right and a responsibility to appreciate and conserve heritage places. The Declaration recommends that a structured approach to consultation and planning is developed to ensure community views and interests are taken into account.

The proposed three-way development model for rural tourism development is considered a positive step in promoting cooperation between the government, the private sector and local communities in tourism development. Cooperation between the private sector and local communities should be encouraged, especially in the initial stages of development in Guizhou’s rural areas, where the capacity of the local community in tourism services is low. A similar model has been economically successful in Tianlong Village in Anshun.

Key to this model is the issue of equitable distribution of profits from the private investor or Development Company. Under the proposals entire villages will be converted into so-called “Ecological and Cultural Museums” under a concession arrangement with the developer and an entry fee charged to tourists. The developer will therefore benefit from the collective heritage of the local community.

While the GTA has indicated that potential investors will be screened to ensure that they are “socially-responsible”, the Consultants suggest that it will be impractical for provincial authorities to screen all potential investors. It is also likely that unless implementation is done with the utmost care and attention to detail, the creation of a ‘tourist village’ will deter many visitors,
especially foreigners with higher spending power. Furthermore, the ‘payment of access’ to villages will further reduce the authentic experience that most tourists desire. The Consultants can think of few examples elsewhere in the world where there is a general access fee to villages, and with good reason.

Looking at this from another angle, the Provincial Government should be trying to establish enabling policies to attract private investment, rather than discourage it. The Consultants have highlighted that such supporting regulations are an urgent priority, both to provide the transparency required to attract private investment and also to ensure the equitable distribution of economic benefits to local communities who are the collective owners of the heritage resources being utilised.

The GTA has indicated that regulation is currently being drafted that would require the development company pay the following from after tax profit:

- 10% cultural heritage fee;
- 5% to the Expert Team/NGO Workstation; and
- 5% as a village capacity building/training fee.

The developer will also be required to employ 30% local residents and the concession will be BOT with the physical infrastructure transferred to the Village Association after 20 years, after which time it should have developed the capacity to operate the site itself.

The Consultant cautions that general access pricing should be carefully monitored on at least an annual basis, with contracts developed that allow a changed model if this system proves unsuccessful.

Similar models elsewhere in the world have encountered problems where unscrupulous developers manipulate their books so that the operating company minimizes their profit (or does not declare a profit at all) in order to minimize payments to the village tourism fund. However the problem is not insurmountable; in South Africa, potential game park operators bid on concessions but are also required to pay a minimum fee, say 65% of their annual bid, to discourage overbidding.

Provisional regulations for site operators within scenic areas in Guizhou were issued in 2005 under the *Guizhou Provincial Scenic Area Special Tendering Operation Management Measures (Provisional).*

### 6.6 ISSUE 6: TRAINING AND CAPACITY BUILDING

#### 6.6.1 Issue

The development of the tourism sector presents an unprecedented opportunity for poverty alleviation in Guizhou’s poorest areas. In order to capitalise on this opportunity however, local communities must be provided basic training in tourism and related services. The vast majority of rural residents currently work in the agricultural sector and have minimal
experience in the tourism sector. Village level capacity building in the tourism sector is the necessary first step for promoting rural development under the Bank’s proposed loan.

Both the *Provincial Tourism Master Plan (2002)* and the *Rural Tourism Development Plan (Draft 2005)* make extensive reference to the importance of strengthening rural development through training and capacity building of local communities. The Consultants note that training for villagers and capacity building of rural primary organisations is already a priority of the Provincial Government. In June 2005, approval was granted for pilot projects in 18 villages, focussing on capacity building for collective tourism cooperation organisations (comprised of local villagers) to participate in tourism management at the village level. The Consultants are encouraged that the Guizhou PMO plans to incorporate this training and capacity building programme into its proposal for Bank financing.

The *Rural Tourism Development Plan (Draft 2005)* calls for the establishment of a decentralised system of community training centres to provide education and training to rural communities embarking on sustainable tourism activities and heritage protection.

**Recommendation**

The Consultants fully endorse the proposals in the *Rural Tourism Development Plan (Draft 2005)* for a system of regional training centres, coordinated locally through the expert teams illustrated in Figure 2.2. The Consultants recommend that this should be focussed on basic, practical skills that encourage participation in the tourism sector. Such training may include:

- Hospitality and service skills, including for restaurants, accommodation, and entertainment venues, as well as selection, exhibition and sale of handicrafts.
- English training initially focused on a limited number (2-4) of people in each village who have some existing language ability and an appropriate educational background, rather than attempting to teach a large number of people without depth.
- Local tourist guide training, focusing on showcasing the natural and cultural heritage of local villages, tourism resources, routes and programmes within and around the village.
- Modern techniques and skills for farming, gardening, fish-farming, livestock farming, etc. to ensure that a wide range of food can be provided to tourists from different regions and countries.
- Maintenance of good hygiene and sanitary conditions. This should include training on sanitation standards required for restaurants, hotels, households, streets and the environs.
- Awareness on environmental protection, such as protection of water resources, forests and wetlands.

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(1) "Project Proposal for Protecting and Developing Cultural and Natural Heritage of Guizhou Province", Guizhou Tourism and Cultural Research and Promotion Centre, June 2006.
• Training on sale of handicrafts.
• Basic knowledge on developing new tourism products, such as understanding tourist demand and interests, market-oriented thinking.

The latest proposal for bank funding includes projects at some 70 sites. The training demand is therefore high and the existing training capacity in Guizhou is limited. Training on rural tourism development to date has been provided by local government free of charge. Looking forward, local government is unlikely to have the resources necessary to provide the amount and variety of training required.

The Consultants suggest that the PMO consider establishing a “train-the-trainer” programme to provide professional training at the village or regional level. Candidate trainers could be selected from existing experienced tourism professionals within Guizhou, as well as from local villagers who indicate interest in taking a leadership role in village tourism development in their own villages.

6.7 ISSUE 6: COMMUNITY DEVELOPMENT AND HERITAGE MANAGEMENT

One of the biggest barriers to development of tourism and cultural asset management in Guizhou, as elsewhere in China, is the lack of adequate funding for initiatives that do not include substantial infrastructure investment.

6.8 ISSUE 7: AUTHENTIC INTERPRETATION

6.8.1 Issue

There is currently a complete lack of interpretative material and programmes available to enable visitors to understand traditions, cultural heritage and history at sites that they are visiting. Moreover, there is a risk that uncontrolled or inappropriate development could result in mass commercialization of intangible heritage including song and dance performances and other rituals, detracting from its traditional value. While this may result in short-term economic gain, ultimately it does little to promote the long-term viability of ethnic cultural practices. There is clear evidence that this is already occurring at some sites.

While the centrepiece of the latest proposals for rural village tourism are ‘Ecological and Cultural Museums” no information has been provided on the nature of the interpretative material that will be available at these sites.

6.8.2 Recommendation

Authentic interpretive material should be available to tourists at cultural heritage sites. Interpretative material concerning indigenous culture that is presented to visitors should be developed by local communities or at least approved by them. Such material should be developed through the
proposed village tourism associations, and under the guidance of the proposed Provincial Cultural Heritage Management observatory.

The critical element in making cultural and natural tourism a viable tool for long-term development is local involvement in decision making and control. Village tourism associations can be a significant tool in accomplishing this goal.

Tour guides that are specially trained in heritage tourism can benefit both visitors and local residents in the conservation, preservation, and proper interpretation of the sites, ensuring that such interpretative activities adhere to the sites’ authenticity and historical significance. High quality trained guides add tremendous value and deliver a more unique experience for visitors to heritage sites where such attractions are quite similar across regions. Training enables guides to encourage conservation, act as mediators between hosts and guests.

In this sense, there is a great opportunity to design informative programs for guides. It is worth noting that many of the heritage sites included in the project proposal are still tourism resources, as opposed to tourism products, and their development is in its early stages, which explains the lack of adequately trained tour guides at some sites (Jiuxi Ancient Town, Jidao Miao Village or Guanling Fossil Park).

It should be noted that interpretation of minority culture and access to business initiatives in most of the rural areas being proposed by the PMO need to be carefully assessed and monitored under the World Bank’s Indigenous People’s Policy and that an Indigenous People’s Framework at the Provincial Level would be required in the next stage of project preparation.

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CONCLUSIONS AND PRIORITY ACTIONS

7.1 CONCLUSION

The Consultant’s are upbeat about the prospects for heritage tourism in Guizhou to contribute to economic development. The Province has a wealth of natural, cultural and historical sites, colourful ethnic minority culture and a mild climate that can be enjoyed year-round. The dedication and commitment of all officials and technical staff working on tourism and cultural heritage preservation at the provincial level is impressive.

The GTA has made substantial progress in implementing the Guizhou Provincial Tourism Development Plan (2002), which provides an excellent framework to guide the development of Guizhou’s tourism sector. In 2006, the GTA commissioned a proposal to focus on development of rural tourism which will be a focus of the proposed loan from the World Bank.

The Guizhou Provincial Government has much of the necessary institutional framework in place for the preparation and implementation of the proposed project, but several new institutions will enable more focus on areas of known weakness - private sector development; engagement, participation and consultation; access to small-scale finance; heritage management; promotion and marketing; education. The most significant improvement will come from introducing a DMO as a move from supply-led, site-managed tourism to a model of demand-led, destination-managed tourism, supported by Cluster Promotion Groups at the local level.

The Consultants note that a recent emphasis on marketing and promotion appears to have been very successful with tourist arrivals far exceeding long-term averages in the last 18 months (20% growth from 2004-2005 and a staggering 60% growth in arrivals for the first 6 months of 2006, according to the GTA). Key scenic sites such as Huangguoshu Waterfalls and Libo Mountain cannot physically accommodate more visitors during the key golden week holidays and the GTA wishes to disburse tourists more widely into the rural areas of the province. Such growth presents an unprecedented opportunity for poverty alleviation in Guizhou’s poorest areas. The immediate challenge is to put in place mechanisms to ensure that local communities can capitalise on this opportunity.

However such growth also poses significant challenges. Environmental degradation may result from pressure at sites that are ill-equipped to deal with large numbers of visitors. The effect on intangible heritage including traditional song and dance performances, weaving, batik and other cultural products and practices is of particular concern. While responsible tourism incorporating appropriate safeguards can help to ensure the long-term

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7 Guizhou Cultural and Natural Heritage Protection and Development Project Proposal, Guizhou Tourism Cultural Research and Promotion Centre, June 2006.
viability of these customs, there is also a risk that uncontrolled development results in mass commercialization of intangible heritage, detracting from its traditional value. A Cultural Heritage Management Observatory that directs local level expert teams has been proposed to minimise the risk of adverse effects on cultural heritage. The Consultants also note that the range of proposals for development of commercial activities focus on ethnic minority heritage would trigger the Indigenous People’s Safeguard Policy.

After trialling several models of community participation and private-sector cooperation in rural tourism development, the GTA has developed a three-way development model, involving village tourism associations (comprised of local residents), an expert team and “socially responsible” private investors, under the direction of local government. In principle, the Consultants support this approach but note that the equitable distribution of economic benefits remains an issue. In particular, there is an urgent need to regulate private sector investment for concession arrangements to charge entry fees into rural villages that will be converted into “Ecological and Cultural Museums”.

The engagement of local communities and businesses is essential to create a robust tourism sector in the Province; currently, small businesses have little stake in the sector and are uninvolved in all processes and consequently play a small, reactive role. In addition, the lack of engagement does not provide sufficient security of sustainability for vulnerable groups including the poor or ethnic minorities. At the Provincial level, business will be represented within the proposed DMO. On the other hand, community engagement in tourism planning is best undertaken locally and the proposed village tourism associations at the demonstration villages are considered an appropriate channel to address this issue.

7.2 PRIORITY ACTIONS

The priority actions presented in Table 7.1 draw out the principal recommendations from the Sector Review and suggest actions and an outline timeframe for implementation. In line with the TOR for this assignment, the priority actions focus on strategic recommendations in the areas of:

- Enhancing the overall competitiveness of Guizhou’s tourism sector;
- Cultural heritage protection;
  - Community participation and economic benefit; and
- Training and capacity building.
<table>
<thead>
<tr>
<th>No.</th>
<th>Need Identified</th>
<th>Actions</th>
<th>Timing</th>
<th>Benefit/Impact/Risk</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of a demand-led provincial tourism strategy marketing Guizhou as a destination rather than as a series of sites is constraining development</td>
<td><strong>Create Provincial Destination Management Office (DMO)</strong>&lt;br&gt;- Establish Guizhou Provincial DMO that represents government, the private sector and stakeholders including civic associations, chambers of commerce and technical specialists&lt;br&gt;- DMO would be responsible for guiding Guizhou’s tourism development strategy including marketing and promotion</td>
<td><strong>Short term</strong>&lt;br&gt;<strong>Short-term 1-2 yr</strong>&lt;br&gt;<strong>Medium-term 2-5 yr</strong>&lt;br&gt;<strong>Long-term 5-10 yr</strong></td>
<td>Ensures that a diverse range of stakeholders are considered in tourism development planning&lt;br&gt;Move from a supply led, site-based approach to a market led destination-managed approach should improve visitor experience</td>
</tr>
<tr>
<td>2</td>
<td>Need to ensure Provincial strategy implemented at locally</td>
<td><strong>Create Local Cluster Promotion Groups (CPG)</strong>&lt;br&gt;- To represent DMO at local level, preferably by cluster or geographic region&lt;br&gt;- CPGs to coordinate tourism marketing and promotion for all sites within cluster and would work with individual village tourism associations</td>
<td><strong>Short-Medium term</strong>&lt;br&gt;<strong>Short-term</strong>&lt;br&gt;<strong>Medium-term</strong></td>
<td>Consistent, coherent tourism strategy across the Province&lt;br&gt;Enhance branding and recognition of Guizhou’s tourism product.</td>
</tr>
<tr>
<td>3</td>
<td>Lack of information available to potential tourists before they arrive in Guizhou</td>
<td><strong>Upgrade Existing DMS</strong>&lt;br&gt;- DMO to upgrade existing DMS to include comprehensive details on existing sites, accessibility, transportation and accommodation.&lt;br&gt;- Expand DMS to include new sites, particularly the smaller rural village destinations and demonstration projects.&lt;br&gt;- Expand reservation and booking functions, online or via a call centre.&lt;br&gt;- Make DMS available in English and Japanese.</td>
<td><strong>Short term</strong>&lt;br&gt;<strong>Short-term</strong>&lt;br&gt;<strong>Medium term</strong></td>
<td>Enhance overall competitiveness of Guizhou’s tourism sector</td>
</tr>
<tr>
<td>4</td>
<td>Heritage protection, conservation and interpretation weak.</td>
<td><strong>Create Cultural Heritage Tourism Management Observatory</strong>&lt;br&gt;- Observatory to be a consultative organisation, with a panel of experts and an annual conference to provide direction to heritage development&lt;br&gt;- Observatory to provide input to Expert Teams at the demonstration sites on such issues as protection of physical and intangible heritage assets and interpretative materials available at cultural sites.</td>
<td><strong>Medium term</strong>&lt;br&gt;<strong>Medium-term</strong>&lt;br&gt;<strong>Long-term 5-10 yr</strong></td>
<td>Protection/enhancement of rural village tourism product and underlying heritage value&lt;br&gt;Risk that uncontrolled development results in mass commercialization of intangible heritage, detracting from its traditional value</td>
</tr>
<tr>
<td>No.</td>
<td>Need Identified</td>
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<tr>
<td>5</td>
<td>Safeguarding of cultural landscapes</td>
<td><strong>Protected and Enhance Authenticity of Rural Villages</strong></td>
<td>Short term</td>
<td>Protection/enhancement of rural village tourism product and underlying heritage value</td>
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<tr>
<td></td>
<td></td>
<td>• Protection and restoration of heritage buildings</td>
<td>Ongoing</td>
<td>• Risk that uncontrolled development results in mass commercialization of intangible heritage, detracting from its traditional value.</td>
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<td></td>
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<td>• Avoid visual impacts that detract from the cultural landscape, eg consider diverting telephone and electricity cables underground</td>
<td>Ongoing</td>
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<td></td>
<td></td>
<td>• Avoid mass commercialization of customs such as traditional song and dance performances.</td>
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<td>6</td>
<td>Lack of authentic interpretative material available at cultural heritage sites</td>
<td><strong>Provide authentic interpretive material at cultural sites</strong></td>
<td>Short term</td>
<td>Enable visitors to understand traditions, heritage and history at cultural sites</td>
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<td></td>
<td></td>
<td>• Interpretative material concerning minority culture to be developed (or at least approved) by local communities via village tourism associations, under guidance of the proposed Provincial Observatory.</td>
<td>Medium term</td>
<td>• Enrich visitor experience</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interpretative material available at cultural heritage sites</td>
<td></td>
<td>• Promote long-term sustainability of cultural practices and traditions, avoiding mass commercialization</td>
</tr>
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<td>7</td>
<td>Poverty alleviation and equitable distribution of economic benefits</td>
<td><strong>Promote Distribution of Economic Benefits to Local Communities</strong></td>
<td>Short term to Medium term</td>
<td>Poverty alleviation/ improved living standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Address the distribution of benefits within communities, such that incentives for participation remain high and fair.</td>
<td>Short term</td>
<td>• Risk of economic marginalization of parts of the community if external investors are sole beneficiaries.</td>
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<td></td>
<td></td>
<td>• Transparent regulation of private sector investment, particularly concession arrangements, to ensure that communities benefit from collectively-owned heritage</td>
<td>Short term</td>
<td>• Risk that living standards will not improve if local communities do not have skills or capital to capitalize on tourism opportunities</td>
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<td></td>
<td></td>
<td>• Village level capacity building to ensure that local residents have the skills necessary to capitalise on tourism development opportunities. Consider micro-credit schemes for local communities to invest in infrastructure such as restaurants and home-stays.</td>
<td>Short term to Medium term</td>
<td></td>
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<tr>
<td>8</td>
<td>Difficulties for independent travellers</td>
<td><strong>Improve Information Available to Independent Travellers</strong></td>
<td>Immediate</td>
<td>Better serve the independent travel market segment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Tourist information, particularly on rural village destinations, to be made available on the DMS.</td>
<td>Medium term</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Tourist information centres and interpretive signs at key sites.</td>
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<td></td>
<td></td>
<td>• Orientation signage and signed routes between sites within a cluster.</td>
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