



# BHUTAN TOURISM PRODUCT DEVELOPMENT GUIDELINES

ROYAL GOVERNMENT OF BHUTAN







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# Acknowledgements

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# 1. Preliminary

## Introduction/Background and Context

Tourism has become one of the fastest growing and most important economic sectors in the world. It benefits destinations and communities worldwide and drives inclusive economic growth and social development. It is forecasted that tourism will continue to grow in the years to come. This reinforces the need to ensure the sector's growth and sustainability. The shift and sophistication in the demand and behaviour of tourists for meaningful travel experiences further underscores the need for growth, diversification of tourism products and destinations, including authenticity, contacts with local communities and learning about culture, tradition, flora and fauna, etc.

Since the opening of tourism in Bhutan in the early 1970s, the country's tourism sector has recorded unprecedented growth and development. Tourism has contributed significantly towards Bhutan's socio-economic development. The tourism sector is accorded high priority by the Royal Government for its potential to contribute to overall socio-economic development through creation of linkages across the tourism value chain.

Further, tourism is seen as a means to preserve culture and tradition, contribute towards conservation of natural resources and improve the livelihood of the local communities. There is growing interest in the sector including involvement/engagement of various government agencies, private sector, CSOs, international agencies/donor agencies and local government and communities.

In order to consolidate and coordinate the efforts of various stakeholders engaged in tourism development, there is a need to establish a proper mechanism that can guide sustainable development and implementation of these efforts and resources and ensure results-based outcomes.

## Basic principles of product development

1. Some of the principles that may be considered while developing tourism products are:
  - a. The development of tourism products to contribute in realizing the goal of Gross National Happiness (GNH).
  - b. Accord importance to key principles of sustainable tourism development, namely:
    - Authentic and indigenous, reflecting the unique attributes of the destination;
    - Community friendly;
    - Responsible towards the natural and socio-cultural environments;
    - Innovative and value addition.
  - c. Consider conducting basic market research while developing proposals.
  - d. Promote tourism circuits, zones or clusters of attractions through:
    - Highlighting the strengths of each region; and
    - Spreading the socio-economic benefits of tourism.

## Objectives of the Guideline

2. The guideline seeks to facilitate and streamline procedures and guide interested proponents for developing tourism products and attractions for the growth and development of tourism. Further, this guideline will support the following:
  - a. Deepen the understanding of stakeholders and proponents about the identification, planning, development and management of tourism products.
  - b. Inform and ensure adherence to the requirements of tourism product development.
  - c. Outline approaches for planning and development of tourism infrastructure and services to promote the product.
  - d. Enhance the experience of visitors by providing high-standard and safe tourism products.

## Applicability

3. This guideline shall apply to individuals, CSOs, public and private organizations and agencies interested in the development of tourism products.

## Extent and commencement

4. This guideline shall:
  - a. Extend to the whole of Bhutan for the development of products; and
  - b. Commence on the date of approval by the Council.

## Definitions

5. For the purpose of this guideline, unless otherwise stated:
  - a. “Product development” means the process by which the resources of a destination are shaped to meet the requirements of international and domestic customers.
  - b. “Product” means any tourism product.
  - c. “Proponent” means individuals, CSOs, public and private organizations and agencies interested in the development of products.
  - d. “TCB” means the Tourism Council of Bhutan.

## 2. Tourism Products

### Classification of Products

1. The classification of products is important for a better understanding of their unique characteristics, so that they can be promoted appropriately and marketed to the right client. Therefore, products are classified as follows:

#### a. Culture

Cultural tourism products encompass the unique features of a place and reflect its culture and history, promote the rich tapestry of cultural traditions, ethnic backgrounds and landscapes.

#### b. Nature and Eco-tourism

These are more closely associated with the natural environment. These may include natural resources such as the area's climate and its setting, landscape and natural environment.

#### c. Adventure

A type of product that involves tourists travelling to remote or exotic locations in order to take part in physically challenging outdoor activities.

#### d. Spiritual and Wellness

A product developed for the purpose of promoting the health and well-being of tourists through physical, psychological, or spiritual activities.

#### e. MICE

A product developed for the purpose of Meetings, Incentives, Conventions and Exhibitions.

**f. Sports**

Sports tourism products are developed for tourists to experience or view sports-related activities.

**g. Others**

Any other new form of product which may be classified as and when required.

## Existing Tourism Products

2. Some of the existing products are classified as per section .....of this guideline and included in Annexure A.

## Potential Tourism Products

3. Some of the potential products are classified and listed in Annexure B.

## Prohibited/negative list

4. Any product proposed in the restricted areas or product that is prohibited by law will not be approved. Some of the prohibited products activities are:
  - a. Mountaineering (any mountain with a height of over 6000 masl);
  - b. Game/hunting;
  - c. Prostitution;
  - d. Gambling.

# 3. Application and Approval Process

## Application and Approval Process

1. This guideline allows for two procedures to be followed depending on the convenience of the proponent submitting the proposal. The options provided in this guideline are 'General Procedure' and 'Other Procedure'.

### a. General Procedure

The following steps need to be followed if the proponent desires know, before developing a detailed proposal, whether the proposed product is permitted:

- Submission of Expression of Interest (EOI)
  - A proponent desiring to develop a product will submit an EOI to TCB in the format prescribed in this guideline and included in Annexure C.

- Review of EOI by TCB

After reviewing the EOI, TCB will either recommend the proponent to submit a detailed proposal or reject the EOI providing reasons within a week of receiving the EOI. TCB may also provide comments on the EOI that can be incorporated in the detailed proposal by the proponent. TCB may share information on the required sector clearances and other documents if required.

- Submission of detailed proposal

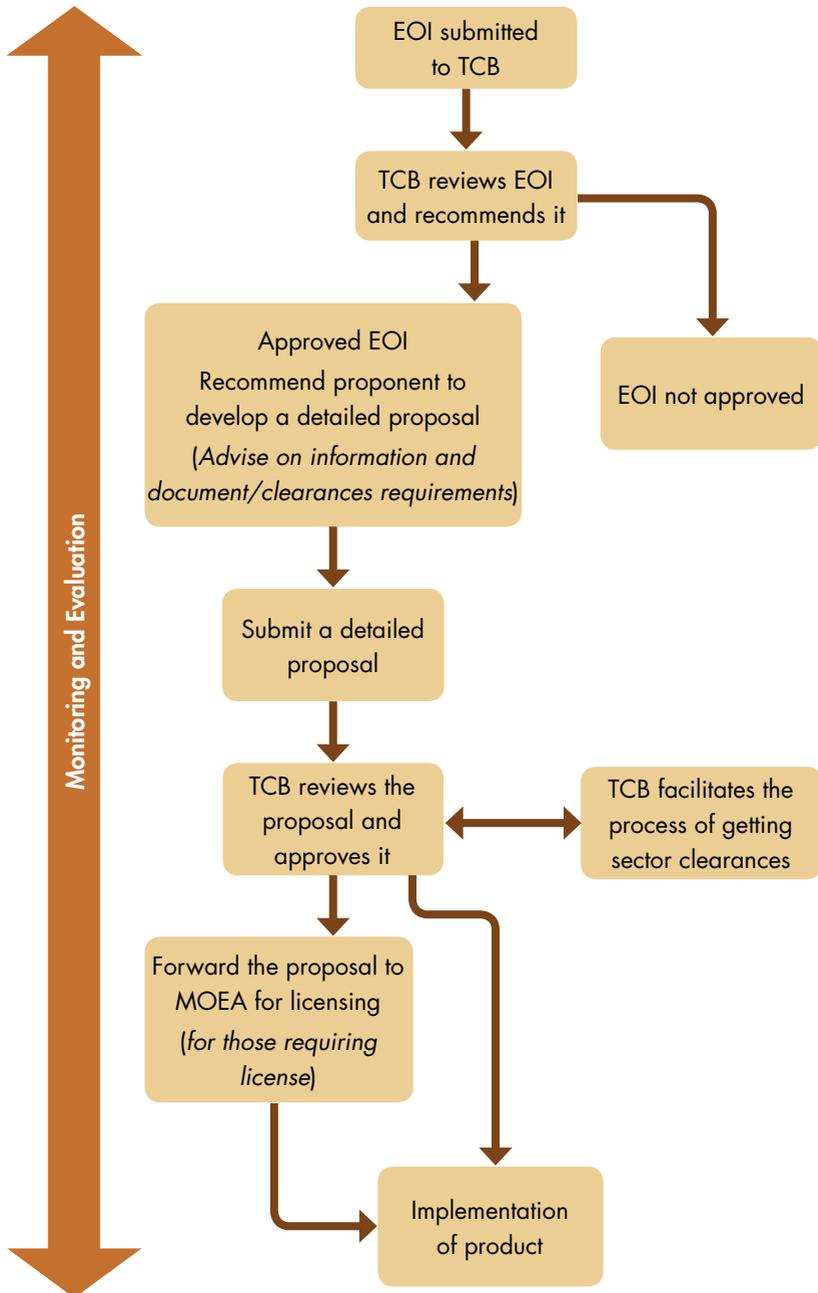
Upon approval of the EOI, the proponent may submit a detailed proposal in the format and as per the requirements prescribed in this guideline and included in Annexure D.

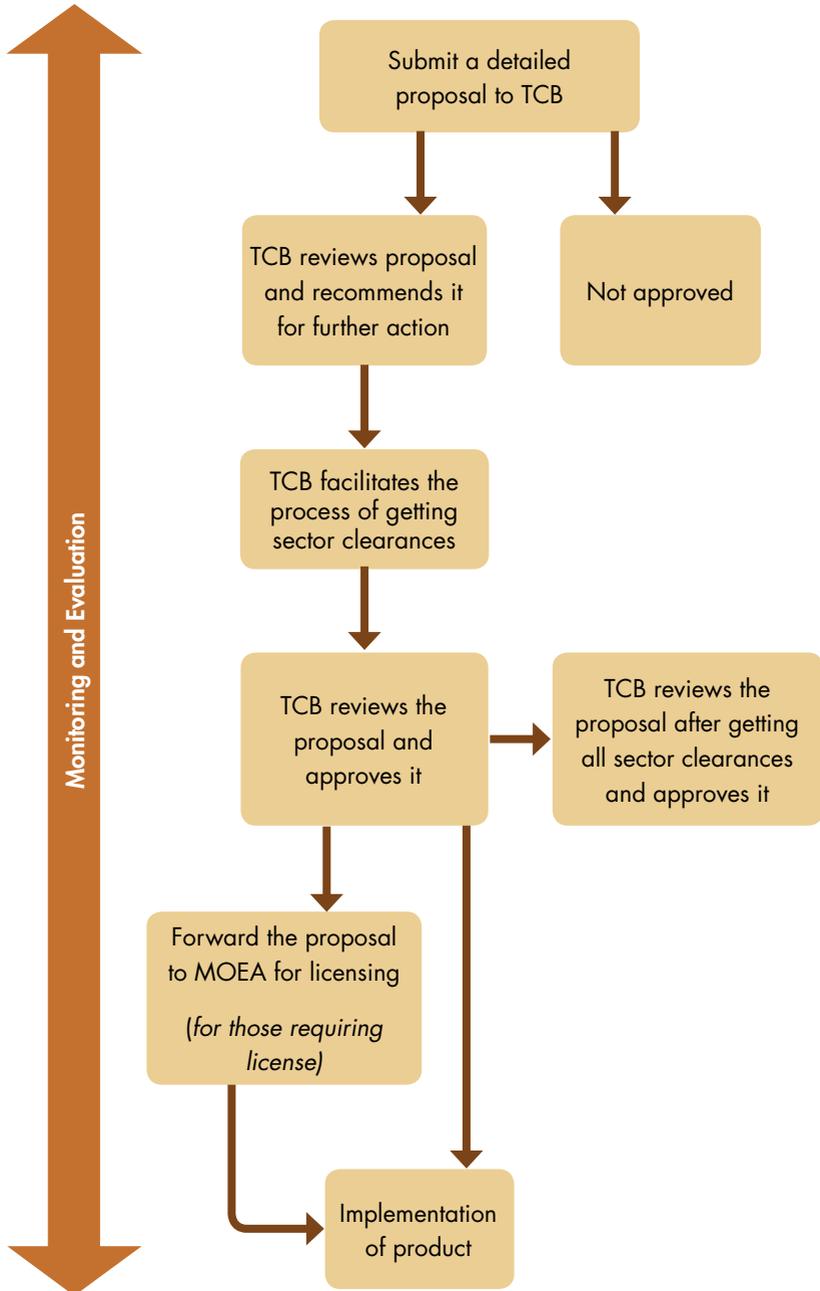
- Review of proposal  
TCB will approve, reject or recommend the changes to a detailed proposal within two weeks of receiving the EOI. Where the proposal is approved, TCB will issue a clearance and facilitate the required sectors clearance from the relevant agencies. The approved proposal will then be directed to the Ministry of Economic Affairs if the license is required.
- Business Licensing  
Based on the clearance from TCB and other sector clearances, the business license may be issued by the MOEA to a proponent. The Ministry may facilitate in getting additional sector clearances if required.

## b. Other Procedure

A proponent may directly submit a detailed proposal following the process outlined below:

- Submission of a detailed proposal  
Upon approval of the EOI, the proponent may submit a detailed proposal in the format and as per the requirements prescribed in this guideline and included in Annexure D.
- Review of proposal  
TCB will approve, reject or recommend the changes made to the detailed proposal. Where the proposal is approved, TCB will issue a clearance and facilitate the process of getting sector clearances from the relevant agencies. The approved proposal will then be directed to the Ministry of Economic Affairs if the license is required.
- Business Licensing  
Based on the clearance from TCB and other sector clearances, a business license may be issued by the MOEA to the proponent. The Ministry may facilitate the process of getting additional sector clearances if required.





# 4. Roles and Responsibilities of Stakeholders

## Assigning roles and responsibilities

1. In facilitating the development of product, the roles and responsibilities of different agencies have been outlined as follows:

### a. Tourism Council of Bhutan

The Tourism Council of Bhutan will be the nodal agency for all proposals regarding the development of any tourism product, and will carry out the following responsibilities in collaboration with other relevant agencies:

- Review, recommend and provide clearance for development of tourism product;
- Carry out market research and share information; assist proponent in planning and coordination;
- Facilitate the process of getting sector clearance for the proponent;
- Develop standards for the product and carry out proper monitoring;
- Provide technical assistance and other support where required;
- Assist and provide support in promoting tourism products; and
- Provide support in capacity building.

### b. Ministry of Agriculture and Forest

The Ministry will primarily be responsible for all activities related to the development of tourism products in the State Reserve Forest (SRF) and protected areas (PA). Hence, the Ministry, in collaboration with other relevant agencies, shall carry out the following responsibilities:

- Issue clearance for development of product in State Reserve Forests and Protected Areas as per the Forest and Nature Conservation Regulation 2017;
- Share information with all relevant stakeholders and proponents regarding the restricted activities and areas;
- Develop standards and ensure quality of product;
- Monitor and regulate product and activities; and
- Provide technical assistance to proponent in developing products if required.

### c. Ministry of Economic Affairs

The Ministry will primarily be responsible for issuing business licenses for the development of products as per the requirement of the Ministry. Therefore, the Ministry, in collaboration with other relevant agencies, shall carry out the following responsibilities:

- Facilitate the process of getting sector clearance for the proponent;
- Provide information on the requirements of the Ministry for obtaining business licenses; and
- Provide skills-based capacity development training.

### d. Ministry of Labour and Human Resources

The Ministry will primarily be responsible for developing curriculum and providing training. Therefore, the Ministry, in collaboration with other relevant agencies, shall carry out the following responsibilities:

- Issue clearance for the training and certification; and
- Issue clearance for the institute that is to train human resources for the product developed.

### e. Ministry of Finance

The Ministry will primarily be responsible for rationalizing tax incentives and looking into fiscal incentives for the tourism products developed in consultation with other relevant agencies.

**f. Ministry of Information and Communication**

The Ministry will primarily be responsible for providing sector clearances for all products

**g. Ministry of Home and Cultural Affairs**

The Ministry will primarily be responsible for product relating to culture and heritage. Therefore, the Ministry, in collaboration with other relevant agencies, shall carry out the following responsibilities:

- Provide information on the cultural inventory;
- Share the list of restricted areas and activities;
- Issue sector clearance whenever required

**h. Gross National Happiness Commission**

The commission in coordination and collaboration with other relevant stakeholders will assist in sourcing external fund for the product and ensure cohesions and alignment of the product with national plans and policies.

**i. National Environment Commission**

The Commission will primarily be responsible for ensuring that the product is able to protect and preserve the environment. Therefore, the Commission, in collaboration with other relevant agencies, shall carry out the following responsibilities:

- Issue environmental clearance;
- Encourage sustainable conservation and protection of the environment;
- Assist and adopt sustainable management and practices in the product;
- Create awareness and understanding on the environment friendly approach; and
- Provide technical assistance to the proponent in developing the product if required.

**j. Civil Society Organizations**

The organization will provide guidance so as to ensure that the proposed product contributes in improving the livelihoods of people and reducing poverty, and that it contributes to social services;

- Conduct research and share market information with product developers;
- Packaging and marketing of the new product.

**k. Local Government**

The local government will primarily be responsible for:

- Sharing proposals received from Dzongkhags and Gewogs with TCB;
- Sharing relevant information regarding the proposal including the feasibility of the proposed product;
- Provide technical assistance to the proponent for developing the proposal and product if required;
- Issue a location clearance if required.

# 5. Project Elements

## Different Project Elements

1. While developing a detailed proposal, the proponent may consider various important elements that are not limited to those mentioned in this guideline. Some of those elements are:
  - a. Cost sharing mechanism
  - b. Technical advisory support
  - c. Facilitation services
  - d. Incentive support and requirements
  - e. Partnership and inclusive approach
  - f. Beneficiary reach
    - Socio-economic benefits for the community
    - Engagement of youth & vulnerable groups
  
2. Sustainability model
  - a. Use of renewable energy
  - b. Waste management
  - c. Environmental protection
  - d. Use of local resources
  
3. Check and balance
  - a. Stimulate economic activities
  - b. Value additions
  - c. Development of local souvenir
  - d. Possibility of attracting a new clientele base
  - e. Address seasonality
  - f. Geographical distribution
  - g. Support product diversification

# 6. Procedure for Monitoring and Assessment

## Monitoring and Evaluation

1. All products are subject to assessment and monitoring. If required, TCB may assess an approved product after it is completed and prior to the operation.
2. A product will be monitored during the operation by:
  - a. TCB;
  - b. Other relevant agencies; or
  - c. TCB in collaboration with relevant agencies

## Interim and Final Reporting Mechanism

3. For proposals that are fully or partially funded by TCB, an interim report and a final report (narrative and financial) shall be furnished to TCB as per the reporting cycle prescribed by TCB.
4. For others, a completion (descriptive) report must be submitted to TCB for the purpose of promotion and further necessary support.

# 7. Miscellaneous

## Amendment

1. The guideline may be amended by the Council as and when necessary.

## Annex A: Existing Tourism Products

The existing tourism products are classified and listed as follows:

Culture	Nature	Adventure	Spiritual and Wellness	MICE	Sports
<ul style="list-style-type: none"> <li>• Architecture and Heritage</li> <li>• Festivals and events</li> <li>• Textiles</li> <li>• Arts and crafts</li> <li>• Museums and visitors centre (carpet factories)</li> <li>• Bhutanese way of living</li> <li>• Cultural performance (dance)</li> <li>• Gastronomy/cuisine</li> </ul>	<ul style="list-style-type: none"> <li>• Bird watching</li> <li>• Wildlife tours (flora and fauna)</li> <li>• Fly fishing</li> <li>• Nature walks</li> </ul>	<ul style="list-style-type: none"> <li>• Trekking</li> <li>• River rafting and kayaking</li> <li>• Wildlife safari</li> <li>• Mountain biking</li> <li>• Rock climbing</li> <li>• Camping</li> <li>• Recreational parks</li> </ul>	<ul style="list-style-type: none"> <li>• Retreat and meditation</li> <li>• Religious discourse</li> <li>• Hot springs</li> <li>• Hot stone and herbal bath</li> <li>• Traditional medicine</li> <li>• Pilgrimage</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and conferences</li> <li>• Events</li> <li>• Exhibitions</li> <li>• Trade fair</li> </ul>	<ul style="list-style-type: none"> <li>• Marathon</li> <li>• Cycling</li> <li>• Rallies</li> </ul>

## Annex B: Potential new products

The following potential new products may be explored for development:

Culture	Nature	Adventure	Spiritual and Wellness	MICE	Sports
<ul style="list-style-type: none"> <li>Revival of unique tradition (hungla, achoy, Ashi lhamo, sum thrangkang sel)</li> <li>Development or revival of historical routes</li> <li>Storytelling</li> <li>Architectural trails</li> <li>Nomadic life</li> </ul>	<ul style="list-style-type: none"> <li>Hideouts (wildlife)</li> <li>Wildlife photography</li> </ul>	<ul style="list-style-type: none"> <li>Zip line</li> <li>Paragliding and hot air ballooning</li> <li>Canopy tours</li> <li>Trekking (east-west-east)</li> </ul>		<ul style="list-style-type: none"> <li>Theme parks</li> <li>Shopping</li> </ul>	<ul style="list-style-type: none"> <li>Punting</li> <li>Boating race</li> <li>Triathlon</li> </ul>

## Annex C: EOI Sample / Format

<b>Proponent Details</b>		
Name	Address	Contact details
<b>Product Details</b>		
Type	Location	
Implementing modality		
Product summary		
Activities and/or results framework		

For Office Use Only

Registration No.....	Date of EOI received.....
Approved.....	Reason for non-approval .....
Not approved.....	.....
	.....

## Annex D: Project Proposal Format/ Sample

<b>Proponent Details</b>	
Name	Address
	Contact details
<b>Product Details</b>	
Type	Location
	Objective
Product description in detail	Project cost
Product implementation timeline	
Contribution to tourism industry	

For Office Use Only

Registration No.....	Date of receipt of proposal.....
Approved.....	Reason for non-approval .....
Not approved.....	.....
	.....



