

**Data Collection Survey on
Tourism Development in Luang Prabang
in Lao PDR**

Final Report

March 2016

Japan International Cooperation Agency (JICA)

Nippon Koei Co., LTD.

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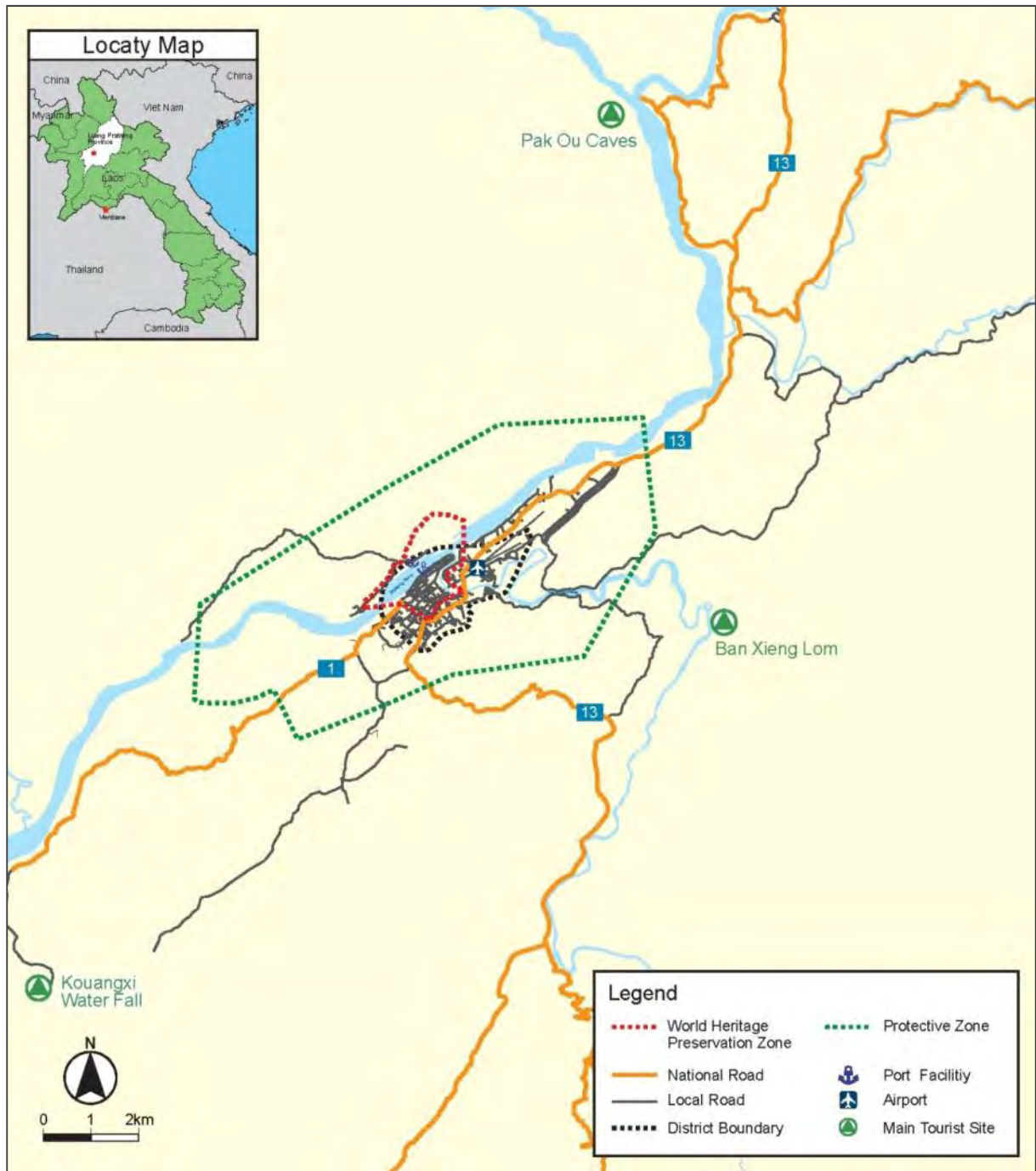
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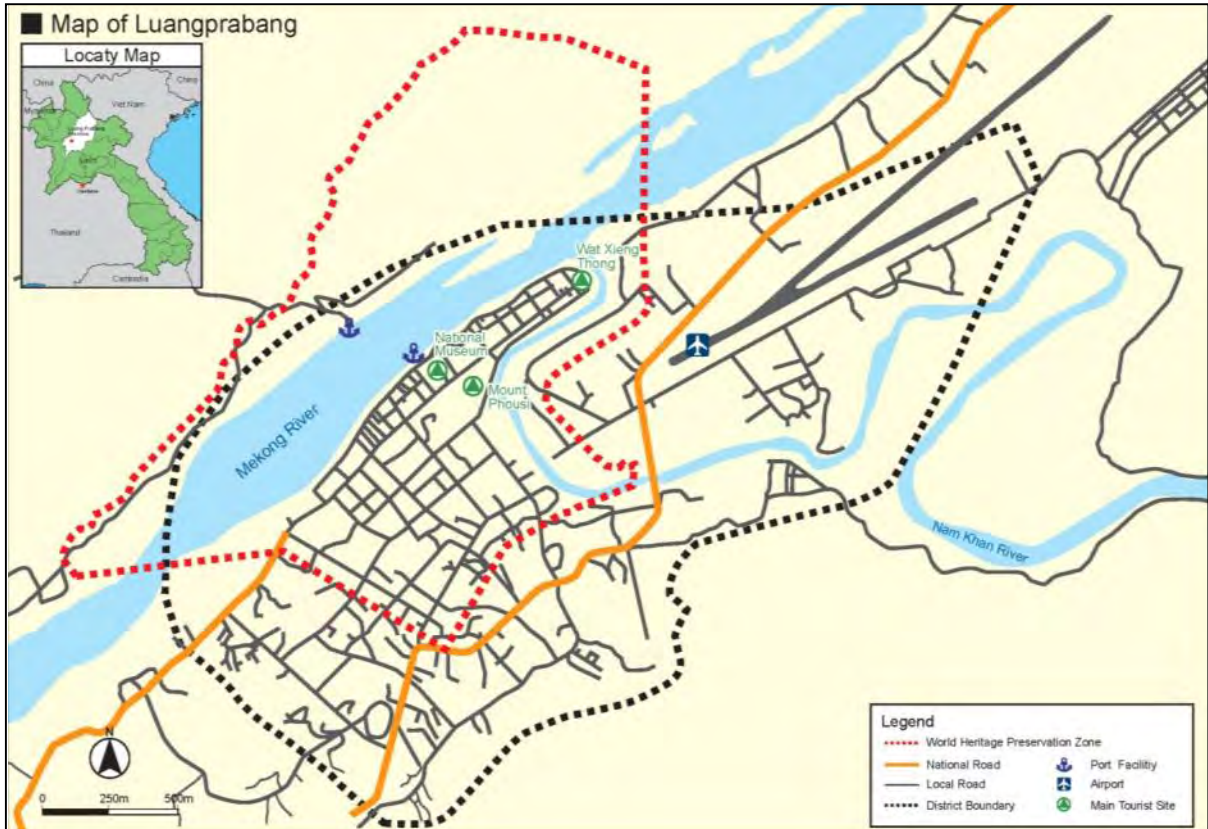
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Location Map: Luang Prabang Province



Location Map: Luang Prabang Tourist Zone



Location Map: UNESCO World Heritage Area and Its Surroundings

Data Collection Survey on Tourism Development in Luang Prabang in Lao PDR

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Location Map

Abbreviation

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Abbreviation

ACCSTP	ASEAN Common Competency Standard for Tourism Professionals
ADB	Asian Development Bank
AFD	Agence Française de Développement
AIESC	ASEAN Initiative for Environmentally Sustainable Cities
ATMS	ASEAN Tourism Marketing Strategy
CBT	Community-Based Tourism
CD	Capacity Development
DHUP	Department of Housing and Urban Planning
DICT	Department of Information, Culture, and Transport
DONRE	Department of Natural Resources and Environment
DPWT	Department of Public Works and Transport
ESC	Environmentally Sustainable Cities
EV	Electric Vehicle
F&B	Food and Beverage
FAM Tour	Familiarization Tour
FIT	Free Individual Tour (Foreign Independent Tour)
GDP	Gross Domestic Product
GNP	Gross National Product
HIA	Heritage Impact Assessment
HRD	Human Resources Development
ICOMOS	International Council on Monuments and Sites
JICA	Japan International Cooperation Agency
LAK	Lao Kip
LDC	Least Developed Country
LPWSE	Luang Prabang Water Supply State Enterprise
LNF	Lao National Front
LWU	Laos Women's Union
MDGs	The Millennium Development Goals
MICT	Ministry of Information, Culture and Tourism
MOF	Ministry of Finance
MONRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MPWT	Ministry of Public Works and Transport
NEDA	Neighboring Countries Economic Development Cooperation Agency
NSEDP	National Socio-Economic Development Plan
ODA	Official Development Assistance
PCU	Project Coordinating Unit
PIU	Project Implementation Unit
PPP	Public-Private Partnership
PSMV	Plan de Sauvegarde et de Mise en Valeur
REDD	Reducing emissions from deforestation and forest degradation
SWOT	Strengths, Weaknesses, Opportunities, and Threats
UHC	Universal Health Coverage
UXO	Unexploded Ordnance
UNESCO	United Nations Educational, Scientific, and Cultural Organization
WTP	Water Treatment Plant
3R	Reduce, Reuse, Recycle

Chapter 1 Survey Outline

1.1 Survey Objective

1.1.1 Background

In the 7th National Social Economic Development Plan (2011-2015) and National Tourism Development Strategy of Lao PDR (2006-2020), diversification of tourism products through the utilization of unique cultural and natural resources, preservation of cultural heritage of Luang Prabang, quality improvement of tourism services in Lao PDR, training and education for concerned personnel, and contribution to local community through tourism are stated.

The Luang Prabang World Heritage Site was registered as United Nations, Educational, Scientific, and Cultural Organization (UNESCO) World Heritage in 1995 for its beautiful landscape composed of a mixture of traditional architectural style and European colonial style. Since the registration of UNESCO, the Luang Prabang World Heritage Site has received media attention and was ranked as number one world tourist destination in 2014, was awarded as “ASEAN Environmentally Sustainable Town”, and has developed through harmonization with the environment.

On the other hand, the needs of survey for Luang Prabang tourism development, that was conducted in the past, identifies the rehabilitation of roads and bridges, undergrounding of the power line, wastewater treatment, expansion of water supply facilities, riverbank improvement, installation of fire hydrants, and rehabilitation of buildings as issues for development. It is needed to promote tourism development and infrastructure development by following the Plan de Sauvegarde et de Mise en Valeur (PSMV) (2001) supported by UNESCO, which aims to protect and preserve the value of the unique heritage in Luang Prabang. At the same time, the contribution to local community and surrounding areas has to be considered.

Contribution of tourism sector to the gross domestic product (GDP) is 16% of the service sector in Lao PDR. The increase in the number of tourists in recent years makes the tourism sector more important for foreign currency earning and the driving factor of sustainable economic development in Lao PDR. The support for tourism sector through Japanese official development assistance (ODA) plays an essential role in the economic development of Lao PDR.

1.1.2 Objective

The objectives of the survey are to collect information to understand the current situation of tourism in Lao PDR and in Luang Prabang Province, a part of which is designated as UNESCO World Heritage, for the promotion of regional development through heritage preservation and tourism development, and to examine the needs and to propose possible projects for infrastructure and technical assistance project including human resource development.

1.1.3 Survey Area

The survey area covers Luang Prabang Province, in which the UNESCO World Heritage site is located, and which is located in the northern part of Lao PDR and surrounded by the Mekong River and mountains. Its population is 460,000 (2012) and its area is 16,875 km².

The survey area can be divided into three zones based on tourism resources and urban characteristics

as listed below. Population and tourism resources are concentrated in the Heritage Protected Area and buffer zone.

- Heritage Protected Area (708.53 ha) is defined as the area registered as UNESCO World Heritage and located in the peninsula surrounded by the Mekong River and the Khan River and other opposite side of the Mekong River (Chomphet),
- Buffer zone (12,563 ha) is defined as the area surrounding the Heritage Protected Area including the airport, and
- Surrounding area is defined as the area strategically important for tourism development.

Based on the characteristics of tourism resources and objective of tourism development, additional zone classification is proposed in addition to the zones mentioned above.

- UNESCO World Heritage site (Heritage Protected Area) and its surroundings: the area dominated by the UNESCO World Heritage site. Control measures are strictest to preserve as UNESCO World Heritage.
- Luang Prabang Tourist Zone: UNESCO World Heritage site, Chomphet District, Xang Hai, and Thapene, which is the center of tourism (history, culture, and nature). This zone includes the area outside the UNESCO World Heritage site but for project implementation, the impact to UNESCO World Heritage has to be considered.
- Muang Ngoi/Non Kiaw Tourism Zone: The zone is located 130 km north of Luang Prabang World Heritage Site and selected as the second priority area for tourism promotion as nature and culture tourist site. It is outside of the World Heritage restriction.

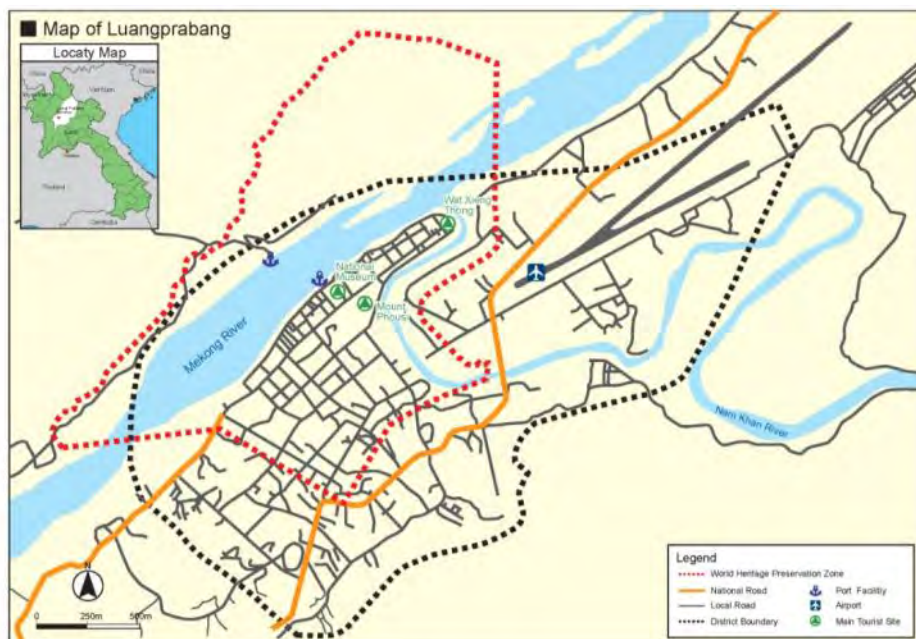


Figure 1.1.1 UNESCO World Heritage Site (Heritage Protected Area) and Its Surroundings



Figure 1.1.2 Luang Prabang Tourist Zone



Figure 1.1.3 Muang Ngoi/Non Kiaw Tourism Zone

1.2 Survey Method

Information collection/confirmation and discussion were achieved through interviews, document collection, workshop, and focal group discussion. Based on the result of the survey, the issues for tourism development, identification of possible projects, and remarks for implementation are compiled.

1.2.1 Interviews

During the field survey, interviews were conducted for the government organizations in Lao PDR, private sectors, international organizations, and UNESCO Bangkok Office. The interview outline is summarized in Table 1.2.1 below.

Table 1.2.1 Interview Outline

Organizations	Interview Items
Government organizations	<ul style="list-style-type: none"> • Central Government: Issues of Luang Prabang tourism development, policy and strategy of Luang Prabang tourism development • Luang Prabang Provincial Government: Issues of Luang Prabang tourism development, strategy, and proposed projects for Luang Prabang tourism development
Private (association, tourist companies)	<ul style="list-style-type: none"> • Issues of tourism: Relationship with government, needs of tourists, and intention of preservation of heritage • Idea of tourism development
International organizations	<ul style="list-style-type: none"> • Issues of Luang Prabang tourism development • Assistance/support for Luang Prabang tourism development • Role sharing among international organizations
UNESCO Bangkok	<ul style="list-style-type: none"> • Current situation of the management of heritage site • Consideration for project implementation • Information sharing of the impact on heritage of the proposed projects by the Lao PDR side (impact on heritage, needs for heritage impact assessment (HIA), and procedure for project implementation)

1.2.2 Document Collection

Documents are collected through interviews and from related websites. Activities of international organizations are collected mainly from their websites.

1.2.3 Workshop and Focal Group Discussion

Workshop was conducted both in the Luang Prabang Province and Vientiane Capital. Focal group discussion was conducted in Luang Prabang. Seminar was conducted in Vientiane. The outline of workshop and focal group discussion is compiled in Table 1.2.2 below.

Table.1.2.2 Outline of Workshop

Meetings	Contents
Workshop (Luang Prabang Province)	<p><u>Date:</u> July 16, 2015; 13:30~</p> <p><u>Contents:</u> Issues of tourism development, discussion of tourism development concept</p> <p><u>Participants:</u> Government (Tourism Dept., Heritage Dept., Department of Public Works and Transport (DPWT), others), university, hotel association, tourist company association</p> <p>Main comments:</p> <p>Tourism development concept: Culture preservation, green city, Muang Ngoi tourism development, health facility, and river/parks</p>
Workshop (Vientiane Capital)	<p><u>Date:</u> July 23, 2015; 13:30~</p> <p><u>Contents:</u> Issues of tourism development, confirmation of proposal from Lao PDR side for tourism development, discussion</p> <p>Participants: Government (Ministry of Information, Culture, and Tourism (MICT), Ministry of Public Works and Transport (MPWT), Ministry of Education and Sports (UNESCO), international organizations (ADB, Luxemburg), hotel association, tourist company</p> <p>Main comments:</p> <ul style="list-style-type: none"> • Access road, water supply/wastewater treatment, and solid waste management are important. • Proposed projects are comprehensive. • There is no duplication with other donors.
Focal group discussion (Luang Prabang Province)	<p><u>Date:</u> July 17, 2015; 9:30~</p> <p><u>Contents:</u> Issues of tourism development, needs, impact of tourism to local community</p> <p>Participants: local people, hotels, and monks</p> <p>Main comments:</p> <ul style="list-style-type: none"> • Most participants are positive about tourism because it contributes to job creation. • Many participants are concerned with the change in Lao lifestyle and understanding of culture (dress, relationship with temples) • Alms giving: Some problems are with sellers (old food, high price)
Workshop (Luang Prabang Province)	<p><u>Date:</u> October 7, 2015; 9:30~</p> <p><u>Contents:</u> Tourism development concepts, key words, priority projects</p> <p><u>Participants:</u> Government (Tourism Dept., Heritage Dept., DPWT, others), university, hotel association, tourist company association</p> <p>Main comments:</p> <ul style="list-style-type: none"> • Agree on priority projects • Need to coordinate with other international organizations
Seminar (Vientiane Capital)	<p><u>Date:</u> October 7, 2015; 9:30~</p> <p><u>Contents:</u> Result of workshop in Luang Prabang, explanation and discussion of priority projects</p> <p>Participants: Government (MICT, MPWT, Ministry of Education and Sports (UNESCO), international organizations (ADB, Luxemburg), hotel association, tourist company, Luang Prabang provincial government (Vice Governor, Tourism Department, Heritage Department, DPWT, Urban Development Administration Authority (UDAA))</p> <p>Main comments:</p> <ul style="list-style-type: none"> • Agree on priority projects • Need to collaborate with international organizations

1.2.4 Invitation to Japan

Relevant parties from Luang Prabang prefecture have been invited to Japan in order to encourage their initiatives considering Luang Prabang Regional Development by visiting cities where tourism development has been successful and by having discussions with their respective local governments. Two locations in Japan have been visited namely; 1) Gassho-dukuri Village in Shirakawa-go where is a world heritage site since 1995. This village and Luang Prabang have many things in common including their implementing measures in preserving historical buildings. 2) The other location is Takayama City where it is filled with natural greenery that actively promotes tourism and has many important cultural properties.

1.3 Survey Schedule

Survey was conducted from 8 July to 3 August 2015. The survey schedule is summarized in Table 1.3.1 below.

Table 1.3.1 Field Survey Schedule (1)

No.	Date	Day	Activity	Trip
1	7/8	Wed		Move to Vientiane (Watanabe, Morio)
2	7/9	Thurs	09:00: JICA Laos Office 10:00: MPWT, Department of Housing and Urban Planning (DHUP) 14:00: MICT, Tourism Development	
3	7/10	Fri	09:00: Lao Consultant 11:00: Agence Française de Développement (AFD) 14:00: Ministry of Education and Sports, Lao National Commission for UNESCO	Move to Luang Prabang Province (Oshima)
4	7/11	Sat		Move to Luang Prabang Province (Watanabe, Morio)
5	7/12	Sun		
6	7/13	Mon	09:00: Luang Prabang Tourism Department	Move to Luang Prabang Province (Mori, Nakagawa)
7	7/14	Tues	09:00: Luang Prabang Tourism Department 10:30: Vice Governor of Luang Prabang Province 14:00: Luang Prabang DPWT	
8	7/15	Wed	9:00: Luang Prabang Water Supply State Enterprise 11:00: Heritage Department 14:00: Luang Prabang DPWT (Road)	
9	7/16	Thurs	13:30: Workshop (Luang Prabang Province)	
10	7/17	Fri	8:30: Site visit (Chomphet), village head 9:00: Focal group discussion (discussion with local people, women, hotels, monk) PM: Site visit (Chomphet)	
11	7/18	Sat	Site visit: Priority roads (with DPWT) Site visit: Xang Khong, Xang Lek, Xang Hai (Pak Ou Cave), Thapene (Kuang Si Waterfall)	
12	7/19	Sun	Site visit: Muang Ngoi, Nong Kiaw	
13	7/20	Mon	9:00: UDAA 11:00: Luang Prabang Tourism Department 13:00: Association of tourist company, Chamber of Commerce 15:00: DPWT: Ferry	Move to Tokyo (Nakagawa)
14	7/21	Tues	9:00: Luang Prabang Fire Station AM: Luang Prabang Tourism Department PM: Site visit (road along riverbank)	Move to Luang Prabang Province (Ogino) Move to Vientiane (Watanabe)
15	7/22	Wed	9:00: UDAA 14:00: MPWT	Move to Vientiane (Morio)

No.	Date	Day	Activity	Trip
			15:00: Luang Prabang DPWT: River bank	
16	7/23	Thurs	10:00: ADB 13:30: Workshop (Vientiane)	
17	7/24	Fri	9:00: Meteorology Department 10:00: Department of World Heritage 14:00: DPWT: Transport 14:00: UDAA	Move to Tokyo (Morio, Oshima)
18	7/25	Sat	PM: Riverbank and drainage system site visit	
19	7/26	Sun		Move to Bangkok (Watanabe) Move to Tokyo (Mori)
20	7/27	Mon	15:00: UNESCO Bangkok Office AM: Riverbank, cityscape preservation PM: DPWT: Riverbank development, site visit to Thapene (Kuang Si Waterfall)	
21	7/28	Tues	AM: Meteorology Department, water level monitoring of the Mekong River PM: Document compilation of meteorology data	Move to Tokyo (Watanabe)
22	7/29	Wed	AM: UDAA PM: Site visit: drainage system	
23	7/30	Thurs	AM: Department of World Heritage, site visit, drainage system PM: Data compilation	
24	7/31	Fri	AM: Site visit, drainage system (with UDAA) PM: Data compilation	
25	8/1	Sat	AM: Site visit: Xang Hai (Pak Ou Cave) PM: Data compilation	
26	8/2	Sun		
27	8/3	Mon	AM: Data compilation	Move to Tokyo (Ogino)

The second field survey was conducted from 29 September to 9 October 2015. The survey schedule is summarized in Table 1.3.2 below.

Table 1.3.2 Field Survey Schedule (2)

No.	Date	Day	Activity	Trip
1	9/29	Tues		Move to Vientiane (Watanabe, Morio)
2	9/29	Wed	09:00: JICA Laos Office 11:00: Embassy of Japan in Lao PDR	Move to Luang Prabang Province (Watanabe, Morio)
3	10/1	Thurs	09:00: Luang Prabang Tourism Department 11:00: Vice Governor of Luang Prabang	
4	10/2	Fri	09:00: Workshop	
5	10/3	Sat	10:00: Tourism association, hotel association	
6	10/4	Sun	Additional information collection	
7	10/5	Mon	09:00: Luang Prabang Tourism Department 13:30: Luang Prabang Planning and Investment Department	Move to Vientiane (Watanabe, Morio)
8	10/6	Tues	09:00: MICT, tourism development 15:30: MPWT, DHUP	
9	10/7	Wed	09:30: Seminar	
10	10/8	Thurs	Additional information collection through telephone interview	
11	10/9	Fri		Move to Tokyo (Watanabe, Morio)

The relevant parties visited Japan from 13 to 20 February 2016. The schedule of the program is summarized in Table 1.3.3.

Table 1.3.3 Invitation Program Schedule

No.	Date	Day	Activity	Trip
1	2/13	Sat.		Move to Hanoi (Invitees)
2	2/14	Sun.		Move to Tokyo (Invitees)
3	2/15	Mon.	10:00: JICA Head Quarters 14:00: Discussion with JATA 15:30: Lecture from Tokyo Univ.	
4	2/16	Tue.	14:00: Visiting Takayama City 15:30: Discussion with Takayama City Officials	Move to Takayama City (Invitees, Morio, Yoshida)
5	2/17	Wed.	10:00: Visiting Shirakawa Village 13:30: Shirakawa Village Office (Courtesy Call to Shirakawa Village Vice Headman, Presentation from Foundation of Gassho-dukuri Preservation) 17:00: Courtesy Call to the Mayor of Takayama City	
6	2/18	Thurs.	Preparation of Seminar	Move to Tokyo (Invitees, Morio, Yoshida)
7	2/19	Fri.	10:00: Seminar 14:00: Report Conference (JICA Head Quarters)	
8	2/20	Sat.		Move to Lao PDR (Invitees)

Chapter 2 General Characteristics of Lao PDR

2.1 Overview of Lao PDR¹

(1) Overview of National Condition

Lao PDR has a total area of 240,000 km² (equivalent to Honshu of Japan) and population of 6.8 million (population density is 28 persons/km²). The country is located inland and neighboring with five nations, namely: China, Vietnam, Cambodia, Thailand, and Myanmar. About 800,000 people live in Vientiane Capital. Eighty percent of the land is mountainous with elevations of 500 m to 2,000 m, and forest area covers 40% of the land.

Since 2001, real GDP growth is 7~8% due to mining, hydropower, and construction. GDP growth rate is high among the Association for Southeast Asian Nations (ASEAN) member countries, and the growth led by mining development and hydro development is expected to continue. The per capita gross national income (GNI), on the other hand, is USD 1,460 (2013) and it is low among the ASEAN member countries, followed by Myanmar and Cambodia. In addition, some of the millennium development goal (MDG) indicators are difficult to be achieved. There are issues of expansion of poverty area and disparities among ethnic groups. For the economic structure, the share of agriculture sector in GDP has been decreasing but the agriculture population is still 70% of the total population.

(2) Politics

Political situation is summarized in the following table:

Domestic affairs	<ul style="list-style-type: none"> Administered by the Lao People's Party since the independence in 1975. A party congress, which is held every five years, decides the policy and elects the members. Most of the government staff are member of the party.
Foreign affairs	<ul style="list-style-type: none"> Apply omnidirectional diplomacy. Became a member of ASEAN in 1997 and the World Trade Organization (WTO) in 2013. 2015 is the 60th year of establishing diplomatic relations with Japan.

Source: JICA Country Analysis Paper of Lao PDR (2015)

(3) Economy

Economic situation is summarized in the following table:

Economic system	Market oriented economy since 1986.
Economic situation	<ul style="list-style-type: none"> Since shifting to market oriented economy, annual GDP growth rate in 1990s was 6.4% on average. Since 2001, the annual economic growth rate has been 7%~8% due to mining development, hydropower, and construction, which is high among ASEAN nations. Steady growth has been achieved. Per capita GNI has reached USD 1,010 in 2011 and has become a lower-middle income economy from low income economy, but still low in ASEAN nations followed by Myanmar and Cambodia. GDP is LAK 7.5 trillion (USD 9.4 billion, 2012). Inflation rate is 5%.
Public finance	<ul style="list-style-type: none"> Public finance shows deficit. Amount of deficit was 1% of GDP in 2011/12 but it has expanded to 6% in 2012/13. Since 2013, salary increase of public servants has been suspended, public works have been constrained, and the deficit is expected to shrink at 4.25% in 2013/14.
Finance and exchange	<ul style="list-style-type: none"> Central government is supervising commercial bank and financial institutions. National commercial banks (4), merged banks (2), private banks (10), and branches of foreign affiliated banks (16) exist. Stock market opened in 2010 and four companies are listed. Currency band is applied. Maintaining stable foreign exchange rate.
Trade	<ul style="list-style-type: none"> Trade shows deficit. It has worsen from -15.2% of the GDP in 2011/12 to -28.4% in 2012/13. Foreign currency reserve is for 1.1~1.2 months' worth and is considered low.
Deficit	<ul style="list-style-type: none"> Domestic deficit is increasing (5.6% of GDP in 2009 to 15.8% in 2012). Foreign deficit is steady with 46~49% of GDP.

¹ Overview of Laos is compiled by utilizing the information in the JICA Country Analysis Paper

Source: JICA Country Analysis Paper of Lao PDR (2015) JICA

(4) Industry

Composition of GDP is 27.6% from agriculture, 33.1% from manufacturing, and 39.3% from service. In recent years, the share of manufacturing and services has been increasing.

The share of tourism sector in export has been increasing, which is third next to mining and power for foreign currency earnings. Share of tourism sector in GDP for the service sector is 16%.

(5) Poverty Reduction/Achievement of MDGs

- Human development indicator: 0.569 (139th of 187, 2013)
- MDGs: Improving in general but progress of MDG1 (eradicate extreme poverty and hunger), MDG2 (achieving universal primary education), and MDG9 (reduce the impact of unexploded ordnance (UXO)) is slow.

2.2 Policy and Development Plan of Lao PDR

The national development policy and plan is composed of long-term goal and medium-term goal. Under “Vision 2020”, which was prepared in 1996, the National Socio-Economic Development Plan (NSEDP) was prepared for every five-year period. Currently, the 7th NSEDP (2011-2015) is under implementation. The outline of planning situation is summarized below.

- Main goals are set as securing continuation of national economic growth, achieving the MDGs by 2015, and creating favorable conditions for graduating the country from least developed country (LDC) status by 2020.
- Major sector development strategy is prepared based on NSEDP.
- 8th NSEDP is under preparation.

The 7th NSEDP was discussed at the Cabinet in April 2011 and approved by the Assembly in June. The goals of the 7th NSEDP are the following: 1) ensuring continuation of national economy (GDP growth rate of at least 8% annually and GDP per capita of at least USD 1,700), 2) graduating the country from LDC status by 2020, 3) ensuring the sustainability of development by emphasizing economic development with cultural and social progress, preserving natural resources, and protecting the environment, and 4) ensuring political stability, peace, and an orderly society.

The achievement of the 7th NSEDP (evaluated in the 8th NSEDP) is summarized in Table 2.2.1 below.

Table 2.2.1 Outline of 7th NSEDP

Items	Goals	Achievement
Annual GDP growth rate	Higher than 8%	8.5% (4-year average), 7.8% (2013-2014) • Agriculture: 3.0% (2013-2014) • Industry: 8.5% (2013-2014) • Service: 9.3 (2013-2014)
Per capita GDP	USD 1,700 (fiscal year (FY) 2014/15)	USD 1,671 (2013-2014)
Inflation rate	• Less than 10% • Foreign currency exchange rate of LAK with major currencies will be maintained below 5% per year	5.84% (4-year average), 5.16% (2013-2014) LAK/USD: 1.92% (Depreciation) LAK/THB: 3.53% (Appreciation)
Public Investment Program (PIP) (5 years)	• Public investment rate in GDP: 9.5% • Government fund (USD 1,252 million), ODA fund (USD 3,997 million) (Grant 41%, Loan 59%) • ODA necessary for one year (estimate) is USD	• Public investment rate in GDP: 10% • Government fund (USD 1,050 million), ODA fund (USD 2,422 million) (2013-2014)

Items	Goals	Achievement
	777 million (Breakdown: Infrastructure: 35%, Social sector: 35%, Economic area: 30%)	
Foreign investment (5 years)	<ul style="list-style-type: none"> • USD 14.91 billion (public and private investment combined) (public: 8%, ODA: 26%, foreign direct/private: 54%, direct credit: 12%) 	<ul style="list-style-type: none"> • Total (domestic/foreign): USD 5.15 billion (2013-2014) • Public investment: USD 1.77 billion (34%) (2013-2014) • Private investment: USD 3.38 billion (65%) (2013-2014) Energy, mining, service (hotel, villa, golf course, shopping mall), agriculture
Import-Export (5 years)	Increase in import and export by 18% annually	Export: 88.7% increase, Import: 62.5% increase (USD) (2013-2014/2012-2013)
Budget balance	Revenue deficit below 5% of GDP	4.07% (4-year average), 4.90% (2013-2014)
Social indicators	Poverty ratio: below 19% Net enrolment rate in primary school: 98% Enrolment in secondary school: 75%, literacy rate 99% and 87% (ages 15-24, age 15 or above) Infant mortality rate: 49/1,000 Under five infant mortality rate: 80/1,000 Maternal mortality rate: 260/100,000 Unemployment rate: below 2%	Poverty ratio: 20.5% (2012-2013) Net enrolment rate in primary school: 96.8% (2012-2013) Enrolment in secondary school: 69.0% , Literacy rate 89.1% (ages 15-24, age 15 or above) (2012-2013) Infant mortality rate: 68/1,000 (2011) Under five infant mortality rate: 79/1,000 (2011) Maternal mortality rate: 220/100,000 (2013) Unemployment rate: NA

Source: JICA Country Analysis Paper of Lao PDR (2015) JICA, Draft 8th Five-Year National Socio-Economic Development Plan (2016-2020)

For the economic sector, the annual GDP growth rate is 7~8% and it shows steady growth. Import and export are expanding continuously. Some fields in the social sector, on the other hand, are not achieving the goals.

Tourism development in the northern area shows some achievement in eco-tourism and cultural tourism through community tourism, tourism events in Luang Prabang tourism zone, Vang Vieng, Muang Sing, and Xiangkhouang.

The Government of Lao PDR is preparing the 8th NSEDP. Key direction of the 8th NSEDP succeeds the direction in the 7th NSEDP, which indicates the graduation from LDC by 2050. The goals are: 1) ensuring the continued economic growth, 2) ensuring sustainable development with harmonization among economic development, socio-cultural development, and environmental protection, 3) strengthening human resources capacity, 4) maintaining political stability, peace, and social order, and 5) actively continuing the widening of international cooperation. The outline of the 8th NSEDP is shown in Table 2.2.2 below.

Table 2.2.2 Outline of 8th NSEDP

Items	Goals
Annual GDP growth rate	Less than 7.5%
Per capita GDP	USD 1,810 (2021)
Inflation rate	Maintain inflation within the appropriate limits (6%), sustain stable exchange rate
Public Investment Program (PIP) (5 years)	Necessary development fund: LAK 232,000 billion Public investment: 24-28% (Government budget: 9-11%, ODA: 15-17%, Private: 55-57%, Bank credit: 17-19%)

Items	Goals
Foreign investment	NA
Import-Export (5 years)	NA
Budget balance	Revenue: 23-25% of GDP Expenditure: 26-30% of GDP Fiscal deficit: 3-5% of GDP
Social indicators	Poverty ratio: below 15% Net enrolment rate in primary school: 99% Enrolment in secondary school: 85%, Literacy rate 99% and 95% (ages 15-24, age 15 or above) Infant mortality rate: 30/1,000 Under five infant mortality rate: 45/1,000 Maternal mortality rate: 200/100,000 Unemployment rate: below 2%
Rural development (Northern region)	Tourism development: Concentrate on the development of national tourist centers in Luang Prabang tourism zone; Combine the natural tourism with historic and ethnic minorities' traditional-cultural tourisms; Expand the tourist roads towards the centers of border economy and cross-border tourism inter-linked with four surrounding countries and build up a base to integrate with the Greater Mekong Subregion (GMS) countries' tourism.

Source: 8th Five-Year National Socio-Economic Development Plan (2016-2020)

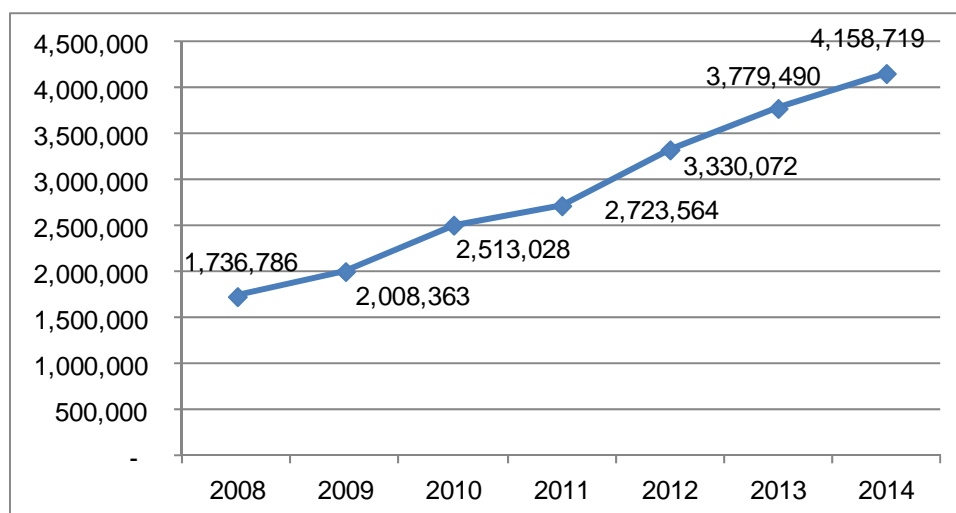
Chapter 3 Current Conditions of Tourism in Lao PDR and Luang Prabang

3.1 Number of Tourists

3.1.1 Lao PDR

(1) Changes in the Number of Foreign Tourists

The changes in the number of foreign tourists are shown in Figure 3.1.1. The number of inbound tourists in Lao PDR has been increasing consistently since 2008, and the number in 2014 totaled 4.159 million, which is a record-breaking increase in recent years.



Source: 2014 Statistical Report on Tourism in Lao PDR

Figure 3.1.1 Changes in the Number of Foreign Tourists Visiting Lao PDR

(2) Changes in the Number of Foreign Tourists by Region and Country

Changes in the number of foreign tourists in Lao PDR by region and country are shown in Table 3.1.1.

ASEAN countries account for 77.5% of the number of foreign tourists in 2014, which totaled 4.159 million, with the following two highest countries: (1) Thailand (2.044 million, 49.1%) and (2) Vietnam (1.108 million, 26.7%). The two ASEAN countries are followed by (3) China (422,000, 10.2%), (4) South Korea (96,000), (5) the United States of America (USA) (1.5%), (6) France (1.3%), (7) Australia (1.1%), and (8) Japan (1.1%).

The number of inbound tourists increased by 139% from 1.737 million in 2008 to 4.159 million in 2014. (1) South Korea (5.32 times), (2) Russia (4.16 times), (3) China (3.99 times), (4) Vietnam (3.15 times), and (5) Cambodia (2.80 times) are the top five countries where tourists increased drastically during the said period compared with Australia (1.60 times), Japan (1.42 times), Europe (1.24 times), and USA (1.12 times). Recently, the ratio of emerging countries to the total number of inbound tourists is getting higher year by year.

Table 3.1.1 Changes in the Number of Foreign Tourists Visiting Lao PDR by Region and Country

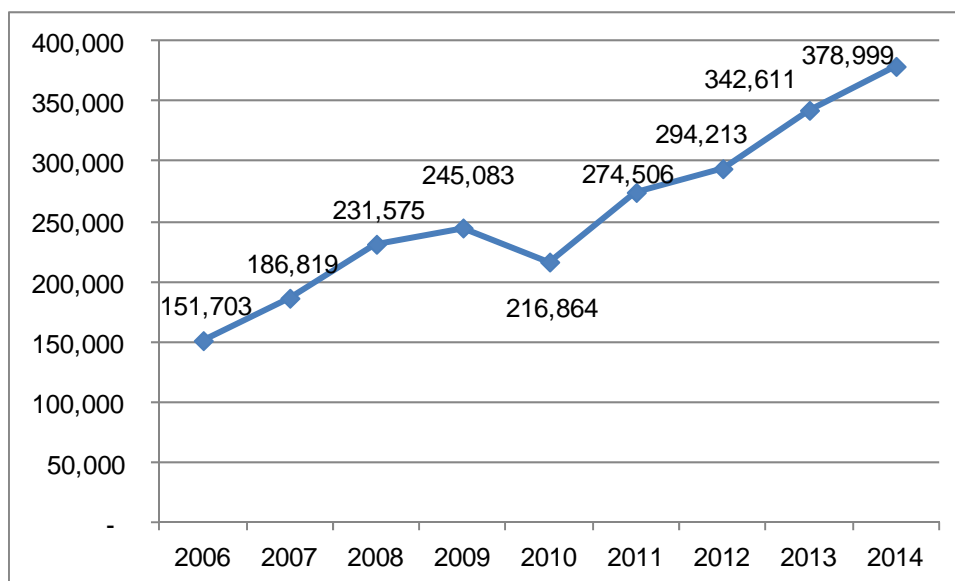
Country of original	2008	2009	2010	2011	2012	2013	2014	2014	Change	Change
	Number	Number	Number	Number	Number	Number	Number	%	13/14(%)	14/08(Times)
Grand Total	1,736,786	2,008,363	2,513,028	2,723,564	3,330,072	3,779,490	4,158,719	100.0%	10.03	2.39
Asia and Pacific	1,482,498	1,820,571	2,260,026	2,464,651	3,061,115	3,473,111	3,854,441	92.7%	10.98	2.60
ASEAN	1,285,531	1,611,009	1,990,932	2,191,224	2,712,478	3,041,233	3,224,080	77.5%	6.01	2.51
Brunei	338	267	197	354	533	582	564	0.0%	-3.09	1.67
Indonesia	2,043	3,158	2,245	3,338	4,256	4,888	4,812	0.1%	-1.55	2.36
Malaysia	15,625	13,816	15,427	17,702	22,785	26,035	24,312	0.6%	-6.62	1.56
Mayanmar	1,698	1,794	1,652	1,765	1,730	1,947	2,157	0.1%	10.79	1.27
Philippines	12,647	8,331	10,341	11,847	14,281	16,318	15,179	0.4%	-6.98	1.20
Singapore	4,866	5,286	6,087	7,130	10,545	9,685	9,621	0.2%	-0.66	1.98
Thailand	891,448	1,274,064	1,517,064	1,579,941	1,937,612	2,059,434	2,043,761	49.1%	-0.76	2.29
Vietnam	351,384	296,763	431,011	561,586	705,596	910,164	1,108,332	26.7%	21.77	3.15
Cambodia	5,482	7,530	6,908	7,561	15,140	12,180	15,342	0.4%	25.96	2.80
Non -ASEAN	196,967	209,562	269,094	273,427	348,637	431,878	630,361	15.2%	45.96	3.20
Australia	28,180	24,209	30,538	31,874	33,878	35,450	44,964	1.1%	26.84	1.60
China	105,852	128,226	161,854	150,791	199,857	245,033	422,440	10.2%	72.40	3.99
India	2,652	2,280	3,321	3,227	3,275	4,551	4,547	0.1%	-0.09	1.71
Japan	31,569	28,081	34,076	37,883	42,026	48,644	44,877	1.1%	-7.74	1.42
Korea	18,065	17,876	27,312	34,707	53,829	81,799	96,085	2.3%	17.46	5.32
Newzealand	4,364	3,479	4,393	4,885	5,418	5,451	5,200	0.1%	-4.60	1.19
Taiwan	2,665	2,519	3,346	5,029	3,996	4,771	5,478	0.1%	14.82	2.06
Others	3,620	2,892	4,254	5,031	6,358	6,179	6,770	0.2%	9.56	1.87
Europe	168,756	130,176	178,140	181,539	185,802	212,566	209,331	5.0%	-1.52	1.24
Austria	2,843	2,450	2,565	3,801	2,860	3,339	3,835	0.1%	14.85	1.35
Belgium	4,908	3,868	5,012	5,241	6,284	6,046	5,343	0.1%	-11.63	1.09
Denmark	3,657	2,977	5,359	4,769	5,054	4,586	5,065	0.1%	10.44	1.39
Finland	2,729	1,985	2,470	2,742	2,962	2,735	3,751	0.1%	37.15	1.37
France	39,077	31,775	44,844	44,399	46,903	52,411	52,146	1.3%	-0.51	1.33
Germany	25,191	17,710	22,583	21,280	23,417	29,250	29,800	0.7%	1.88	1.18
Greece	569	537	578	451	366	433	498	0.0%	15.01	0.88
Italy	6,467	5,481	7,075	6,977	6,289	8,822	9,710	0.2%	10.07	1.50
Netherlands	11,315	8,504	10,032	9,164	9,283	10,899	8,683	0.2%	-20.33	0.77
Norway	2,909	2,221	2,845	3,178	3,307	3,531	3,606	0.1%	2.12	1.24
Russia	3,206	2,861	4,835	7,019	8,642	11,649	13,340	0.3%	14.52	4.16
Spain	3,117	2,962	4,195	4,652	4,208	5,127	5,219	0.1%	1.79	1.67
Sweden	6,827	4,150	6,261	5,926	6,676	5,194	5,804	0.1%	11.74	0.85
U.K	36,038	27,044	37,272	35,622	35,694	41,741	39,061	0.9%	-6.42	1.08
Switzerland	6,526	5,827	8,622	9,710	10,096	10,586	9,064	0.2%	-14.38	1.39
Others	13,377	9,824	13,592	16,608	13,761	16,217	14,406	0.3%	-11.17	1.08
America	75,266	53,348	67,291	69,990	75,851	85,899	86,027	2.1%	0.15	1.14
Canada	14,695	10,955	13,637	14,422	16,744	17,132	19,096	0.5%	11.46	1.30
USA	54,717	39,339	49,782	50,092	53,380	61,608	61,460	1.5%	-0.24	1.12
Others	5,854	3,054	3,872	5,476	5,727	7,159	5,471	0.1%	-23.58	0.93
Africa & Middle East	10,266	4,268	7,571	7,384	7,304	7,914	8,920	0.2%	12.71	0.87
Israel	4,090	2,236	3,700	4,232	3,241	3,364	4,068	0.1%	20.93	0.99
Others	6,176	2,032	3,871	3,152	4,063	4,550	4,852	0.1%	6.64	0.79

Source: 2014 Statistical Report on Tourism in Lao PDR

3.1.2 Luang Prabang Province

(1) Changes in the Number of Foreign Tourists

Changes in the number of foreign tourists are shown in Figure 3.1.2. The number of inbound tourists in Luang Prabang Province has been increasing steadily since 2006 except in 2010, and the number in 2014 totaled 379,000, which is a record-breaking increase in recent years.



Source: 2014 Statistical Report on Tourism in Luang Prabang

Figure 3.1.2 Changes in the Number of Foreign Tourists Visiting Luang Prabang Province

(2) Changes in the Number of Foreign Tourists by Region and Country

The changes in the number of foreign tourists in Luang Prabang Province by region and country are shown in Table 3.1.2.

The number of foreign tourists in 2014 totaled 379,000. The top five countries are: (1) Thailand (52,000, 13.8%), (2) China (37,000, 9.7%), (3) United Kingdom (32,000, 8.4%), (4) France (29,000, 7.5%), (5) Germany (27,000, 7.1%), followed by (6) USA, (7) Canada, (8) Australia, (9) Japan, and (10) South Korea.

The number of inbound tourists in Luang Prabang Province increased by 64% from 232,000 in 2008 to 379,000 in 2014. The growth rate is smaller than that of Lao PDR (139%), which implies the fact that Luang Prabang Province leaves the door open to attract more foreign visitors. Be that as it may, in Luang Prabang Province, a wide range of regions such as Europe (40.4%), Asia-Pacific not including ASEAN countries (26.0%), and America (14.6%) account for a significant percentage of foreign tourists (ASEAN countries account for only 17.2%), while ASEAN countries head the list with a percentage of 77.5% at the national level. Thus, it can be said that Luang Prabang Province shows a strong characteristic of international tourism destination compared with other areas in Lao PDR. That is, most of the national increase is reportedly occupied by Thai and Vietnamese people who visit the neighboring Lao main cities such as Vientiane, Savannakhet, Pakse, or Thakek for one-day trip. Actually, thanks to the fact that the current road networks with the neighboring countries are by far better than before, the “go to and return from Lao PDR in one day” is quite common these days for Thai and Vietnamese citizens, especially in the southern part of Lao PDR. In the mountainous northern part of Lao PDR, including Luang Prabang Province, the main touristic sites are still isolated from one another due to topographical characteristics, which implies that the drastic increase of one-day trippers from neighboring countries at the national level is not attributable to the northern part. Nevertheless, the number of foreign tourists increased at an average annual rate of 12% between 2006 and 2014. Accordingly, the accommodation capacity in Luang Prabang Province is reaching its ceiling during the

high season.

Russia comes in the first place for the growth rate during the said period (851%) followed by (2) Switzerland (594%), (3) Spain (523%), (4) Netherlands (521%), (5) Norway (455%), (6) Finland, (7) Malaysia, (8) Greece, (9) Sweden, (10) China, (11) South Korea, and (12) Indonesia. In addition to the old customers such as Thailand, United Kingdom, France, and Germany, nowadays, the presence of new customers (Russia, small and middle European countries, ASEAN countries, China, and South Korea) is getting stronger and stronger, which gradually diversifies the original nationalities of foreigners.

Table 3.1.2 Changes in the Number of Foreign Tourists Visiting Luang Prabang Province by Region and Country

Country of original	2006	2007	2008	2009	2010	2011	2012	2013	2014	2014	Change	Change
	Number	Number	Number	Number	Number	Number	Number	Number	Number	%	14/13(%)	14/08(times)
Grand Total	151,703	186,819	231,575	245,083	216,864	274,506	294,213	342,611	378,999	100.0%	10.62	1.64
Asia and Pacific	52,389	76,491	97,740	99,789	75,213	115,999	128,483	130,879	163,631	43.2%	25.02	1.67
ASEAN	23,073	39,518	50,494	51,861	33,726	55,844	63,472	52,371	65,163	17.2%	24.42	1.29
Brunei	61	190	163	77	196	304	584	303	326	0.1%	7.59	2.00
Indonesia	207	201	171	169	401	650	608	484	527	0.1%	8.88	3.08
Malaysia	705	606	520	711	1,219	3,695	1,646	2,153	2,241	0.6%	4.08	4.31
Maynmar	88	172	222	107	279	305	372	412	346	0.1%	-16.01	1.56
Philippines	247	658	514	374	328	504	913	1,087	1,326	0.3%	21.98	2.58
Singapore	617	923	1,948	1,864	1,077	1,418	5,205	2,843	3,350	0.9%	17.83	1.72
Thailand	19,822	31,911	32,482	41,361	26,569	44,656	50,636	41,725	52,120	13.8%	24.91	1.60
Vietnam	987	4,556	14,151	7,066	3,372	3,836	2,976	2,987	4,364	1.2%	46.09	0.31
Cambodia	339	301	323	132	285	476	532	377	563	0.1%	49.33	1.74
Non -ASEAN	29,316	36,973	47,246	47,928	41,487	60,155	65,011	78,508	98,468	26.0%	25.42	2.08
Australia	10,560	14,978	13,176	16,648	14,809	17,706	13,780	16,817	18,482	4.9%	3.95	1.40
China	3,258	4,161	9,990	10,788	9,303	16,215	19,894	20,802	36,923	9.7%	77.49	3.70
India	366	338	523	304	519	509	394	450	425	0.1%	-5.55	0.81
Japan	9,730	10,029	9,555	9,597	9,103	12,289	12,716	15,132	18,042	4.8%	19.23	1.89
Korea	1,343	4,263	5,344	4,790	2,354	4,867	11,732	14,683	17,732	4.7%	13.89	3.32
Newzealand	2,180	1,941	5,071	168	2,510	3,796	2,412	3,919	3,528	0.9%	-9.97	0.70
Taiwan	112	380	234	349	362	441	463	445	689	0.2%	54.83	2.94
Others	1,767	883	3,353	5,284	2,527	4,332	3,620	6,260	2,647	0.7%	-57.71	0.79
Europe	69,574	78,879	83,569	90,131	103,820	118,084	119,482	151,142	153,226	40.4%	1.37	1.83
Austria	1,834	1,664	1,267	3,459	3,716	3,693	3,573	4,230	3,164	0.8%	-25.2	2.50
Belgium	487	2,206	3,066	4,607	2,635	3,116	1,390	618	795	0.2%	28.64	0.26
Denmark	1,858	2,563	1,804	1,212	1,934	2,389	2,550	3,150	3,839	1.0%	21.87	2.13
Finland	844	494	1,149	798	1,945	1,459	1,683	4,190	5,382	1.4%	28.44	4.68
France	13,503	14,902	20,602	19,507	22,360	25,991	26,436	27,766	28,590	7.5%	2.96	1.39
Germany	9,198	14,214	16,763	14,393	16,372	18,516	19,594	26,229	27,094	7.1%	3.29	1.62
Greece	554	373	160	105	659	652	711	545	683	0.2%	25.32	4.27
Italy	3,441	3,627	7,134	5,582	4,595	5,132	5,332	8,361	9,640	2.5%	15.29	1.35
Netherland	5,285	3,657	1,181	2,643	5,785	5,763	3,793	6,272	7,336	1.9%	16.96	6.21
Norway	854	1,847	588	422	1,054	1,300	1,337	3,180	3,264	0.9%	2.64	5.55
Russia	0	726	1,130	791	939	2,127	5,255	8,090	10,742	2.8%	32.78	9.51
Spain	2,732	1,697	682	1,383	3,350	4,187	2,852	3,769	4,247	1.1%	12.68	6.23
Sweden	2,217	1,586	876	1,825	2,456	2,461	2,411	3,280	3,592	0.9%	9.51	4.10
U.K	17,120	21,255	22,237	28,470	22,622	25,871	22,584	29,051	31,649	8.4%	8.94	1.42
Switzerland	2,431	2,632	1,147	1,825	4,181	4,331	4,397	7,051	7,961	2.1%	12.9	6.94
Others	7,216	5,436	3,783	3,109	9,217	11,096	15,584	15,360	5,248	1.4%	-65.83	1.39
America	23,767	29,849	43,242	49,536	34,522	36,901	42,124	54,152	55,296	14.6%	2.11	1.28
Canada	7,770	8,935	17,928	19,128	7,955	10,164	11,673	17,824	18,648	4.9%	4.62	1.04
USA	14,750	18,096	21,859	25,913	21,185	21,091	22,415	26,243	25,859	6.8%	-1.46	1.18
Others	1,247	2818	3,455	4,495	5,382	5,646	8,036	10,085	10,789	2.8%	6.98	3.12
Africa & Middle East	5,973	1,600	7,024	5,627	3,309	3,522	4,124	6,438	6,846	1.8%	6.33	0.97
Israel	5,180	1,049	5,762	4,453	2,191	2,267	3,566	4,060	4,734	1.2%	16.6	0.82
Others	793	551	1,262	1,174	1,118	1,255	558	2,378	2,112	0.6%	-11.18	1.67

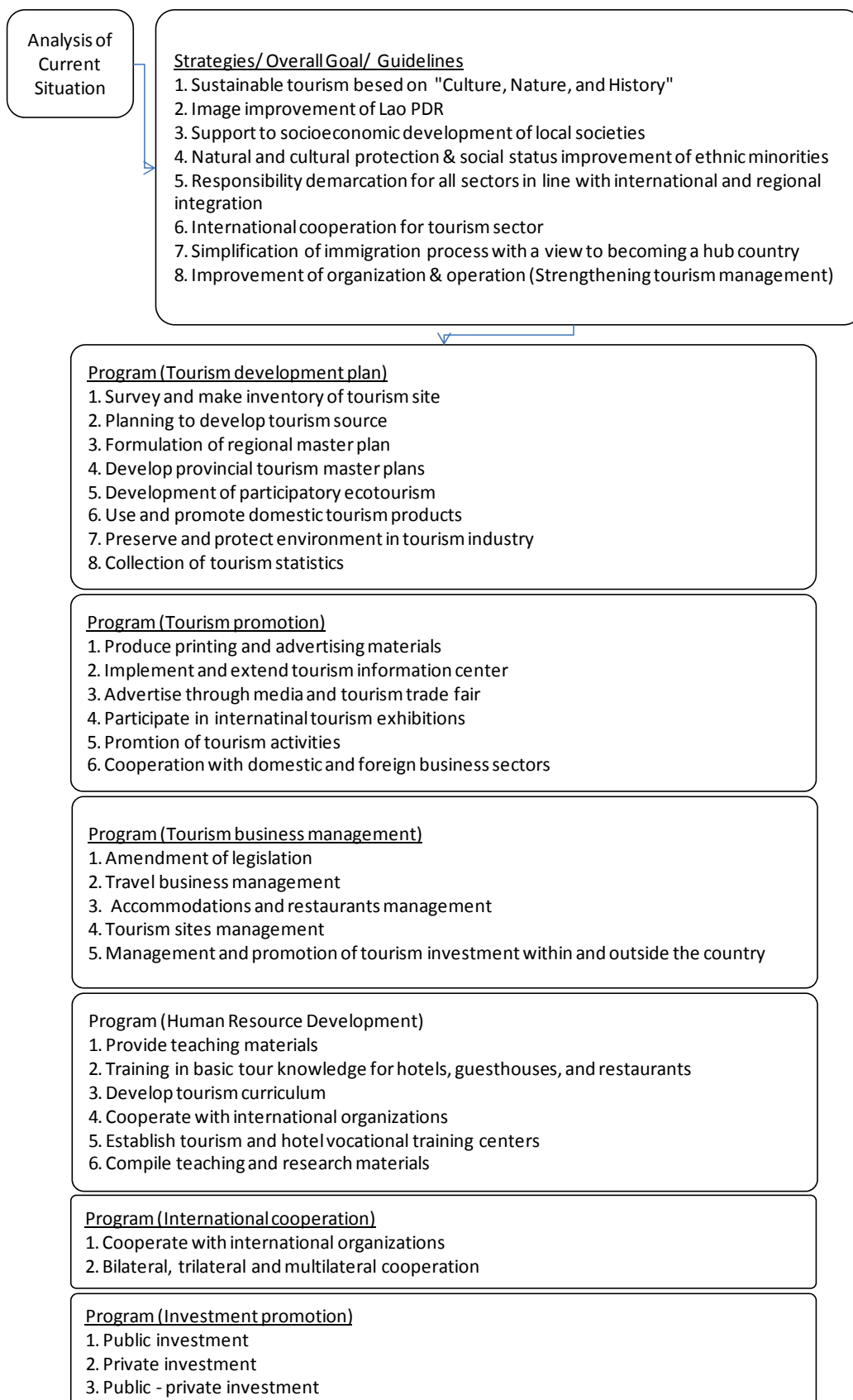
Source: 2014 Statistical Report on Tourism in Luang Prabang

3.2 Tourism Development Policy

3.2.1 Lao PDR Tourism Strategy (2006-2020)

The structure of the Lao PDR Tourism Strategy (2006-2020) (final approval is expected to be done in a short time by the minister of MICT), which is a national policy for tourism development, is shown in Figure 3.2.1. The document describes the eight strategies/overall goal/guidelines and six programs.

Tourism development program 3 (formulation of regional master plan), which mentions Luang Prabang Province as a core province in enhancing the tourism sector in the northern part of Lao PDR, has the following objectives: 1) to provide tourism information not only for inside the province but also for the surrounding provinces in northern Lao PDR at the Tourism Information Center in the World Heritage area; 2) to develop international tourism routes, which connect the Luang Prabang Province with Vietnam, China, and Thailand; 3) to develop a tourism inner ring, which connects several provinces such as Houaphanh, Luang Prabang, Xieng Khouang, Luang Namtha, Oudomxay, Xayaboury, Bokeo, and Phongsaly; 4) to promote traditional festivals and regional ritual ceremonies including Lao new year; and 5) to protect Pou Leuy national forest, which is located near the boundary with Houaphane Province.

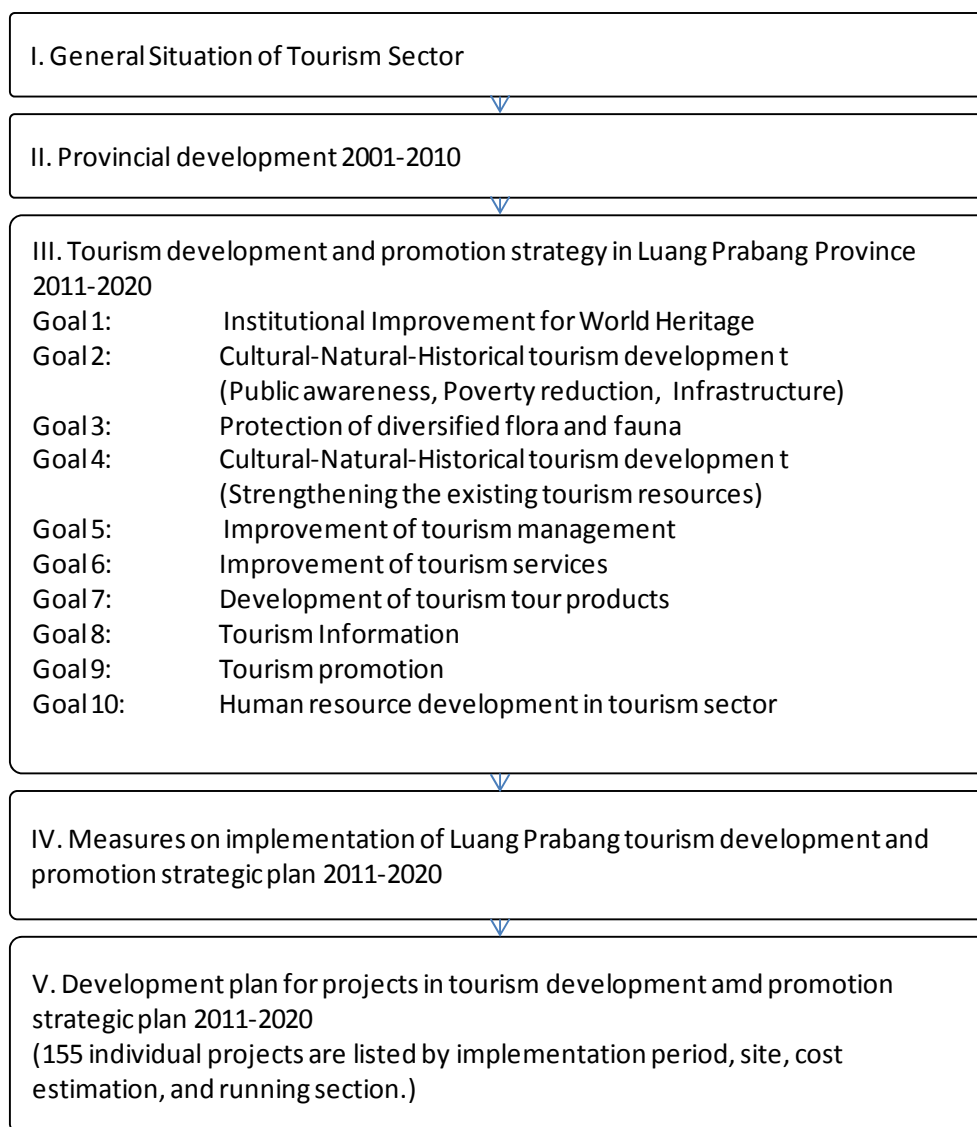


Source: JICA Survey Team based on the 2014 Statistical Report on Tourism in Luang Prabang

Figure 3.2.1 Structure of Lao PDR Tourism Strategy (2006-2020)

3.2.2 Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)

The structure of the Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020) (approved by the Director General of the Department of Information, Culture, and Transport (DICT) in July 2015) is shown in Figure 3.2.2. The document describes the ten strategies for tourism development and promotion, which are the bases for 155 individual projects listed by implementation period, site, cost estimate, and running section. According to DICT, the said individual projects have not been detailed yet.



Source: JICA Survey Team based on Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)

Figure 3.2.2 Structure of Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)

The document says that “Goal 1” covers the legal development for the management of business activities in cooperation with the World Heritage Office which is composed of 1) legal development and related training and 2) improvement of awareness of tourism business sector. In line with the legal framework improvement, a heritage area tourism promotion master plan shall be elaborated.

Some districts in the province which are strategically regarded as tourism promotion areas have

priority for development. The Luang Prabang District is a top priority area with other surrounding districts.

Chomphet District is located on the other bank of the Mekong River opposite to the Luang Prabang District (the total area of Luang Prabang District and a part of Chomphet District compose the World Heritage area). Ngoi District, which is three hours' drive to the northeast of the World Heritage area, is placed as the second most important tourism destination in the province after the World Heritage area. More and more tourists visit Nong Khiaw and Muang Ngoi as well as the Ou River, which connects the two settlements.

Chomphet and Ngoi districts are described in the Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020) as presented in Table 3.2.1.

Table 3.2.1 Provincial Development Policy for Chomphet and Ngoi Districts

District	Location	Tourism Strategy	Resources Mentioned
1. Chomphet	The opposite side of the Luang Prabang District is the main part of the World Heritage area. Chomphet District and Luang Prabang District are connected by ferry boat. The Mekong River bank area of Chomphet District is also a part of the World Heritage area.	A part of Chomphet District composes, together with the Luang Prabang District, the World Heritage area, which is the tourism core of the province. At the same time, Chomphet District is independently placed as the fourth tourism destination in the province after Luang Prabang, Ngoi, and Pak Ou districts.	Pottery products, village tour, trekking
2. Ngoi	At a distance of three hours (Nong Khiaw) by car to the northeast of Luang Prabang District which is the main part of the World Heritage area.	Tourism has been promoted as the second target area in the province after the World Heritage area.	River cruising, home staying, trekking

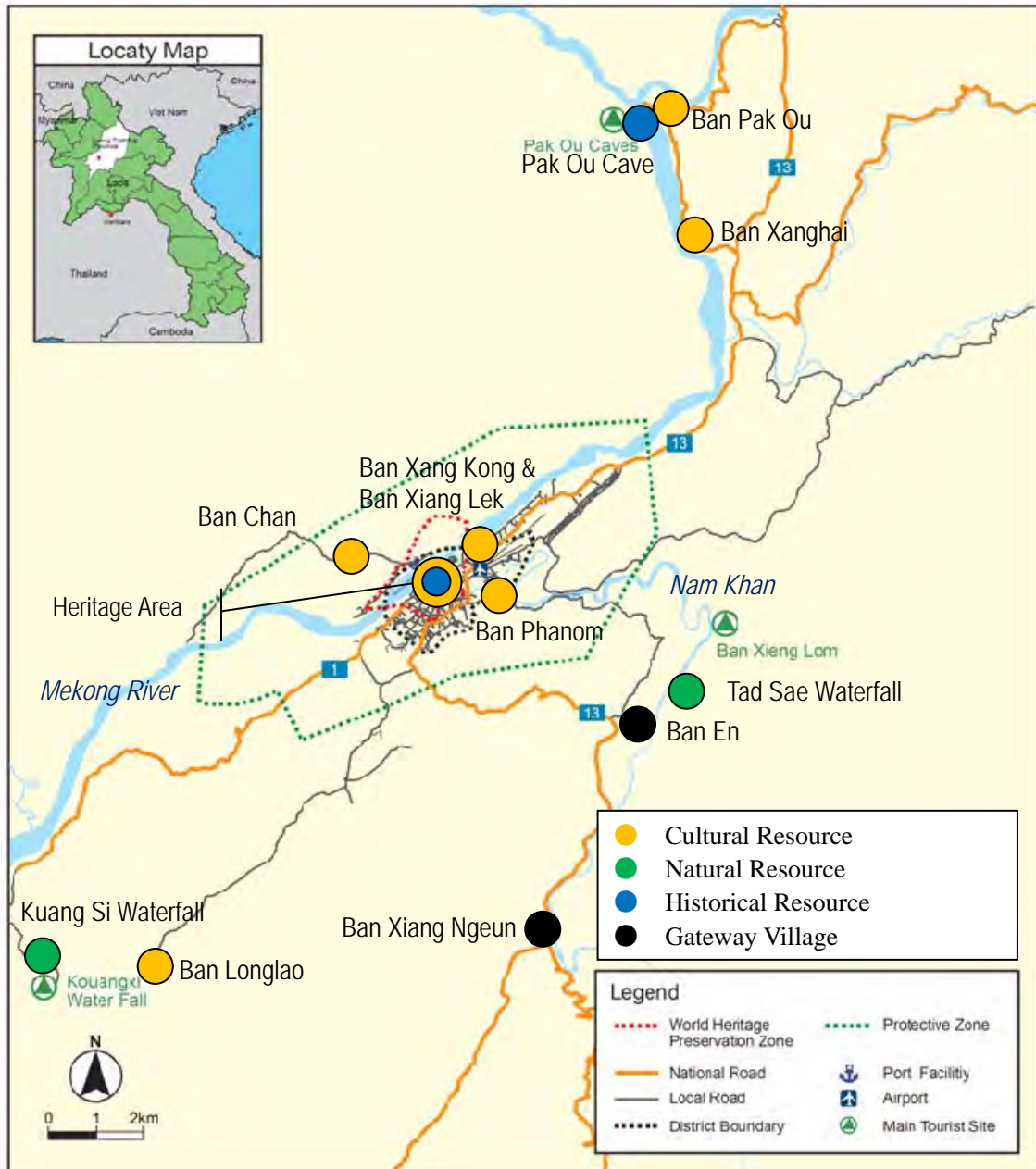
Source: JICA Survey Team based on Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)

3.3 Tourism Resources

3.3.1 Tourism Resources in Luang Prabang District and its Surrounding Areas

The tourism resources in Luang Prabang Province and surrounding areas are shown in Source: JICA Survey Team

Figure 3.3.1.



Source: JICA Survey Team

Figure 3.3.1 Tourism Resources in Luang Prabang District and its Surrounding Areas

(1) World Heritage Area

This is an area consisting of mainly a small peninsula located in the Luang Prabang District, which most of the tourists visit and stay in. Main urban functions in the Luang Prabang Province are concentrated in the area. Main streets such as Sisavangvon and Sakkaline and the peripheral roads facing the Mekong or the Nam Khan rivers are fringed with hotels, guesthouses, restaurants, cafés, bars, and different tourism facilities including beautiful temples, which show a splendid harmony of Lao traditional and French colonial constructions. The World Heritage area covers a part of Chomphet District, which is also at the opposite side of the Mekong River.

(2) Pak Ou Cave

Pak Ou Cave is some 25 km upstream along the Mekong River from the World Heritage area. Thousands of big and small Buddha statues rest on the pedestals in the cave.

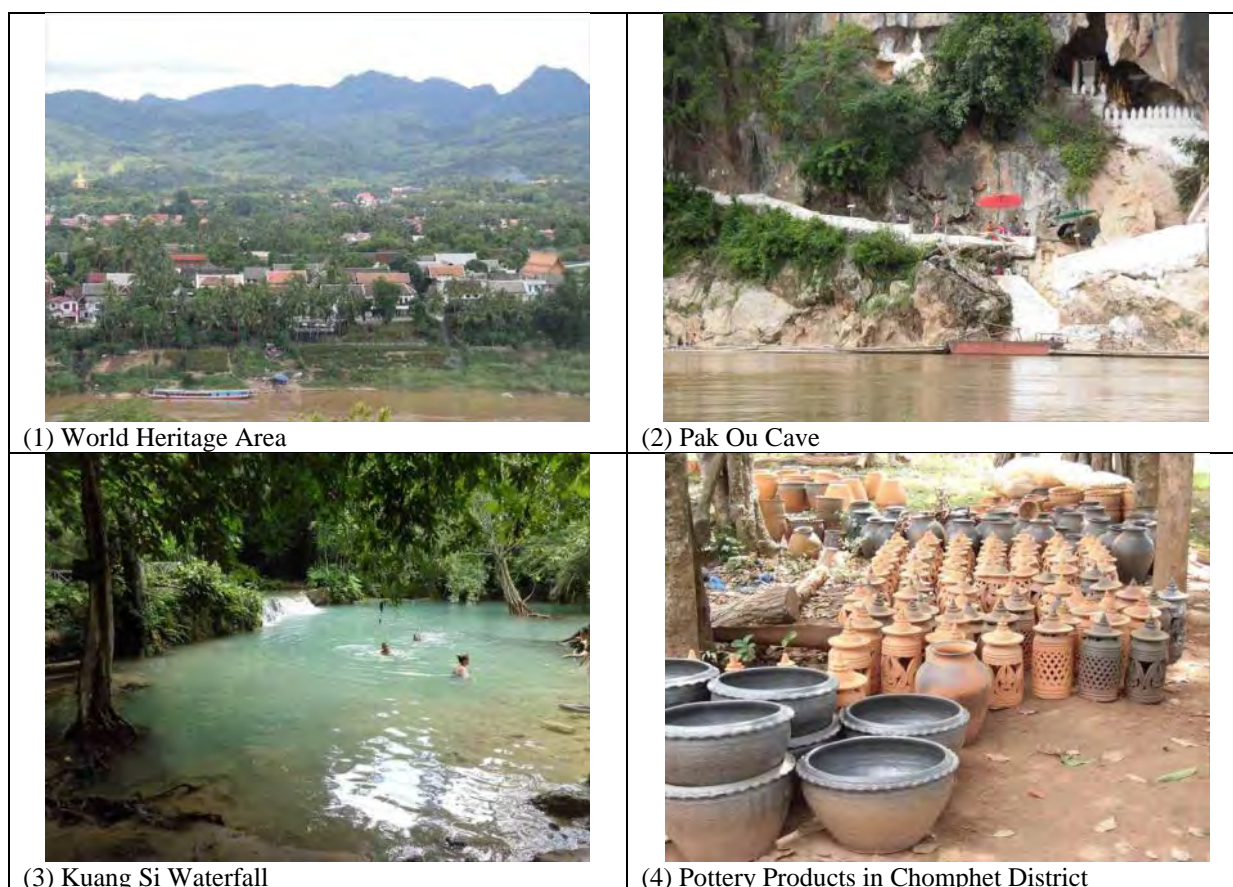
(3) Kuang Si Waterfall

Kuang Si Waterfall is a vertical fall line in Kuang Si Waterfall Park, which is located at some 32 km in the southwest direction from the World Heritage area. Not only the foreigners but also the local Lao people visit the waterfall for enjoying themselves, enjoying the beautiful scenery, or just for a weekend picnic.

(4) Others

Local industry flourishes on the outskirts of the World Heritage area and its surroundings. Xang Hai Village and Xang Khong Village are famous for their traditional alcohol and weaving, respectively and often visited by foreign tourists. Chomphet District, at the other side of the Mekong, makes pottery, which is getting more and more popular among the foreigners recently.

The current tourism resources in Luang Prabang District and surrounding areas are shown in Figure 3.3.2.



Source: JICA Survey Team

Figure 3.3.2 Current Tourism Resources in Luang Prabang District and Surrounding Areas

local woman.

According to the district head office, the number of foreign visitors to Muang Ngoi in 2014 totaled to 14,615.

The current tourism resources in Muang Ngoi District are shown in Figure 3.3.4.



Source: JICA Survey Team

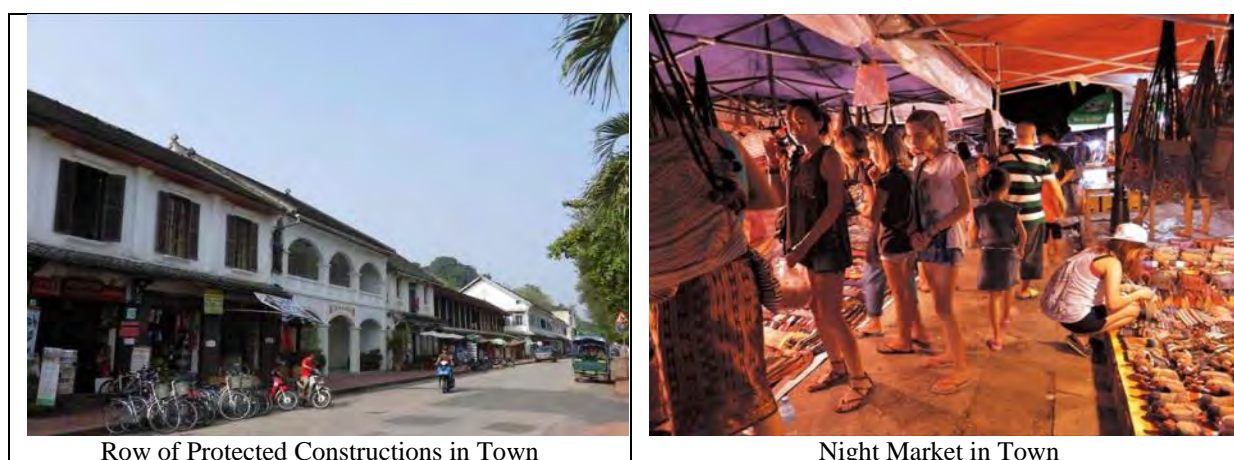
Figure 3.3.4 Current Tourism Resources in Muang Ngoi District

3.4 Tourism Products

3.4.1 Tourism Products in Luang Prabang District and its Surrounding Areas

As shown in Figure 3.4.2, most of the tourism resources included in typical tourism tour products targeting Japanese located in the town, which is composed of Luang Prabang District and its surrounding areas. Generally, Japanese tourists stay at a hotel or a guesthouse in town for two to three days to enjoy the visit to the Royal Palace, temples, Phousi Hill, the night market in town as well as Pak Ou Cave and/or Kuang Si Waterfall on the outskirts.

As shown in Figure 3.4.2, most of the foreign tourists come to Luang Prabang looking forward to indulge in a romantic atmosphere created by rows of traditional and colonial constructions and to stroll in the night market that takes place every day.



Source: JICA Survey Team

Figure 3.4.1 Tourism Products in Town



Source: “TABIKOBO” HP

Figure 3.4.2 Tourism Resources Covered by Typical Tour Products for Japanese

The main tourism products in Luang Prabang District and its surrounding areas are as follows:

(1) Heritage Tour

A heritage tour by car is one of the main tourism products and usually includes visit to main temples in town, national museum, and Phousi Hill.

(2) Mekong Cruise

A Mekong boat cruising tour to Pak Ou Cave is popular. The cave is located upstream the World Heritage area. Visitors stop by at Xanghai Village to enjoy a local traditional alcoholic drink called “Laoh Lao”.

(3) Elephant Park

An optional tour to an elephant park is also organized in combination with the visit to Kuang Si Waterfall and/or ethnic minorities’ villages.

This is an example of inbound tour to Luang Prabang Province from Japan: a two-night-four-day tour from Kansai International Airport via Hanoi, the capital of Vietnam. An 8-Japanese group from Osaka and Nara was the customer of the tour product. According to the group members, the tour included the

main tourism resources in town and the elephant park described above. They appreciated the quiet, peaceful, and elegant atmosphere of Luang Prabang tourist zone surrounded by an environment full of nature, which implies their high degree of satisfaction.

3.4.2 Other Tourism Products in Luang Prabang Province (Ngoi District)

It seems that mass tourism is not popular at present in Ngoi District, judging from the fact that the JICA Survey Team encountered only free individual tours/foreign independent tours (FITs) from France, Russia, Australia, Germany, Czech Republic, Spain, Switzerland, and Taiwan in July 2015. They were enjoying the rural traditional stay in Muang Ngoi or Nong Khiaw with family, couple, or friend companions.

Therefore, very few tour products organized by agencies might cover Ngoi District up to now. At the moment, it could be said that Ngoi District is a destination mainly for independent long-term tourists who enjoy Nam Ou cruising, picturesque scenery with rocky bold cliffs, idyllic manner of local life, communication with people, and local industry including handicrafts.

The current tourism products in Ngoi District are Nam Ou cruising and trekking in ethnic minority villages.

Chapter 4 Current Condition of Infrastructure Regarding Tourism

4.1 Road and Transportation

4.1.1 Current Conditions of Road and Transportation

(1) Conditions of Road and Transportation

1) Luang Prabang Tourist Zone

Conditions of Road

The Luang Prabang World Heritage Area is located 4 km from the Luang Prabang International Airport, which was constructed through the support of China (loan with amount of about JPY 8 billion) two years ago along the National Road No. 13 (North Side). National Road No. 13 (North Side) is paved with asphalt and has two lanes, and some damages can be locally found on the pavement. Traffic congestions were not confirmed on the National Road No.13 during the period of the Japanese International Cooperation Agency (JICA) Survey in July due to off-season of tourism. On the other hand, according to the Department of Public Works and Transport (DPWT) of Luang Prabang Province, traffic congestions occur on the road between the airport and the city.

National Road No. 13 (North Side) serves as the entrance from the airport to the Luang Prabang tourist zone. The road must give a good impression to the tourists for comfortable transportation accessibility of Luang Prabang tourism.



National Road No. 13 (North Side) (Airport – City) – (1)



National Road No. 13 (North Side) (Airport – City) – (2)

The main temples and hotels are concentrated within 4~5 km² compact area at the Luang Prabang World Heritage Area and its surroundings, and the main road and sidewalk are relatively well maintained because of the support of the Agence Française de Développement (AFD). Motorbikes, *tuk-tuk* (3 wheels and 4 wheels), mini vans, bicycles, and walking are the main modes of tourists' transportation, and taxi is almost not used. Particularly, *tuk-tuk* (3 wheels and 4 wheels) is the most popular way to move around. However, its price for one way with distance of 2~3 km is LAK 30,000-40,000 (about JPY 500-600), which is five times more expensive compared with that of Vientiane. Moreover, intersections inside the city are not signalized and some of these have poor visibilities that may lead to sudden accidents at slope where the speed of car is fast.

Some tourists use *tuk-tuk* (3 wheels and 4 wheels) to visit Kuang Si Waterfall and Tat Sae Waterfall, which take one hour to reach and even to further places like Muang Ngoi, which take three hours to reach because taxis could not be found. *Tuk-tuk* is basically not suitable and not strong enough for long distance trip (more than 5 km) and thus, some accidents might occur if road pavement is damaged and

has holes.



National Road 2501
(Hole found on the way to Kuang Si Waterfall)



Unpaved Road
(Between National Road No. 13 (North Side) and Nam Khan)

Furthermore, many handicraft shops are clustered along the tourist streets at the back side of Luang Prabang International Airport, which is one of the major spots for shopping and finding souvenirs. Most tourists visit this place, and groups of tourists use large-sized buses or mini-vans for their travel. However, because the tourist streets are unpaved, the road becomes rutted by large vehicles, which results in puddles after the rain and disturbs tourists' walk.



Tourist street at the back side of the airport (puddles on unpaved road)

EV-Bus (Tuk-tuk) Service

JICA has been carrying out the Demonstration and Promotion Project on Low Pollution Type Vehicle (Three-wheel electrical vehicles (EV)). The fixed schedule and route service for three-wheel EV is being implemented at two routes, which pass along the Luang Prabang World Heritage Area. At the same time, promotion activities such as questionnaires to users and some events are underway.

Currently, travelling routes are considered, and the plan to provide bus services with frequency of twice every one hour at each bus stop within three regular routes is under formulation.

Nevertheless, it is desirable to spread information such as bus stop information and service intervals because they are still not yet recognized enough. There are arguments both for and against this EV-Bus measure; some say that the color and design of the bus do not fit the townscape, while others wish to use it more.



Low emission vehicle "Pecolo"



Source: JICA Demonstration and Promotion Project on Low Pollution Type Vehicle (3-wheel Electrical Vehicle (EV))

Figure 4.1.1 EV Bus (Tuk Tuk) Route Map

Ferry Service

According to the Department of Public Works and Transport (DPWT), there are three existing wharfs for ferry in Luang Prabang Province; one is for passengers, one for loading vehicles, and one for tourism which goes to Pak Ou.

a) Ferry for passengers

There are 88 ferries in total and eight groups (11 ferries per group) operate in rotation. The eight groups take charge for one day out of eight days and are engaged mainly on the framework in

Chomphet during the remaining seven days. In 2014, 594 people/day from Luang Prabang District to Chomphet District and 660 people/day from Chomphet District to Luang Prabang District used the ferry on average.

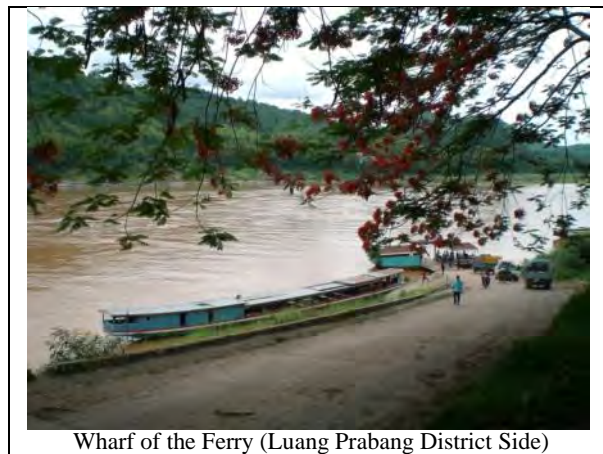
b) Ferry for loading vehicles

A total of 12 ferries (including 3 large ships) are operating. The large ship has capacity of 5-10 motorbikes, 2 trucks, and 25 passengers. The small ship has capacity of 5-6 motorbikes, 1 truck, and 10-15 passengers.

c) Ferry to Pak Ou

There are 15 ferries in total going to Pak Ou (26 km distance, taking 2.5 hours) for passengers. During the off season of tourism (as of July 2015), about 75 tourists/day use the ferry. There is a relocation plan for the wharf at 6 km away from the existing location, but it is still not approved.

About 1,300 people use the ferry everyday and about 30-40% of the passengers are tourists.



In addition, the rehabilitation of the ferry wharf at Chomphet side is planned to be implemented through the support of the Asian Development Bank (ADB).

2) Tourism Zone of Muang Ngoi

In Muang Ngoi, which is the second tourism zone after the Luang Prabang tourist zone, weaving materials and handicraft shops and restaurants are clustered along the main street, which is the main artery. Also, due to the abundant natural resources of the surrounding mountains and the Ou River, calm and community-based tourism is rooted in this area (at guest house or home-stay at private house). However, the main street is unpaved and rutted by vehicles and motorbikes creating puddles that disturb traffic convenience for tourists.



Main Street of Muang Ngoi (unpaved with puddles)

(2) Number of Registered Vehicles

According to DPWT of Luang Prabang Province, 89,000 vehicles in total are registered as of 2014. Motorbike has the largest share, which is about 84% of the total (75,000 bikes). *Tuk-tuk* (4-wheel) ranks second with 10% (8,100 cars) and mini-van comes third with 2% (1,900 cars). Above all, it is obvious that these transportation systems are generally used by tourists.

Secular change in number of each registered vehicles is shown in Table 4.1.1 below and in Figure 4.1.2. Among the nine types of transportation, except for a certain period, the number of motorbikes continues to increase year by year.

Table 4.1.1 Secular Change in Number of Registered Vehicles

Number of Vehicles Registered in Luang Prabang from Year 2001 until 2014 Dec 31st											
No.	Year	Number of Registered Vehicles									⑩TOTAL
		①Motor Bike	②Tuk-Tuk (3 Wheels)	③Tuk-Tuk (4 Wheels)	④Cars	⑤Minivans	⑥Bus (25-45 seats)	⑦Trucks	⑧Jeeps	⑨EV-Bus	
1	- 2001	2,484	51	470	50	57	27	66	24	0	3,229
2	2002	3,467	61	171	24	18	21	51	12	0	3,825
3	2003	4,122	159	425	34	65	22	124	25	0	4,976
4	2004	3,375	35	364	42	61	8	-65	33	0	3,853
5	2005	3,914	38	391	75	112	9	33	32	0	4,604
6	2006	4,636	170	1,031	177	193	11	141	115	0	6,474
7	2007	5,743	26	509	54	155	17	35	23	0	6,562
8	2008	6,585	82	544	74	193	51	30	34	0	7,593
9	2009	5,591	64	631	52	200	19	44	38	0	6,639
10	2010	6,354	32	651	76	241	42	36	68	0	7,500
11	2011	6,418	22	857	81	189	36	35	52	0	7,690
12	2012	7,219	9	672	96	176	16	99	63	0	8,350
13	2013	7,432	19	672	115	158	35	128	82	0	8,641
14	2014	7,993	12	744	73	123	11	128	79	10	9,173
TOTAL		75,333	780	8,132	1,023	1,941	325	885	680	10	89,109

Source: DPWT

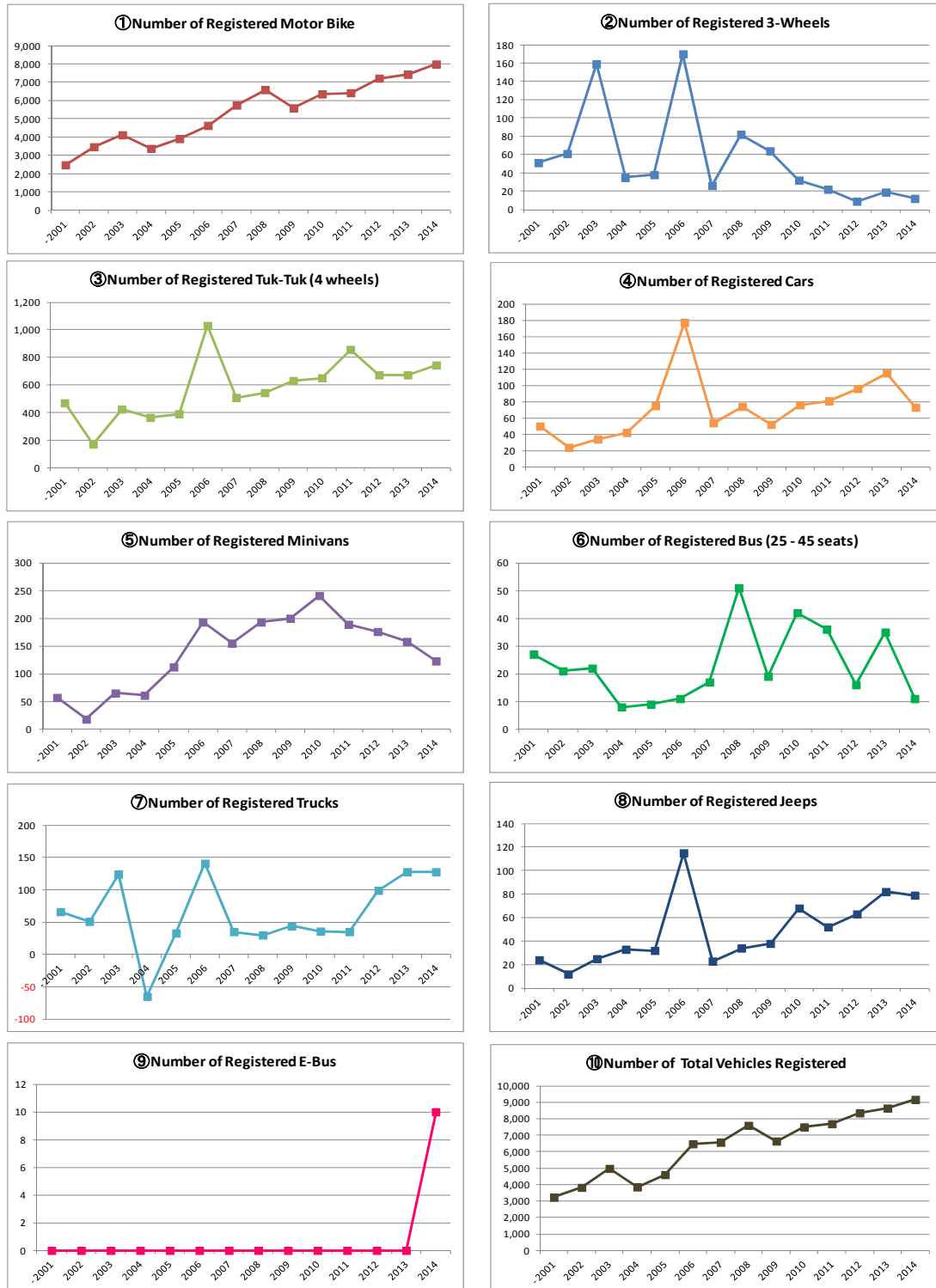


Figure 4.1.2 Secular Change in Number of Registered Vehicles in Luang Prabang Province

4.1.2 Existing Plan of Road and Bridge

(1) Rehabilitation Plan of National Road 4B by the Government of Thailand

According to DPWT of Luang Prabang Province, the rehabilitation plan of National Road 4B is planned to be constructed within three years starting from September or October 2015 and supported

by the Neighbouring Countries Economic Development Cooperation Agency (NEDA) of Thailand. The distance of the route is about 113 km extending from Chomphet to the border via Xayaburi.

In the beginning, Mekong Bridge has been expected to be constructed beside the ferry wharf at Chomphet side, so Thailand considered following this plan and expected to have the starting point of the route at the Lao PDR side at this location. However, this plan has been rejected by the United Nations Educational, Scientific and Cultural Organization (UNESCO) because the route crosses the area inside the World Heritage site. Hereupon, the Lao PDR side has changed the location of the Mekong Bridge to about 5 km at the upper side of the river. Despite this, NEDA has decided to develop the bridge without changing the location of the bridge to the upper side, which is the same as the original plan.

Therefore, for the Lao PDR side, the road which connects from the Mekong Bridge to National Road 4B has become necessary. The proposed alignment of National Road 4B and the access road are shown in Figure 4.1.3 below.



Source: JICA Survey Team

Figure 4.1.3 Proposed Alignment of National Road 4B and Access Road

(2) Construction Plan of Mekong Bridge and Development of Access Road to National Road 4B by China (Private Enterprise)

In Chomphet District, which is at the other side of the Mekong River from the Luang Prabang District, about 30,000 residents make a living through agriculture, handicraft manufacture and its sales, and part of the residents work at Luang Prabang District side. Some of the tourists enjoy the

community-based tourism in Chomphet District. Moreover, because the border of Lao PDR and Thailand is situated only at 113 km from the Chomphet District, National Road 4B is planned to be renovated with the support of the Government of Thailand, which will connect Thailand and Chomphet District and will just take about 2 hours. In response to this situation, a Chinese private enterprise made a conceptual design for the construction of the Mekong Bridge, but the business has been stopped due to various matters.

The conceptual design made by the Chinese private enterprise (Mekong Bridge and Connecting Line between Mekong Bridge and National Road 4B in Luang Prabang of Lao PDR, May 2013) includes basic design of four types of bridges as follows:

- 1) T Rigid-frame Bridge (684 m)
- 2) V-shaped Rigid-frame Bridge (684 m)
- 3) Short Tower Cable-stayed Bridge (693 m)
- 4) Top-bear Arch Bridge (715 m)

However, the design does not use goodness for features of these four types of structures. For example, arch bridge can be designed with longer span compared with the other three types, but the span length is as same as the others. Accordingly, basic design should be revised during the implementation stage. The planned location for the construction of the bridge is shown in the photographs below. As mentioned above, there was a previous plan to move the location from almost the center of Luang Prabang World Heritage Area to 5 km at the upper side of the river. According to UNESCO, however, this project cannot be accepted because the Mekong Bridge may interrupt the scenery from the Luang Prabang World Heritage Area. Therefore, prudent consideration will be necessary for the construction of the Mekong Bridge.



4.2 Water Supply and Sewage Systems

4.2.1 Water Supply

(1) Current State of Water Supply Facilities in Luang Prabang District

As of 2014, the population of Luang Prabang District is about 86,000, and the population of the planned water supply area is about 63,000. The population using this water supply is about 54,000, and the rate of penetration of water supply is 86%. The current non-revenue water (NRW) rate is 23-25%, which is greater than the goal of 20%. The Luang Prabang Water Supply State Enterprise

(LPWSE) manages the three existing water treatment plants (WTPs), and the Thailand-owned “Asia Nampapa Luang Prabang Company”, which is a private enterprise, is also supplying water in this area. The total capacity of the treatment plants is 27,000 m³/day, but the quantity of water source is unstable and the processing capability is insufficient, so it is currently difficult to maintain a steady water supply. An outline of the four WTPs is shown below.

1. Phou Phueng WTP

- Administration: LPWSE
- Treatment system: Direct sand filtration system (Flocculation tank, Sedimentation tank, Filtration tank)
- Plant capacity: 9,000 m³/day (Operation started in 1969)
- Water is sourced from three different springs (with water shortage in the dry season)
- The water source is very hard (water hardness), so there are difficulties such as calcium carbonate adhering in the pipe



Figure 4.2.1 Phou Phueng WTP

2. Namkhan (Phanom) WTP

- Administration: LPWSE
- Treatment system: Conventional system (High-speed mixing tank, Flocculation tank, Sedimentation tank)
- Plant capacity: 12,000 m³/day (first stage: 6,000 m³/day in 2000, second stage: 6,000 m³/day in 2012)
- Processing capability is poor because the second stage facility is not equipped with a sedimentation tank.
- Water source is the Namkhan River, but the volume of water is reduced due to the development of dams upstream and climate change (Hydroelectric dam - Phase 3: Electric power is 60 MW; Catchment area of the reservoir is about 7,620 km²; Administration: Electricite du Laos.)



Figure 4.2.2 Namkhan (Phanom) WTP

3. Souhanvong WTP

- Administration: LPWSE
- Treatment system: Conventional system (High-speed mixing tank, Flocculation tank, Sedimentation tank)
- Plant capacity: 1,000 m³/day (Operation started in 2007; transferred to LPWSE in 2010.)
- Water source is the Mekong River surface water
- Originally, the WTP is inside Souphanouvong University, but the control was transferred and it is now distributing water in the surrounding local area



Figure 4.2.3 Souhanvong WTP

4. Asia Nampapa Luang Prabang Company WTP

- Administration: Asia Nampapa Luang Prabang Company
- Treatment system: (No information)
- Plant capacity: 5,000 m³/day (Operation started in 2007)
- Water source is the Namkhan River surface water
- Under a 30-year concession contract (LPWSE purchases the treated water)



Figure 4.2.4 Asia Nampapa Luang Prabang Company WTP

Regarding the management of water supply system, the Capacity Development Project for Improvement of Management Ability of Water Supply Authorities in Lao PDR was carried out by JICA. This project provided long-term experts for expertise advisory and short-term experts for monitoring, training, financial, facility management, and human resources development.

The project consisted of the following:

(1) Strengthening of the data management needed for the project plan in water public corporations, (2) Short-term project, medium-term project, long-term project plan decision, and competency strengthening in water public corporations, (3) Strengthening of monitoring of project plan for water public corporations and at the national level, and (4) Preparation of technical guideline of water project plan based on the above. (5) According to the mechanism for promoting the project plan in water public corporations other than the pilot project, the project management ability enhancement based on the medium- and long-term vision of water public corporations is promoted.

Through this project, based on a medium-term to long-term project plan, all the water public corporations of Lao PDR can promote the stabilization of extension and renovation of facilities and stabilization of water supply. It contributes to realizing sustainable water supply administration.

Except for Luang Prabang District, the water supply plan based on the future water demand is not prepared. In other areas, it is based mostly on individually sourced water and there is no suitable water supply system.

(2) Outline of Water Supply Plans for Luang Prabang District

The Master Plan for the Water Supply System of Luang Prabang District was formulated with the support of the Thailand International Development Cooperation Agency (TICA) and the Metropolitan Waterworks Authority (MWA) of the Ministry of Interior of Thailand in August 2013. This master plan contains predictions of water demand up to the target year of 2033, and the guidelines for the development of water supply facilities needed to meet that demand. The future Luang Prabang District water supply area will require a system capacity of 45,000 m³/day. The planning outline for this master plan is shown in Table 4.2.1.

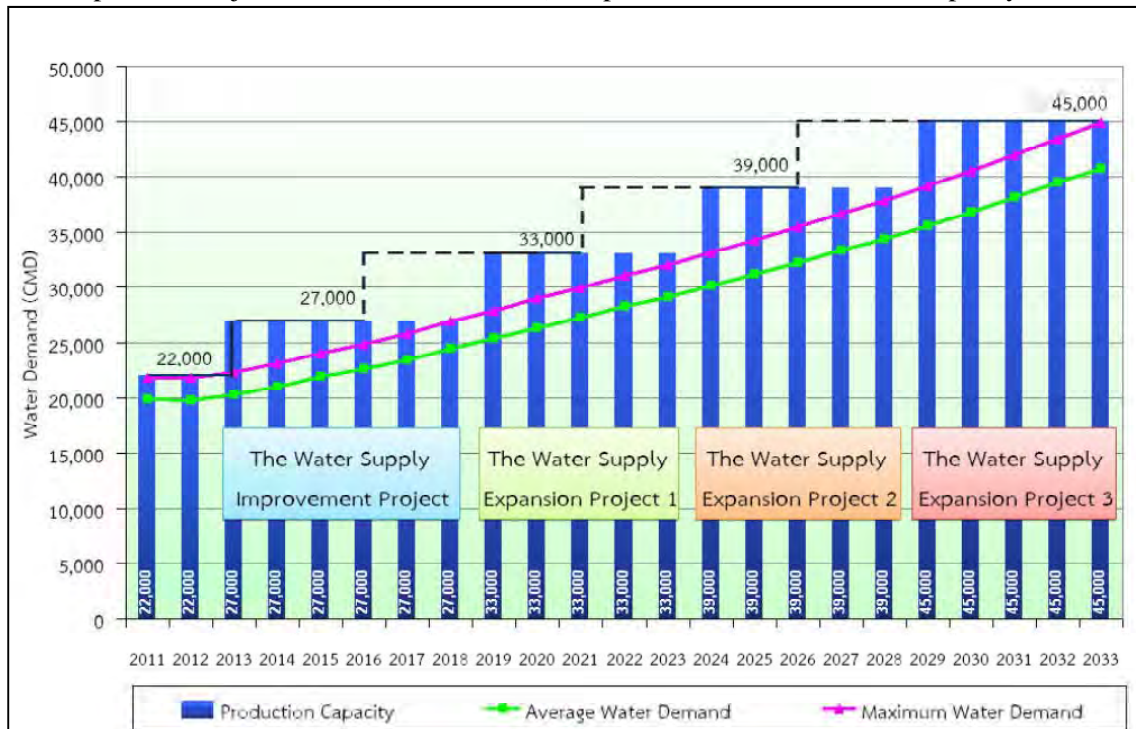
Table 4.2.1 Master Plan for Water Supply System of Luang Prabang District (Planning Frame)

Item	Plan Details
Target Years	2013 to 2033
Water Facility Population	2012: Local population: 81,125; Visiting population: 1,765,278 2033: Local population: 123,000; Visiting population: 2,968,000
Water Facility Area Percentage	2012: 79% 2033: 93%
Water Facility Capacity	2012: 22,000 m ³ /day (2013: 27,000 m ³ /day) 2033: 45,000 m ³ /day

Source : Master Plan for Water Supply System of Luang Prabang (2013)

The implementation schedule of this master plan consists of four phases as shown below. (See also Figure 4.2.5)

- Improvement Project (2014 to 2018): Improvement of processing capabilities of existing facilities
- Expansion Project Phase 1 (2016 to 2019): Expansion of Souphanouvong WTP capacity to 6,000 m³/day
- Expansion Project Phase 2 (2021 to 2024): New 6,000 m³/day facility in the southern district
- Expansion Project Phase 3 (2026 to 2029): Expansion of Namkhan WTP capacity to 6,000 m³/day



Source : Master Plan for Water Supply System of Luang Prabang (2013)

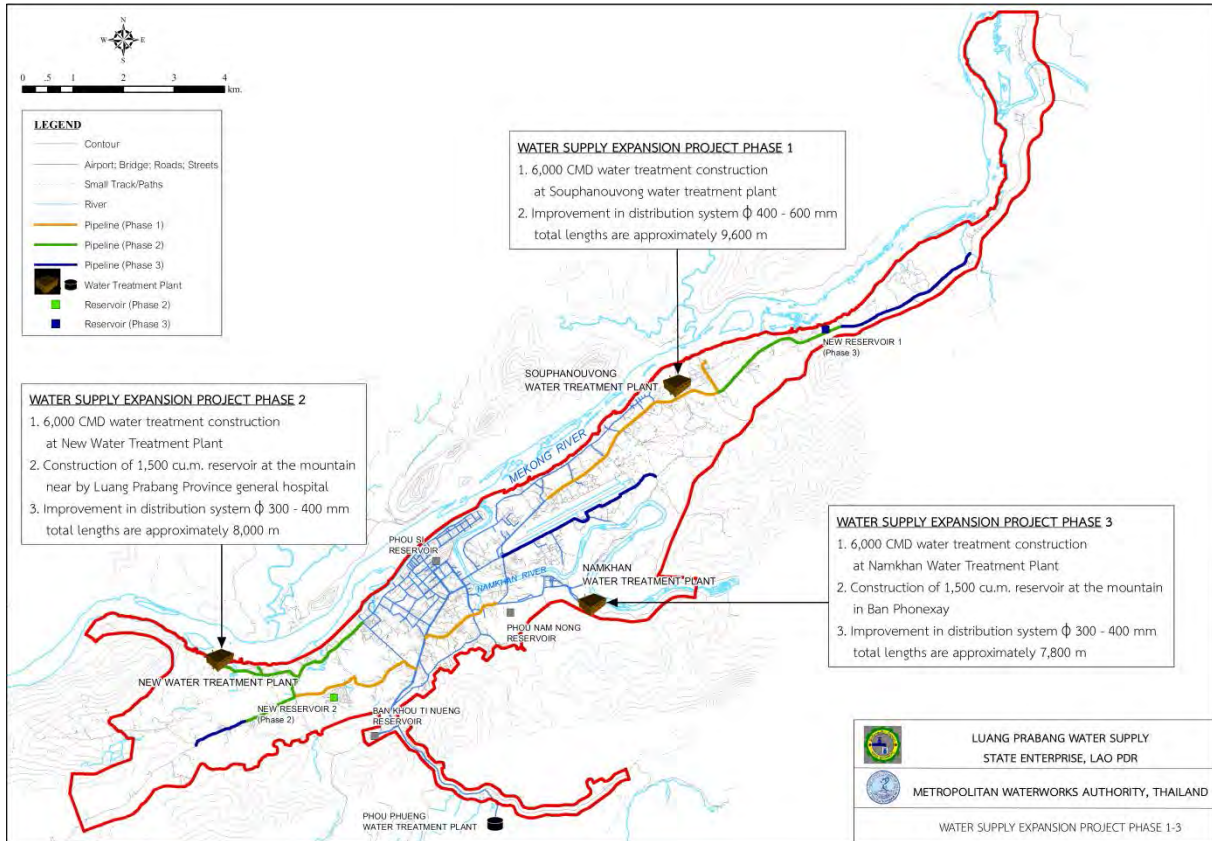
Figure 4.2.5 Water Needs and Facility Capacities According to the Master Plan for Water Supply

Project summaries for each phase of the master plan are shown in Table 4.2.2 and Figure 4.2.6.

Table 4.2.2 Master Plan for Water Supply System of Luang Prabang Project Outline

Phase	Project Details
Improvement Project	1) Namkhan WTP Improvement Project <ul style="list-style-type: none"> • Chemical precipitation basin as well as sedimentation tank additional installation to 2nd stage facility (capacity 6,000 m³/day) • Improvement of conveyance facilities for water sourced from the Mekong River • Improvement of existing machinery and electrical equipment 2) Phou Phueng WTP Improvement Project <ul style="list-style-type: none"> • Installation of softening equipment to remove calcium carbonate (CaCO₃) from the raw spring water • Improvement of gauging and electrical equipment 3) Water Distribution Equipment Improvement Project <ul style="list-style-type: none"> • Installation of φ600 mm water line (extension length: 5 km) between Namkhan WTP and Souphanouvong WTP • Replacement of φ150–200 mm water distribution line (extension: 3.3 km) in Luang Prabang World Heritage Area and its surroundings • Installation of flow-regulating valve in the joint section of the Luang Prabang Stadium
Expansion Project Phase 1	1) Souphanouvong WTP Expansion Project <ul style="list-style-type: none"> • Expansion of WTP capacity to 6,000 m³/day • Construction of water conveyance facilities for raw Mekong River water 2) Water Supply Area Expansion Project <ul style="list-style-type: none"> • Laying of φ400–600 mm water main as well as water distribution line (extension: 9.6 km)
Expansion Project Phase 2	1) Southern District New WTP Construction Project <ul style="list-style-type: none"> • Expansion of WTP capacity to 6,000 m³/day • Construction of water conveyance facilities for raw Mekong River water 2) Water Supply Area Expansion Project <ul style="list-style-type: none"> • Laying of φ300–400 mm water main as well as water distribution line (extension: 8.0 km) • Construction of 1,500 m³ water tank on mountain near Luang Prabang Province General Hospital
Expansion Project Phase 3	1) Namkhan WTP Expansion Construction Project <ul style="list-style-type: none"> • Expansion of WTP capacity to 6,000 m³/day • Construction of water conveyance facilities for raw Mekong River water 2) Water Supply Area Expansion Project <ul style="list-style-type: none"> • Laying of φ300–400 mm water main as well as water distribution line (extension: 7.8 km) • Construction of 1,500 m³ water tank on the mountain near Phonexay Village

Source: Master Plan for Water Supply System of Luang Prabang (2013)



Source: Master Plan for Water Supply System of Luang Prabang (2013)

Figure 4.2.7 Expansion Project Based on the Master Plan for Water Supply System (Phase 1, 2,3)

The master plan examines a trial calculation of recommended water rates (USD 0.53/m³ in 2033) based on the results of the analysis of the cost estimates and annual financing plans of these projects. As for the funds to implement these projects, in addition to seeking subsidies from the central government and Luang Prabang Province, the introduction of private investment services is also considered. Additionally, regarding the organizational and management systems necessary to promote the water supply projects in an adequate and efficient way, the following items are proposed:

- Organizational development and capability building based on risk management, human resources, and capability evaluation system (Balanced Scorecard),
- Supervisory Control and Data Acquisition (SCADA) for the continuous monitoring of water supply conditions in order to appropriately operate and maintain the water supply facilities,
- Service such as Customer Information System (CIS) or Customer Relationship Management (CRM),
- Countermeasures for non-revenue water (NRW) via Water Leakage Management Applications (WLMA),
- Water quality control based on the Luang Prabang Water Safety Plan (WSP) and led by a WSP team, and
- Facility management and updated plan making use of geographic information system (GIS)

Nowadays, the master plan is revised and the concession contract with a private water service company is planned.

(3) Firefighting Facilities

According to the Department of World Heritage and concerned agencies, the Luang Prabang World Heritage Area requires fire prevention measures. At present, there are only four fire hydrants inside the World Heritage area, so additional fire hydrants will be needed.

World Heritage-designated temples are on narrow streets, making it difficult for large fire engines to get to them. It will be necessary to introduce small size fire vehicles and fire prevention equipment such as on-site water gun devices. Regarding water gun devices and sprinklers installed at temples and other buildings, firefighting tactics used at Japanese sites such as Shirakawa-go and Kyoto cultural assets buildings should be used as references. Examples of firefighting equipment and practices are shown in Figure 4.2.8 to Figure 4.2.10.

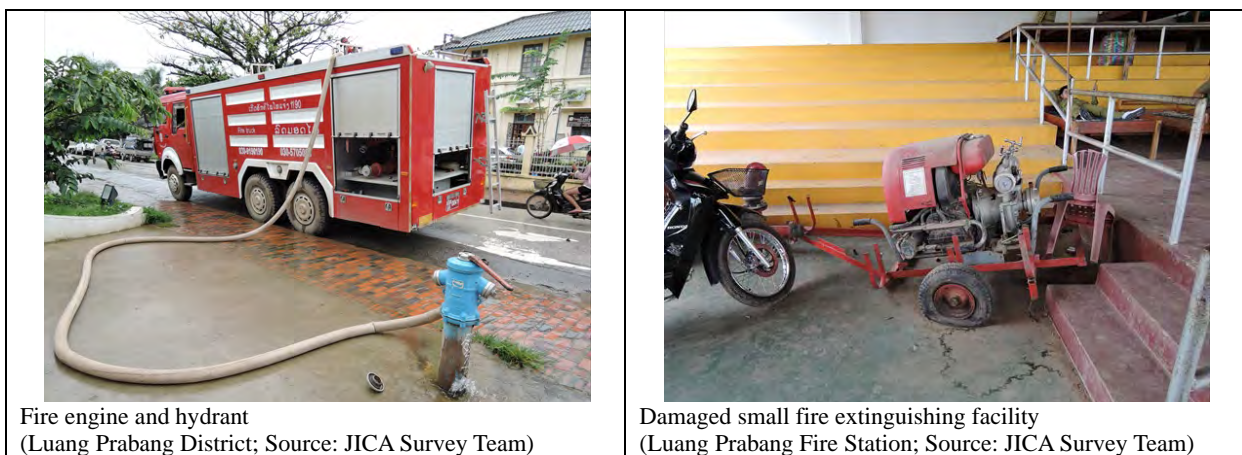


Figure 4.2.8 Firefighting Equipment at Luang Prabang World Heritage Area

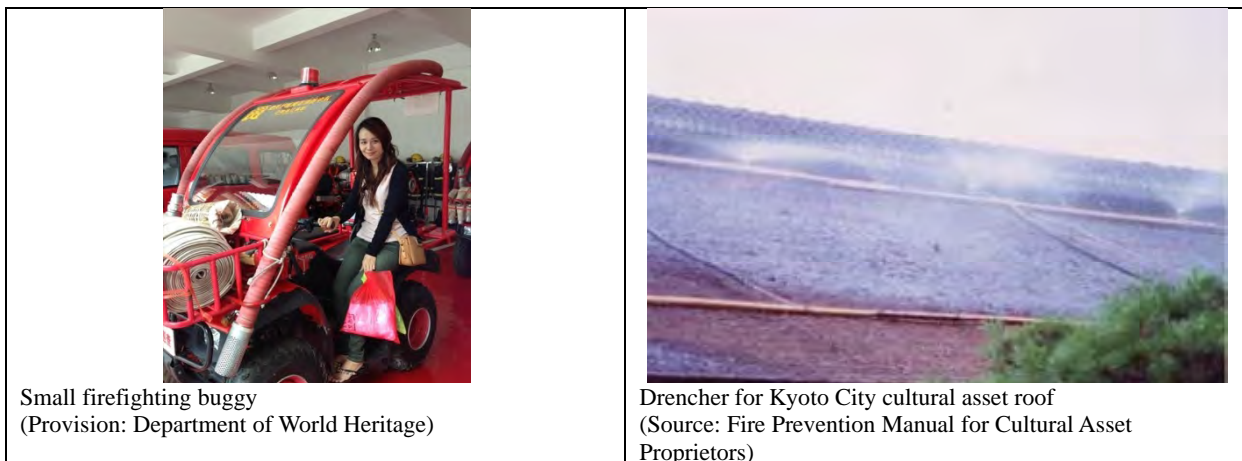


Figure 4.2.9 Examples of Firefighting Equipment



Figure 4.2.10 Examples of Firefighting Drills

4.2.2 Sewerage Systems

(1) Current State of Luang Prabang District Sewerage Systems

Luang Prabang District lacks sewage treatment systems. There are individual homes equipped with anaerobic septic tanks for accumulating human excrement, but domestic effluent is discharged untreated into drainage channels or local rivers. Some hotels and restaurants in Luang Prabang District have community wastewater treatment plants equipped with grease traps or aeration tanks, but the maintenance of these plants is not enough. Processing is not sufficient. At a medical school in the World Heritage district, 20-30 related houses share one small-scale community sewage treatment facility. There are plans to install a similar community sewage treatment facility (for 30-40 houses) near the Luang Prabang National Museum. Sewerage facility conditions are shown in Figure 4.2.11, and the community sewage treatment facility outlines are shown in Figure 4.2.12.



Source: JICA Survey Team

Figure 4.2.11 Sewerage Facility Conditions



Source: ASEAN ESC Model Cities Programme/UDAA

Figure 4.2.12 Community Sewage Treatment Facility Outlines

(2) Outline of the Luang Prabang District Sewerage System Plan

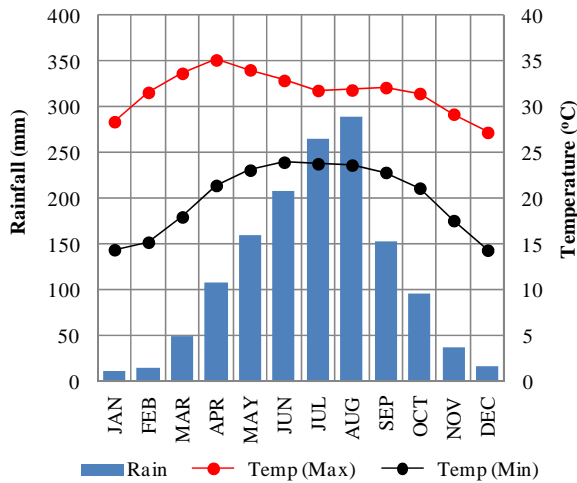
The Luang Prabang District Sewerage Plan was formulated in March 2013 with the support of the Agence Française de Développement (AFD) as the “Master Plan for Drainage and Sewerage System.” This outline will be arranged together with the drainage plan outline in item “4.3.4 Drainage - (1) Master Plan for Drainage and Sewerage System.”

4.3 Flood and Drainage

4.3.1 Climate and Hydrology

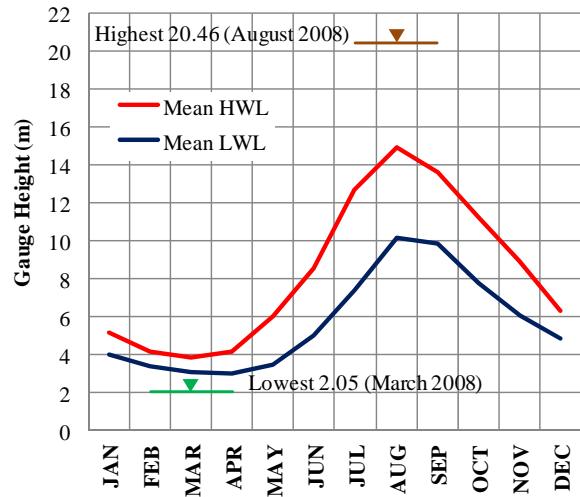
The Luang Prabang Province belongs to the tropical monsoon region characterized by the wet season from April to October and dry season from November to April. The climate records, for the period from 1983 to 2012 (30 years) indicate that the mean annual rainfall is 1,414 mm and the peak monthly rainfall occurs in August. The mean daily maximum temperature by month ranges from 35.2 to 27.3 C and the highest takes place in April. The mean daily minimum temperature ranges from 14.4 to 24.0°C and the lowest takes place in January (Figure 4.3.1).

The Luang Prabang District is located on the left bank of the Mekong River around the confluence with the Nam Khan River. The gauge height records of the Mekong River for the 1983-2012 period (30 years) indicate that the mean annual highest and lowest water levels are 14.98 m and 3.03 m, respectively. The highest recorded for 30 years is 20.46 m in August 2008 and the lowest is 2.05 m in March 1999. Zero gauge elevation at the water level gauge is 267.195 m above moisture sensitivity level (MSL) (Figure 4.3.2).



Source: Department of Meteorology and Hydrology, Luang Prabang

Figure 4.3.1 Rainfall and Temperature (1983-2012)



Source: Department of Meteorology and Hydrology, Luang Prabang

Figure 4.3.2 Water Level of the Mekong River (1983-2012)

4.3.2 Flood

According to DPWT, the flood inundation depth in Luang Prabang Province was 0.2 m in 2008 and 1.0 m in 1966. Compared with the water level gauge, the ground elevation along the Mekong River is around 22 m at the water level gauge. As the highest gauge height of 20.46 m in 2008 (Figure 4.3.3), it is presumed that some lower locations along the Mekong River might be inundated (Figure 4.3.4). The Annual Mekong Flood Report 2008 indicates that the historical height of 22.40 m took place in 1966.



Location of Water Level Gauge

Source: JICA Survey Team



Water Level Gauge

Figure 4.3.3 Water Level Gauge of the Mekong River



Riverbank of the Mekong:
Around 150 m at the downstream side of the water level gauge
Source: DPWT



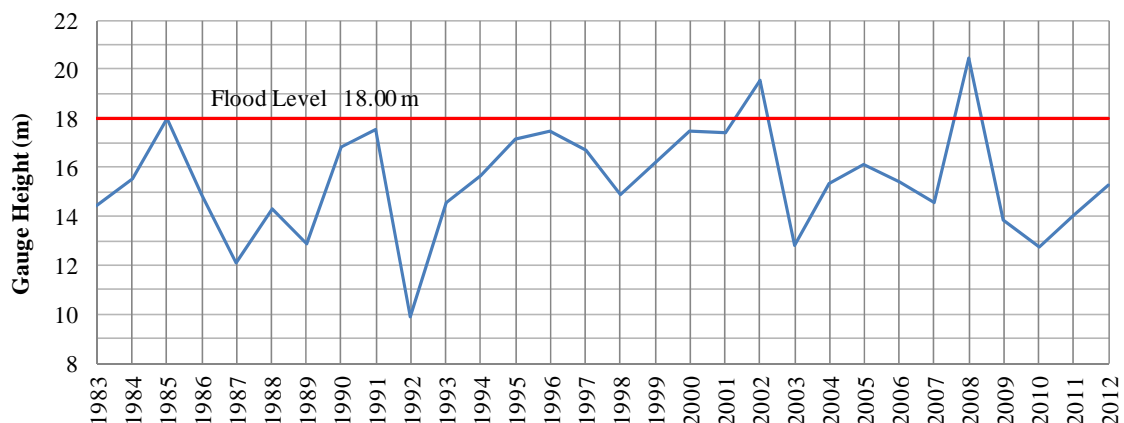
Riverbank of the Nam Khan
Around 50 m at the upstream side of the T-junction with Sakkaline Road

Figure 4.3.4 Flood in 2008

The Mekong River Commission (MRC) defines 18.0 m as “Flood Level” and 17.5 m as “Alert Level” in Luang Prabang Province. For the period from 1983 to 2012 (30 years), the water level of the Mekong River exceeded the “Flood Level” in 2002 and 2008. Before 1983, the water level exceeding “Flood Level” took place in 1966 and 1971 as described in the Annual Mekong Flood Report 2008. In light of these records, flood inundation along the Mekong River is not frequent in Luang Prabang Province.

The main streets in the city center, namely: Chao Fa Ngum Road, Sisavangvong Road, and Sakkaline Road, are situated around 10 m higher than the riverbank. Even in the case of the historical largest flood that took place in 1966, flood inundation occurs along the riverbank areas only and the main streets are not inundated.

According to DPWT, the lower areas along the tributaries were inundated in 2008 due to the backwater from the Mekong River and Nam Khan River. The DPWT proposes constructing a gate preventing backwater to the tributary at six locations.



Source: Department of Meteorology and Hydrology, Luang Prabang

Figure 4.3.5 Annual Highest Water Level of the Mekong River at Luang Prabang Province (1983-2012)

4.3.3 Utilization of Riverbank

In the World Heritage zone, there are numbers of shops/restaurants along the Mekong River and the Nam Khan River. According to the Department of World Heritage, these shops/restaurants have been established on the sidewalk and riverbank without proper administrative control up to date. For improving the landscape along the Mekong River and the Nam Khan River, the Department of World Heritage plans to strengthen the administrative control for shops/restaurants as described hereunder.

(1) General

In the local committee meeting for the World Heritage on March 7, 2013, the following was agreed for improving the landscape along the Mekong River and the Nam Khan River:

- No shop/restaurant is permitted along both sides of the Nam Khan River for the section from the old bridge to the confluence of the Mekong River.
- No shop/restaurant is permitted on the sidewalk along the Mekong River from the confluence of the Nam Khan River to the office of DPWT. Shops/restaurants on the riverbank are permitted with improvements to meet the regulations.

(2) Regulations

1) Conditions for Utilization of Riverbank

- Shop/restaurant must be located 7.5 m away from the T-junction in order to keep the view of the river from the road toward the river.
- Shop/restaurant must be located 3.0 m away from the stairs, drainage outlet, and big tree.

2) Conditions for Installation of Terrace Deck on Riverbank

- Level of terrace deck must be 1.5 m lower than the sidewalk in order to keep the view of the river from the sidewalk.
- Size of terrace deck must not be wider than 50 m²; width \leq 5 m and length \leq 10 m.
- Material of terrace deck must be 100% wooden, except concrete pillar for foundation.
- No roof/wall with terrace deck is allowed. Parasol can be used on the terrace deck.
- Color of terrace deck must be harmonized with the landscape.

3) Signboard

- Signboard of shop/restaurant must be wooden, movable, and has width \leq 0.7 m and height \leq 1.0 m.

4) Conditions for Business

- Owner of shop/restaurant must follow the laws and regulations.
- Building of shop/restaurant must be placed on the landside of the road along the riverbank.
- Kitchen and toilet of shop/restaurant must be located in the building.
- Owner of shop/restaurant must pay the land concession fee.
- Owner of shop/restaurant must perform the documentation procedures before the commencement of business.
- Owner of shop/restaurant must keep the cleanliness of its business location and surrounding area.

5) Prohibitions on the Riverbank

- To feed domestic animals.
- To dry washed clothes.
- To pile firewood, minerals, and sand
- To have living and sleeping place.
- To change usage or transfer it to other.
- To install kitchen and toilet (excluding public toilet).



Obstruction of River View (Not Allowed)



Shop/Restaurant on Sidewalk (Not Allowed)



Terrace Deck (Not Allowed)



Terrace Deck (To be Improved and Allowed)

Source: Department of World Heritage

Figure 4.3.6 Existing Shops/Restaurants (Example)

(3) Improvement of Landscape

1) T-junction along the Riverbank

- Existing 15 shops/restaurants located within 7.5 m of the T-junction are not allowed to do business in order to keep the view of the river from the road toward the river.

2) Sidewalk

- Existing 38 shops/restaurants located on the sidewalk are not allowed to do business.

3) Terrace Deck on Riverbank

- Existing 42 shops/restaurants located on the riverbank do not meet the regulations and are not allowed to do business.

4) Terrace Deck on Riverbank (With Improvement)

- Twenty-one shops/restaurants located on the riverbank are to be improved to meet the regulations and are allowed to do business.

5) Riverside Parks

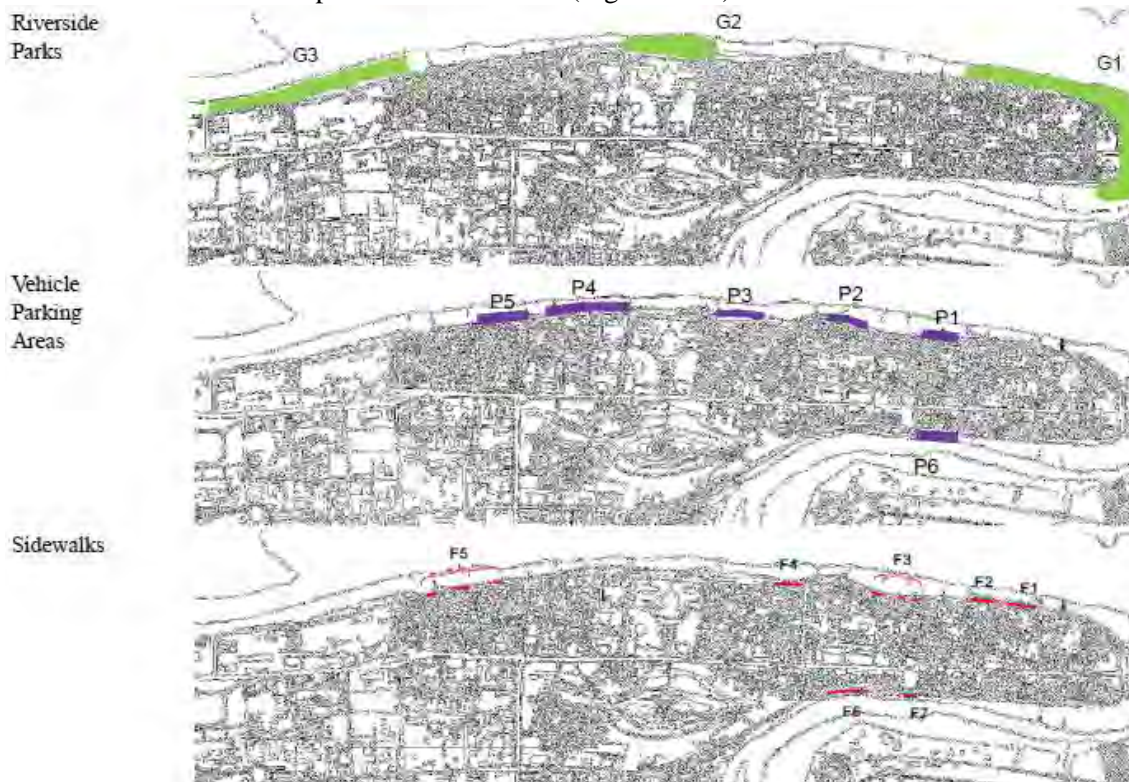
- Riverside parks will be developed at three sections (Figure 4.3.7).

6) Vehicle Parking Areas

- Vehicle parking areas will be developed at six sections (Figure 4.3.7).

7) Sidewalks

- Sidewalks will be developed at seven sections (Figure 4.3.7).



Source: Department of World Heritage

Figure 4.3.7 Development Plans of Riverside Park, Vehicle Parking Areas, and Sidewalks

According to the Department of World Heritage, the buildings listed by UNESCO for preservation are not covered by the regulations mentioned above. For example, two buildings of Viewpoint Cafe are listed by UNESCO. The Mekong River View Hotel is allowed to use these buildings and should maintain them.

4.3.4 Drainage

(1) Drainage and Sewerage Master Plan

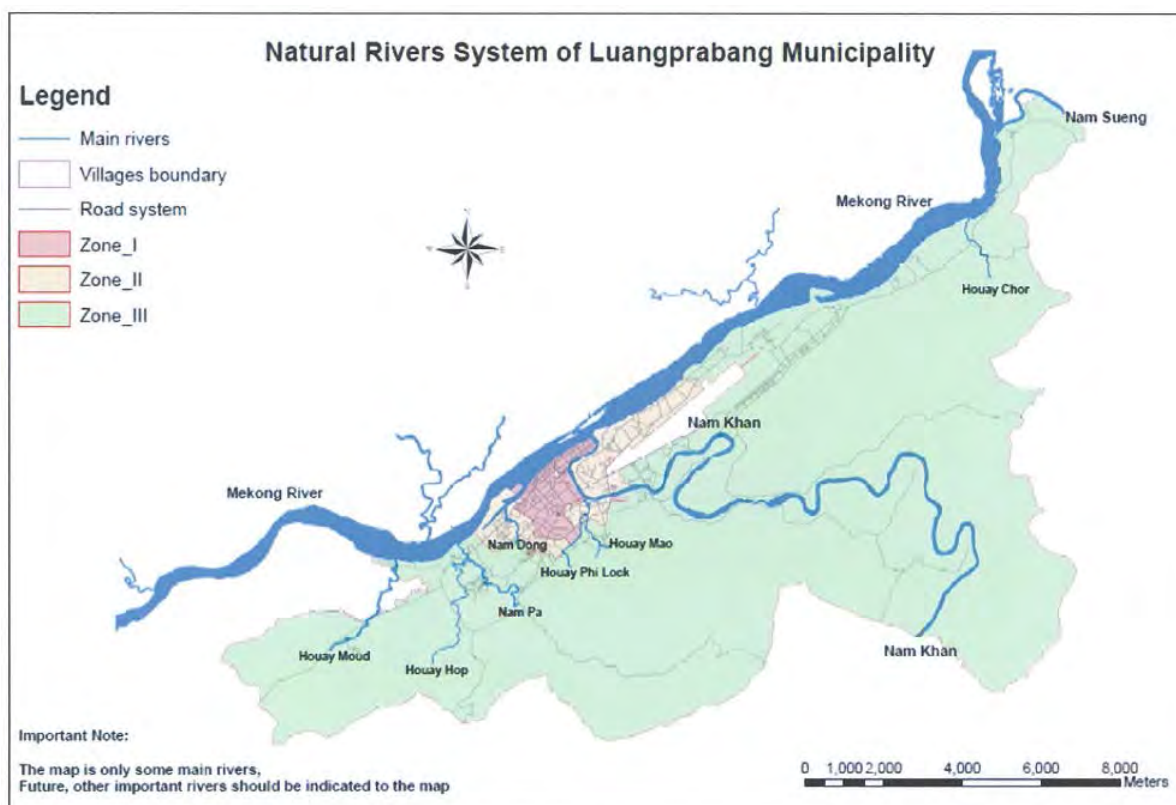
The Urban Development Administration Authority (UDAA) was supported by AFD to carry out the Technical Assistance for the Design and Conduction of the Master Plan for Drainage and Sewerage System of Luang Prabang (Hereinafter referred to as the “Drainage and Sewerage Master Plan”) for the period from February 2012 to March 2013.

The Drainage and Sewerage Master Plan covers 72 villages in Luang Prabang. These villages are further classified into three zones, i.e.: Zones I, II, and III in consideration of the World Heritage zone and population density. Zone I is divided into two, namely, Zone I-A, which is the city center with existing drainage system, and Zone I-B, which is the city area with natural drainage system consisting of small rivers and wetlands (Table 4.3.1 and Figure 4.3.8).

Table 4.3.1 Covered Area of Drainage and Sewerage Master Plan

Covered Area	Zone	Description
72 Villages in Luang Prabang	I-A	World Heritage zone: city center with existing drainage system
	I-B	World Heritage zone: city area with natural drainage system consisting of small rivers and wetlands
	II	Suburbs: population density > 2,000/km ²
	III	Rural Areas: population density < 2,000/km ²

Source: Drainage and Sewerage Master Plan (UDAA, 2013)



Source: Drainage and Sewerage Master Plan (UDAA, 2013)

Figure 4.3.8 Covered Area of Drainage and Sewerage Master Plan

The Drainage and Sewerage Master Plan is summarized in Table 4.3.2.

Table 4.3.2 Summary of Drainage and Sewerage Master Plan

	Short-term (2013-2015)	Mid-term (2016-2020)	Long-term (2021-2037)
Zone I-A	<ul style="list-style-type: none"> Drainage system already developed Sewers (separated system) to be planned and designed Decentralized sewage treatment plants to be 	<ul style="list-style-type: none"> Sewers to be constructed Decentralized sewage treatment plants to be constructed 	<ul style="list-style-type: none"> Centralized sewage treatment plant (to be located in Zone III) to be planned, designed, and constructed with conveyance sewers and pumping stations

	Short-term (2013-2015)	Mid-term (2016-2020)	Long-term (2021-2037)
	planned and designed		
Zone I-B	<ul style="list-style-type: none"> • Drainage system to be constructed • Settled sewerage systems (primary treatment and sewer) to be planned and designed • Wetlands for sewage treatment to be planned and designed 	<ul style="list-style-type: none"> • Settled sewerage systems to be constructed • Wetland for sewerage to be planned and constructed 	<ul style="list-style-type: none"> • Settled sewerage systems to be constructed • Wetland for sewerage to be planned and constructed • Centralized sewage treatment plant (to be located in Zone III) to be planned, designed, and constructed with conveyance sewers and pumping stations
Zone II	<ul style="list-style-type: none"> • Drainage systems to be planned • Settled sewerage systems (primary treatment and sewer) to be planned and designed • Wetlands for sewage treatment to be planned and designed 	<ul style="list-style-type: none"> • Drainage systems to be constructed in existing urbanized areas • Settled sewerage systems (primary treatment and sewer) to be constructed • Wetlands for sewage treatment to be constructed 	<ul style="list-style-type: none"> • Drainage systems to be constructed in new development areas • Settled sewerage systems to be constructed • Wetland for sewerage to be planned and constructed • Centralized sewage treatment plant (to be located in Zone III) to be planned, designed, and constructed with conveyance sewers and pumping stations
Zone III	<ul style="list-style-type: none"> • Drainage systems to be planned • Installation of septic tanks to be planned • Sludge treatment facility to be constructed 	<ul style="list-style-type: none"> • Drainage systems to be designed and constructed • Installation of septic tanks to be implemented • Sludge treatment facility to be expanded 	<ul style="list-style-type: none"> • Drainage systems to be designed and constructed • Installation of septic tanks to be 100% completed • Centralized sewage treatment plant to be planned, designed, and constructed • Sludge treatment facility to be expanded

Source: Drainage and Sewerage Master Plan (UDAA, 2013)

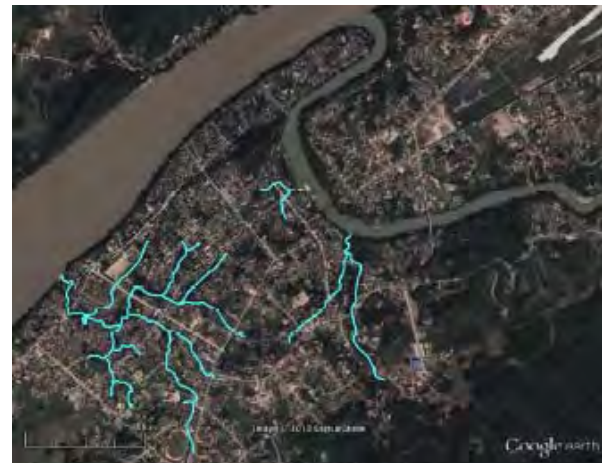
(2) Drainage System in the World Heritage Zone

The Drainage and Sewerage Master Plan indicates that the drains and sewers along the roads within Zone I were completed in 2003. Zone I-A is completely covered by the drainage system consisting of roadside drains and sewers to drain stormwater into the Mekong River and the Nam Khan River. There are 23 drainage outlets found during the field reconnaissance, i.e., 13 along the Mekong River and 10 along the Nam Khan River. In Zone I-B, stormwater collected by roadside drains and sewers along existing roads is discharged into the small rivers and streams and then drained into the Mekong River and the Nam Khan River. The existing drainage systems are investigated through the field reconnaissance of road crossing drains and are roughly illustrated in Figure 4.3.9.



Zone I-A and Zone I-B

Source: Drainage and Sewerage Master Plan (UDAA, 2013)



Small Rivers and Streams

Source: JICA Survey Team

Figure 4.3.9 Zones and Drainage System in the World Heritage Zone and Surrounding Areas

The following issues on drainage system are identified through the field reconnaissance (Figure 4.3.10):

- Maintenance of roadside drains is not sufficiently performed. There are observations of clogged drainage inlet, sedimentation in drain, and bush and grass growing along the drain.
- Sanitary condition has deteriorated at the drainage outlets to the Mekong River and the Nam Khan River. Even though the primary treatment of wastewater is performed through septic tanks, it is presumed that part of the wastewater discharged directly into the drains may cause the pollution at the drainage outlets. Solid wastes are dumped at the drainage outlets.
- Small rivers and streams are not maintained properly due to the inaccessibility caused by the buildings.
- Wetlands located along small rivers and streams are designated to be preserved. But in reality, these are ignored due to the inaccessibility from neighboring roads. The environment of the wetlands has deteriorated due to the wastewater coming from the surrounding houses.



Roadside Drain



Drainage Outlet



Small River



Wetland

Figure 4.3.10 Observations of Drainage System

4.4 Waste Disposal

4.4.1 Garbage Collection

(1) Current State of Garbage Collection

Garbage collection in Luang Prabang District is carried out by UDAA, private garbage collection operators, as well as market operators. Garbage quantity is managed via truck scales at a waste disposal site. The amount of garbage collected in July 2015 is as follows:

- UDAA: 623,350 kg (261 truckloads)
- Private operators: 1,021,890 kg (250 truckloads)
- Market operators: 117,230 kg (78 truckloads)
- Other individuals: 15,550 kg (39 truckloads)
- Total: 1,778,020 kg (628 truckloads)

Collection and transport of human excrement and sludge is carried out by private operators.

- Private operators: 361,770 m³ (118 truckloads)

(2) Garbage Collection Plans

Garbage collection in Luang Prabang District is currently being managed by UDAA and private operators, but UDAA has plans to expand its collection area to a broader area of Luang Prabang Province in the future.

4.4.2 Waste Disposal Site

(1) Current State of Waste Disposal Site

Waste collected in the Luang Prabang District is transported to about 8 km south of the city, where it is put into a UDAA-managed landfill site. Waste disposal site equipment was provided with support from JICA, and includes an excavator, bulldozer, administrative building workshop, truck scale, and other items. The waste disposal site map and current conditions are shown in Figure 4.4.1 to Figure 4.4.2. The capacity is insufficient and the disposal of human sludge is made at the end of the waste disposal site and the human waste sludge is in fact disposed of together with the waste. This sanitary practice is not desirable and the impact on soil environment is a concern.



Figure 4.4.1 Waste Disposal Site Map



Figure 4.4.2 Current Conditions of the Waste Disposal Site

(2) Waste Disposal Site Plans

The expansion of the waste disposal site and the development of a new site will become necessary because waste in Luang Prabang District will increase along with the expansion of the garbage collection area or the expansion of the city itself.

- Expansion of the Luang Prabang District waste disposal site (Expansion from 15 ha to 20 ha)
- A new waste disposal site in the Pak Ou District (25 km from the central urban area) is under consideration (Site: Ban Viengsavan, Ban Xanghai, Area: 50 ha, Cost: USD 5 million)

4.5 Preservation of Heritage Asset

Since Luang Prabang Province was designated as UNESCO World Heritage Site, the Heritage Preservation and Development Master Plan, covering 800 ha, was prepared. The coverage area of this plan is the same as the World Heritage area. In addition, in order to secure effectiveness, various regulations were prepared and executed.

In the future, when development demand becomes high in the surrounding area, a buffer zone (12,500 ha) was designated for development control based on the instruction of UNESCO. Development control is executed based on the Regulation on Luang Prabang Urban Planning (2012)

- This regulation is based on the idea that the asset of Luang Prabang World Heritage Area has value together with the river and mountain surrounding the World Heritage area. The view from Phousi Hill is becoming the standard for determining the buffer zone.
- In addition, bypass is planned in the buffer zone to reduce transpassing traffic.

The development of the Heritage Protected Area is managed by the Heritage Department and the development of the buffer zone is managed by DPWT. In addition, the Construction Committee was established for managing the Heritage Protected Area through which large-scale development, which has impact to the heritage (guest house, commercial building) is evaluated. Usually four to five applications are reviewed by the committee. Approval is done by the chairperson of the committee, who is also the vice governor.

Table 4.5.1 Development Regulation and Responsible Agency of Heritage Protected Area (ZPP) and Surrounding Area (Buffer Zone)

	Heritage Protected Area (ZPP)	Surrounding Area (Buffer Zone)
Development Regulation	Heritage Preservation and Development Master Plan	Regulation on Luang Prabang Urban Planning (2012)
Responsible Agency	<ul style="list-style-type: none"> • World Heritage Office, Ministry of Information and Culture (small scale) • Committee (large scale, important) 	<ul style="list-style-type: none"> • DPWT • Committee (large scale, important)

Source: JICA Survey Team

Renovation and additional construction of building are controlled, and small renovation for family purpose, which disturbs the lives of local people, is not permitted. In addition, the cost of renovation has to be paid by the local people, and there is no mechanism where the government provides financial support. International organizations provide financial support. Mechanism through which sustainable preservation can be secured (tax, fund) has to be established.

Chapter 5 Issues of Tourism Development in Luang Prabang

5.1 Method of Compiling Issues

The issues are compiled based on interviews and workshop conducted in Lao PDR from the point of view of infrastructure, historical assets, history/culture/nature, socio-economic structure, living environment improvement, and tourism marketing.

5.2 SWOT Analysis for Tourism Development

The result of the SWOT analysis of the tourism sector in Luang Prabang Province is conducted based on the tourism development strategy of Luang Prabang, including the discussion with DICT and at workshop. The result is shown in Figure 5.2.1.

SWOT Analysis for Luang Prabang Tourism Sector		External Environment	
		Opportunity	Threat
		<p>O1: Party leaders are for tourism development in socioeconomic plan.</p> <p>O2: International Airport is improved in craft model and network.</p> <p>O3: World Heritage with access roads gradually improved.</p> <p>O4: Cooperation with neighboring countries in tourism sector.</p> <p>O5: FDI accelerated by ASEAN economic cooperation.</p> <p>O6: Global evaluation as one of the best destinations.</p>	<p>T1: Laws and regulations regarding World Heritage are not observed enough.</p> <p>T2: Negative impact on traditional society and local culture due to overemphasized tourism-oriented policy.</p> <p>T3: Fluctuation of oil price in the global market.</p> <p>T4: May be influenced by neighboring countries' political unrest and natural disasters</p> <p>T5: Economic aggression incurred by ASEAN economic cooperation due to insufficiency in qualified human resource.</p> <p>T6: Vulnerability of basic infrastructure</p>
Internal Environment	<p><u>Strength</u></p> <p>S1: Provincial authorities place importance on tourism sector.</p> <p>S2: Rich in cultural, natural and historical resources based on more than 1200-year history.</p> <p>S3: Already well-known not a few existing tourism resources</p> <p>S4: Very few restrictions against foreign and domestic investment</p> <p>S5: Both public and private sectors take responsibilities for World Heritage development and protection.</p> <p>S6: Existence of an international airport</p>	<p><u>Maximum utilization of strength</u></p> <ul style="list-style-type: none"> - Tourism shall be one of the most important sectors with enough promotion activities in foreign market. - Tourism products shall be diversified for duration prolongation and tourist dispersion. - Attract more foreign and domestic investment. 	<p><u>Avoidance by using strength</u></p> <ul style="list-style-type: none"> - Improvement in institutional aspects and guidelines with human development for legal operation. - Tourism promotion during the low season.
	<p><u>Weakness</u></p> <p>W1: Insufficient tourism sector human resources both in quantity and quality.</p> <p>W2: No master plan for tourism development.</p> <p>W3: Insufficient budget for tourism development.</p> <p>W4: Institutional improvement has not caught up with social changes.</p> <p>W5: Insufficient marketing & promotion especially in private sector.</p> <p>W6: Negative impact on Buddhism due to drastic globalization.</p> <p>W7: Insufficient development of access roads to destinations.</p> <p>W8: Service level has not reached the international standard yet.</p>	<p><u>Supplement & improvement by trying not to lose opportunity due to weakness</u></p> <ul style="list-style-type: none"> - Human resource development in tourism sector in cooperation with governmental and international supporting actors. - Conduct surveys, planning, designing and implementation for improvement in tourism management and infrastructure 	<p><u>Avoidance of the expected worst case</u></p> <ul style="list-style-type: none"> - Promote heritage protection, cultural protection and disaster resilience in cooperation with UNESCO and other donors.

Source: JICA Survey Team based on "Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)"

Figure 5.2.1 SWOT Analysis of Tourism Sector in Luang Prabang Province

The needs of the tourism sector in Luang Prabang Province are as follows:

- ① Diversification of tourism products to prolong visit duration to increase tourism income and to disperse town tourists into other destinations in the province to reduce environmental burden.
- ② Promotion of developed products in foreign market.

- ③ Attracting foreign and domestic investment so that local people profit more from tourism development.
- ④ Enhancement of human resource development for both public and private sectors in view of ensuring the sustainability of World Heritage sites, upgrading foreign visitors' satisfaction degree, and to compete with other Association of Southeast Asian Nations (ASEAN) countries in an integrated economy.
- ⑤ Conducting surveys, planning, designing, and implementation to improve tourism management and infrastructure
- ⑥ Improvement in institutional aspects and guidelines in human development for legal operation.
- ⑦ Tourism promotion during the low season in view of reducing the environmental negative impact during the high season as well as strengthening the competitiveness of the tourism industry in order to attract more tourists.
- ⑧ Promotion of heritage protection, cultural protection, and disaster resilience in cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and other international organizations, to ensure the sustainability of tourism in the global market.

5.3 Demand for Main Infrastructure Development

Issues on infrastructure development are compiled based on the priority of infrastructure, collaboration with UNESCO-related organizations from the project formulation stage, and implementation of the Heritage Impact Assessment (HIA).

5.3.1 Priority of Infrastructure

Issues of priority infrastructure are compiled for road and public transportation, water supply, sewerage, solid waste, storm water drainage, and river bank utilization.

(1) Road and Public Transportation:

Luang Prabang Tourism Zone

- ① Inside the Luang Prabang tourism zone, the access road connected to the village of handicraft has waterfalls or caves that is unpaved that makes its accessibility poor particularly in the rainy season. The damages on the pavement can be observed even if the paved roads and the existing bridge have been egregiously decrepit. In order to catch up with the demands of tourism and to be able to make access roads accessible regardless of the season or weather, the roads and bridges mentioned below are necessary for repair, rehabilitation, and maintenance for its pavement.

(i) Tourism Road

The majority of Luang Prabang tourists visit handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved and upgraded for it to be accessible.

(ii) National Road 13 North (NR13N)

The NR13N, the major arterial road (from the international airport to the city), has an important role for tourism and is positioned as the most important section for Luang Prabang tourism, that is why the improvement and enlargement of the existing road are significant issues.

(iii) Provincial Road

The provincial road is an access road (section) connected from NR13N to Tad Sae Waterfall (boat

station in the Khan River) is unpaved and gravel. The provincial road shall be improved and upgraded for it to be accessible.

(iv) National Road (NR) 2501

The pavement condition of access road connecting the city and the Kuang Si Waterfall, which has high demand of tourist, is poor and is damaged partially so the section shall be improved to catch up with the demands of tourism.

(v) Tourism Road

The connecting section of the tourism road between NR13N and NR2501 is gravel. The tourism road shall be improved and upgraded for it to be accessible.

(vi) Khan River Bridge

The existing Khan River Bridge has been egregiously decrepit and vehicle transport has been controlled at the bridge. It is necessary to rehabilitate and replace the bridge urgently for safety and upgrade its accessibility should be put into consideration.

- ② A number of registered vehicles in Luang Prabang Province have reached about 90,000. While the number of motor bikes is increasing year by year, development of parking lot is not well processed. Currently, illegal parking of motorbikes on specific roads at night time is becoming evident. Illegal parking seriously affects the road capacity oppression and causes disturbance of the scenery inside the World Heritage zone. Immediate securing of parking lot is one of the most critical issues to this area.
- ③ Traffic control is implemented in order to avoid trucks going inside the World Heritage site at day time and this kind of traffic control will be launched in more areas in the site. In the future, only electric vehicles (EV) will be allowed to go inside this district. This means public transportation, such as bus and *tuk-tuk*, are necessary to be motorized. Accordingly, the development of bus stop for EV bus is necessary to be processed for utilization and promotion of EV bus for tourists which is supported by JICA.
- ④ In order to reduce the dangers of crossing collision at intersections, installation of devices such as traffic lights and mirrors is necessary with consideration on speed control of vehicles and scenery.
- ⑤ Strengthening of connectivity for Luang Prabang, Chomphet District, and Thailand are promising and has good effects for 1) residents in Chomphet working for the Luang Prabang tourism, 2) possibility of utilizing community-based tourism and piece of handicraft work in Chomphet, 3) easiness of accessibility on land for tourists from Thailand. Because of the promised effects mentioned above, the construction of the Mekong Bridge had been initiated and a Chinese company had already made its conceptual design, but the business has been suspended due to various matters. For this matter, the Government of Luang Prabang Province is strongly asking for support from Japan.

Muang Ngoi Tourism Zone

- ⑥ Along the main street of Muang Ngoi tourism zone, weaving and handicraft shops and restaurants are clustered and flourishing with many tourists. However, pavement of the main street is not yet done and transportation is interrupted after the rain and the street becomes puddle. Therefore, it is necessary for the road to be paved by concrete or renovated to macadam road.

(2) Water Supply

The master plan was formulated based on the current conditions of water supply system in Luang Prabang District and estimates of future water demand. With these things in mind, the challenges of the water supply project are shown below.

- ① Firefighting equipment is necessary for the preservation of the World Heritage district. First-response fire extinguishing systems are essential, including more fire hydrants, small-size firefighting vehicles to navigate narrow alleyways, and on-site water gun devices and drenchers.
- ② There will be a deficiency of water supply capacity due to the increase in water demand from the urbanization of Luang Prabang District and the rising number of tourists. Thus, the improvement project of existing water supply facilities and expansion project (Phases 1, 2, and 3) of facilities will be needed. The contents of each project are shown in Table 4.2.2. As the utmost important parts of a water supply system, water sources will need to be increasingly dependable in terms of both quality and quantity in order to comply with the plans for the future. Since the Phou Phuang Spring's water volume is unreliable, facilities that will make use of the Mekong River and the Namkan River raw surface water will be required. However, since the development of dams upstream will lead to a reduction of river water, broad-based water resource management will be very important. The volume of supply water lacks especially in the dry season so the capacity of water treatment plant is unstable and concerns are being raised about aggravation of water quality.
- ③ It will be extremely important to secure funds for the implementation of the Master Plan for Water Supply System of Luang Prabang District. This may conceivably be completed with international yen loan, but since private investment and PPP activities will also be considered, plans for the regulation of these various projects will be necessary. A study of PPP project schemes is being undertaken by Japanese consultants, but the enhancement of relevant legislative systems is requested in order to promote these activities.
- ④ A concession contract related to a Luang Prabang water supply project has been negotiated between the Luang Prabang Provincial Authority and a Thai business Company D. According to MOU details concluded in May 2015, there are plans to build a 14,400 m³/day capacity WTP with a 30-year contract period. (According to the information provided by the Capacity Development Project for Improvement of Management Ability of Water Supply Authorities)
- ⑤ In the future, a rise in administrative capacity requires an increase in water supply facilities. A transfer of Japanese water supply management technology through JICA's Capacity Development Project for Improvement of Management Ability of Water Supply Authorities for Lao PDR is expected. Furthermore, as for the supervisory control systems that utilize telecommunications networks and GIS facility management systems for efficient management and updating, Japanese management techniques are superior. An effective introduction of these technologies must also be considered.
- ⑥ Water supply facility plans based on future water demand have not been formulated outside of Luang Prabang District. In the target area of this study, in Chomphet and Muang Ngoy villages, water is mostly for private use and adequate water supply facilities are not in place. For these reasons, the formulation of water supply facility plans that comply with future development conditions and the implementation of such projects will be requested.

(3) Sewerage System

Based on the current sewage system conditions in Luang Prabang District and on the Master Plan for Drainage and Sewerage System, the challenges of the sewage system project are shown below.

- ① In the current setup, there is no large-scale sewerage treatment system in place. Individual homes are equipped with septic tanks for human waste but domestic effluent is discharged into drainage channels. Rivers and drainage channels in the World Heritage area need to be improved. On the other hand, a large waste water treatment plant would be difficult to introduce here as it would ruin the scenery, so a community-level distribution sewage disposal facilities will be needed instead.
- ② Sewerage system development is going to require many years and large expense. For these reasons, it will be important to select areas of relative priority, such as densely populated areas or those under development for tourism, and establish new systems efficiently. Because of this, development in the surrounding areas will be extremely late, so until development can happen, septic tanks and/or community wastewater treatment tanks will need to be installed.
- ③ Compared with domestic sewage from private homes, drainage from businesses is more likely to contain oil and heavy metals and other materials that are very harmful to the environment. Therefore, there will be a need to have regular monitoring of emission water quality in addition to the coaching of business owners about thorough management of drainage water.
- ④ Careful consideration of placement, scale, and design will be necessary if there are plans to build a sewage treatment plant or relay pumping station in the World Heritage area because of the potential effect on the scenery.
- ⑤ Sewage pipes laid underground will not be a problem for the scenery, but excavation work itself will have a big environmental impact in the World Heritage area. Therefore, careful consideration must be taken regarding the construction process and safety control.

(4) Drainage

- ① In Zone I-A, the existing drainage system should be functioning properly with improved maintenance based on the detailed information of roadside drains, storm sewers, inlets, culverts, and outlets.
- ② In Zone I-B, detailed information of small rivers, streams, and wetlands should be investigated to develop the drainage system based on assessment of flow capacity and retention capacity. In developing the drainage system, small rivers, streams, and wetlands should be improved with access for maintenance and surrounding open space in order to create a better water environment in combination with land use management and wetland conservation.

(5) Utilization of Riverbank

- ① Along the Mekong River and the Nam Khan River, shops/restaurants have been established on the sidewalk and riverbank. For improving the landscape, the administrative control for shops/restaurants is planned to be implemented strictly. Meanwhile, the administrative control should be implemented carefully with social considerations for affected people as many of the existing shops/restaurants will be closed and relocated.
- ② Flood level should be taken into consideration for setting the level of terrace deck. For example, the level of terrace deck should be higher than the highest recorded flood level of 20.46 m (2008) for the last 30 years.

(6) Waste Disposal

Based on the current conditions and plans regarding garbage collection and disposal site in Luang Prabang District, the challenges regarding waste disposal are shown below.

- ① Waste disposal operations are carried out with the support of JICA and AFD including donations such as garbage collection trucks and waste disposal site management operation facilities. With an increase of waste products in the future, there will be a need to push towards keeping garbage disposal to a minimum. In addition to the 3R promotion to form a recycling-oriented society, more waste disposal sites will be needed.
- ② As for the collection and treatment of domestic waste from septic tanks, appropriate sludge treatment facilities will become necessary with the increase in domestic waste in the future.
- ③ Waste disposal problems are intimately related to air pollution, water pollution, and soil pollution. Lifestyle waste abandoned in spaces like streets, vacant lots, and canals not only ruin the city's beautiful views, it also putrefies and causes a bad stench. As a result, pollution in the atmosphere, soil, and water can have serious health risks and social/economic repercussions for the city's inhabitants.
- ④ The garbage from Luang Prabang District is not separated and there is no progress with recycling. Furthermore, the classification of industrial or hazardous waste from residents or businesses has not been clarified. Regulation-based management and publicity bulletins about these waste disposal issues are essential.
- ⑤ Until now, Lao PDR has been improving its waste management skills by leveraging with the Japanese experience. It runs programs to reduce health hazards and environmental degradation. Such engagements are carried out through technical cooperation projects and the deployment of individual experts. Going forward, Luang Prabang District will have to formulate a master plan for a suitable waste management with 3R promotion as a primary objective.

5.3.2 Collaboration with UNESCO-related Organizations from the Project Formulation Stage

Development in UNESCO World Heritage Site is regulated by PSMV. UNESCO is monitoring direct and indirect impact from the point of view of preserving the value of the heritage. Whether or not the projects have impact on heritage for some projects (project outside of the heritage area, environmental improvement project in the heritage site) is not clear. It is important to share the information with UNESCO and the International Council on Monuments and Sites (ICOMOS) and examine the project impact to heritage and minimize the impact to the heritage.

5.3.3 Implementation of Heritage Impact Assessment (HIA)

Impact assessment on the heritage is required for projects in the heritage site and its surrounding areas. Projects for which HIA are required depends on the type of the project. For the project that is located in the heritage site, it is expected that the project will have an impact on landscape and the project that may have indirect impact to heritage are expected to conduct HIA.

There have been cases where projects were implemented without conducting HIA, which lead the project to be suspended or the scope of it has to be changed. In order to avoid the project to be suspended or unnecessary increase in the project cost, heritage experts have to be assigned to analyse

the impacts to heritage from the project formulation stage and HIA shall be conducted twice (when outline of the project and details are confirmed) at the early stage of project implementation (e.g., feasibility study (F/S) or preparatory study stage).

5.4 Issues for Human Resource Development

Issues for human resource development are compiled from the point of view of human resources in the tourism industry and government officials who are responsible for tourism development.

5.4.1 Issues for Human Resource Development in the Tourism Business

A number of tourists have been increasing since Luang Prabang Province was registered as a UNESCO World Heritage. The Luang Prabang provincial government is aimed at promoting “calmness”, “relaxation”, and “comfortability” through utilization of history, culture, and nature. In order to accommodate tourist increase, many local people start participating in tourism business like renovating their houses to use as a guesthouse, but quality, hygiene, and services to tourists are not meeting the standard.

Improvement of design and quality of handicraft as souvenir that can be accepted by tourists has to be promoted. Some garbage, such as pet bottles, are seen in the river and in town. In order to maintain the landscape, community awareness on garbage management and cleaning are important. In addition, there is an issue on how the local people contact tourists such as local people selling food for alms giving at a high price.

In order to provide high quality of tourism services, improving service in the tourism business, community awareness on sustainable preservation of landscape, and improving how local people contact tourists have to be secured.

5.4.2 Issues on Government Officials Who are Responsible for Tourism Development

Preservation of the UNESCO World Heritage as an important tourism resource is considered as one of the important issues. Preservation and utilization of heritage assets are managed mainly by the Heritage Department of Luang Prabang Province. In order to continue preserving the assets, amendment and update of rules which matches the current situation are needed.

Luang Prabang tourism targets the middle-end to high-end groups. In order to promote tourism development to those groups, promotion of training for service improvement in tourism business, strengthening of tourism promotion, and involvement of government are essential.

Because of poor operation and maintenance of infrastructure and urban facilities whose construction was supported by international organizations, some infrastructure and urban facilities break quickly or cannot be used anymore.

As for the government, preparation and dissemination of regulation on heritage preservation and services improvement for tourism business (hotel, guesthouse, and travel agency), human resource development in tourism business, and improvement of the condition of urban facilities have to be promoted.

5.5 Issues of Impact on the Buildings in the Protected Area

Development activity and building construction in the heritage site is controlled by PSMV. Thanks to the regulation, the condition of heritage is well maintained. Those who engage in the tourism business consider that strict control is important to preserve the value of the heritage because it is considered as an important resource for tourism. Strict regulation, on the other hand, restricts rebuilding and causes high cost of reconstruction that affects the life of the people, which sometimes leads to outflow of local residents. It is necessary to consider preservation of heritage, but at the same time regulation should consider the livelihood of local residents. In addition, the mechanism through which tourism revenue can be used for preserving heritage has to be examined. Establishment of new mechanism to create revenue and to allocate for the restoration of buildings in the heritage site such as “fund” shall be examined.

The inflow of vehicles in the heritage site causes negative impact to environment such as traffic accident and air pollution. Traffic control and installation of electric vehicle have to be considered as part of heritage preservation.

5.6 Issues on Culture, Customs, and Nature

Intangible assets including “Culture” and “Traditional Way of Living” are considered as important tourism resources together with tangible asset such as heritage. Because of urbanization and influence of media, culture and traditional way of living are fading. Young generations, in particular, do not wear traditional dresses (particularly women wear traditional skirts), relationship with temple is not strong, and traditional way of living is disappearing as generation changes. There is a risk of losing attractiveness of tourist destination as the culture and traditional way of living disappears. In order to maintain attractive tourist destination, not only tangible assets (heritage) but also intangible assets (culture and traditional way of living) have to be preserved. In order to do so, promotion of education to local people and their participation in the tourism business is essential.

Tourists, on the other hand, occasionally do not understand culture and traditional way of living. Comments raised during the focal group discussion are dress and behavior of tourists (alcohol, manner, men and women behavior), and manner for alms giving. Since tourists’ dress and behavior are caused by cultural difference, guidebook, in which “what should not be done” (putting feet on table, not touching monks, not making loud voice, not wearing swimsuits in town) are illustrated. For improving alms giving manner, a brochure showing manners (how to take pictures, how to give food, not buy food from street vendors) is prepared and distributed to hotels and restaurants. Culture and traditional way of living are important tourist resources and measures to preserve and maintain them should be strengthened.

5.7 Issues on Socio-economic Structure

The tourism industry contributes greatly to economics. Direct beneficiaries include guesthouse, restaurants, car rental, and travel agency. Indirect beneficiaries include agricultural products, handicrafts, and construction. Based on the responses of people from the interview showed that the tourism business contributes to the increase in income and living condition improvement.

According to an Asian Development Staff (ADB) staff, the expenditure of tourists, on the other hand,

is low amounting below USD 200 compared with the expenditure in other counties (Thailand: USD 1,200, Vietnam: USD 1,250). In order to increase tourist expenditures, measures to extend the length of stay and improving the quality of handicraft to increase its value have to be promoted.

Burden to local residents in preserving and restoring heritage buildings is heavy and some people have to give up their properties. The hollowing out of local inhabitants affects the maintenance of temple activities and inheritance of culture and traditional way of living. In order to promote sustainability of the region, it is necessary to develop a mechanism which reduces burden to the community and benefit regional economy (residents can participate actively in tourism).

5.8 Issues on Living Environment Improvement

Tourism development is closely linked with living condition improvement. According to the focal group discussion, comments were raised on the improvement of living condition due to infrastructure development for tourism development and income generation from tourism businesses since Luang Prabang Province was registered as UNESCO World Heritage which accelerated the tourism activities.

Tourism development should not only benefit those who are engaged in tourism business but also to local people who are not directly involved in the tourism business. Infrastructure development and utility development should not be limited in the heritage site but should also consider balance in buffer zones and other tourist areas.

5.9 Issues on Future Marketing

According to the “Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)” , the Luang Prabang Province has set a goal for tourism development which contributes to economic development including an increase in number of tourists (700,000 in 2020 from 350,000 in 2014), increase in income from the tourism sector, increase in employment through preservation of the World Heritage sites, and promotion of culture and preservation of variety of natural resources. In order to achieve this goal, improving tourism service, improving tourist facilities, and efficient marketing and promotion to the target group are needed. In addition, active promotion, such as events that can be held regularly, has to be planned. Events are expected to draw tourists during off season.

Chapter 6 Current Situation of Assistance by Japan

6.1 Main Focus and Assistance Policy in Lao PDR

The policy of assistance in Lao PDR is “Support achieving MDGs and graduation from LDC status” with four priority areas namely: “Development of Economic and Social Infrastructure”, “Agricultural Development, Forestry, and Conservation”, “Improvement of Educational Environment and Human Resource Development”, and “Improvement of Healthcare Services” .

Table 6.1.1 Priority Areas and Programs

Assistance Policy: Support achieving MDGs and graduation from LDC status		
Priority Areas	Development Issues	Programs
Development of Economic and Social Infrastructure	Development of transport networks	Transport network development program
	Expansion of safe and stable electricity generation	Electricity development program
	Improvement and facilitation of investment and trade environment	Investment environment improvement support program
	Realization of comfortable society which harmonize with the environment	Urban environment improvement program
Agricultural Development, Forestry, and Conservation	Increase productivity of agriculture and fishery sector and stage wise development from self-consumption to commercial crops	Agriculture and rural development and capacity development of administration in agriculture and fishery
	Sustainable utilization of forestry resources and income increase	Forestry preservation and income increase program
Improvement of Educational Environment and Human Resource Development	Improvement of basic education	Basic education improvement program
	Strengthening of the private sector, improvement of secondary education and technical education to enhance the private economic sector	Secondary, technical, and vocational education program
Improvement of Healthcare Services	Strengthening of health system for maternal, neonatal, and child health improvement	Maternal, neonatal, and child health system improvement program
Others	Others	Governance strengthening program

Source: JICA Country Analysis Paper of Lao PDR, 2015, JICA

Major issues are summarized below.

Table 6.1.2 Development Issues to be Covered by JICA

Priority Areas	Detail
【 Priority Area 1: Development of Economic and Social Infrastructure】	<p>JICA supports numerous infrastructure projects, including the development of essential transport networks (roads, bridges, airports), that are instrumental to strengthening ASEAN connectivity. It also supports projects such as logistics parks that improve and facilitate the investment and trade environment, encouraging greater confidence and investment from the private sector, including Japanese companies.</p> <p>Alongside improving transport and economic links, JICA projects support safe and stable electricity generation, connectivity and expansion, which help to lessen disparities in access to electricity across Lao PDR, as well as contributing to the national economy through power exports.</p> <p>At the same time, in order to achieve balanced economic growth, JICA provides assistance in the fields of environmental management, water treatment, and urban planning that contribute significantly in creating an environment that meet the needs of local communities and wider society.</p> <p>(i) Transport network development: main road/road network development/improvement by considering O&M of existing road</p> <p>(ii) Electricity development: hydropower development is ongoing by utilizing rich water resources but transmission development is an issue. Assistance in the areas of domestic and international transmission development and electricity plan preparation capacity.</p> <p>(iii) Private sector strengthening: Assistance in foreign investment promotion including from Japan, human resource development for industrialization, tourism development which accounts for 16% of service in GDP in foreign currency earning, small and medium</p>

Priority Areas	Detail
	enterprises (SME) promotion which accounts for 97% of the industry. (iv) Urban environment development: Assist urban environment improvement including urban transport, water supply/wastewater, solid waste improvement in Vientiane Capital and regional core cities (Luang Prabang District, Savanaket, Pakse, Takeku)
【 Priority Area 2: Agricultural Development, Forestry, and Conservation】	Agriculture is a key industry in Lao PDR. JICA assistance aims to increase productivity in this sector through projects that promote irrigated agriculture and cultivation of commercial crops. These activities help to increase the earnings of farmers who constitute the majority of the country's poor, as well as helping Lao PDR to realize stable economic growth and narrow the development gap between urban and rural areas. At the same time, JICA extends assistance towards sustainable use of forest resources, which facilitates forest conservation, livelihood improvement and poverty reduction. (i) Agricultural development: Assistance for promotion of commercial products for domestic and international market, development of value chain in terms of logistics and sales. (ii) Forest preservation, income increase: Technical assistance for policy preparation capacity and implementation of REDD.
【 Priority Area 3: Improvement of Educational Environment and Human Resource Development】	Socio-economic development in Lao PDR is reliant upon the development of human resources. With this in mind, JICA provides assistance to help improve the country's educational environment, raise the quality of teachers, and enhance the management of schools. Particular attention is paid to science and mathematics instruction in primary and secondary education. Assistance is also extended to higher education and technical and vocational education in order to enhance the Lao private economic sector. Basic education improvement: Assist in the enhancement of the quality of education to help students excel in school, improve secondary education enrollment, and improve access to education.
【 Priority Area 4: Improvement of Healthcare Services】	JICA provides assistance to help strengthen the Lao healthcare system in view of achieving health-related MDGs. JICA projects that for the health sector, focus on developing human resources and improving health facilities, helping to increase access to healthcare services particularly those targeting maternal, neonatal, and child health are the main priorities. (i) Strengthening of health service: Improvement of health service in health facilities in the southern area, strengthening of access and safety net of medical facilities, improve health and hygiene.
【Cross-sectoral Area】	(i) Be mindful of the need to improve governance such as administrative capacity, institutional building, and the judicial system to help promote development and improve the effectiveness of assistance. (ii) Based on the action plan for "A Decade toward the Green Mekong" initiative, be mindful of compatibility between environmental impact and economic growth, sustainable development, and the need for measures against climate change. (iii) Unexploded ordnance (UXO), which continues to blight many parts of the country, presents a barrier to socio-economic development by impeding the expansion of farming and infrastructure. Be mindful of UXO clearance as a cross-sectoral issue.

Source: JICA Country Analysis Paper of Lao PDR, 2015, JICA, JICA Website (Laos Office)

For the tourism sector, “The Project of Prototype of Attractive Tourism Center in the East West Economic Corridor for Community Empowerment and Poverty Alleviation (2008-2011)” , was conducted to assist in the preparation of the tourism development plan and information technology development and provision of information. LPP “Laos Pilot Program for Narrowing the Development Gap towards ASEAN Integration JICA-ASEAN (2010-2015)” has been under implementation, in which, the tourism marketing promotion with public and private collaboration and activities and dissemination of community-based tourism development and promotion which benefits the local community in the pilot site are covered. A guidebook, both in Lao and Japanese, are prepared by senior volunteers in the tourism promotion sector.

6.2 Assistance in Luang Prabang Tourism Development

Assistance in Luang Prabang Province is covered by the environment management component of LPP through which “participatory urban condition improvement (solid waste)” was conducted to improve urban condition. In addition, the “Capacity Development Project for Improvement of Management

Ability of Water Supply Authorities” (Vientiane Capital, provinces of Luang Prabang and Khammouane) is conducted to support the strengthening of development planning skills and project management skill which contribute to improve water supply in Luang Prabang District. In addition, the "Pilot Study for the Project Formulation for Luang Prabang Tourism Sector Development Project (JBIC) (2007)" was conducted and proposed for tourism development assistance.

According to the interviews in Luang Prabang Province, the contribution of these two projects for improving urban conditions was raised. Considering the priority projects, possible linkage with these projects will be considered. The project outline is shown in the table below.

Table 6.2.1 Outline of LPP (Environment)

Project Name	Laos Pilot Program for Narrowing the Development Gap towards ASEAN Integration (LPP, Environment)
Project Site	Environment: Vientiane Capital, Luang Prabang Province, Xayaburi Tourism: Champassak, Savannakhet, Khammouane Agriculture: Vientiane Capital
Term of Cooperation	October 2010 – October 2015
Environment Management Component	<p>Objective</p> <p>Environmentally Sustainable Cities (ESC) preparation is promoted based on the ASEAN Initiative for ESC (AIESC) in Lao PDR.</p> <p>Outputs</p> <ol style="list-style-type: none"> 1. The extent to which “the guidelines on ESC is formulated and disseminated based on the National Environmental Strategy 2020 and related strategies and action plans”. 2. The extent to which “as part of urban environmental management (UEM), solid waste management (SWM) in the three pilot project cites is improved based on the guidelines on ESC”. 3. The extent to which “community-based urban environmental management for SWM is promoted in the three pilot cities”. <p>Activities</p> <p>Output 1</p> <ol style="list-style-type: none"> 1-1. Basic environmental information of pilot cities are collected and analyzed 1-2. Laws, strategies, and action plans for environmental management are collected and analyzed 1-3. The best practices of UEM in ASEAN counties are reviewed and their applicability to Lao PDR is analyzed 1-4. The visions for ESC of the pilot cities are formulated 1-5. Action plans for the environment and development of the pilot cities are formulated 1-6. The ESC Guidelines of Lao PDR are formulated 1-7. The ESC Guidelines of Lao PDR are finalized and the manual for the guidelines is prepared <p>Output 2</p> <ol style="list-style-type: none"> 2-1. The pilot projects for urban environmental management are selected 2-2. Pilot projects are planned 2-3. Pilot projects are implemented 2-4. The results of the pilot projects are presented <p>Output 3</p> <ol style="list-style-type: none"> 3-1. The best practices of community-based UEM in Lao PDR are reviewed 3-2. The best practices of community-based UEM in ASEAN countries are reviewed and their applicability to Lao PDR is analyzed 3-3. The environmental education and awareness (EEA) programs for SWM improvement in the pilot cities are formulated 3-4. The EEA pilot projects to facilitate Activity 2.2 are planned 3-5. EEA Tools for SWM are developed and the implementation system is enhanced. 3-6. The EEA pilot projects are implemented 3-7. The results of the EEA pilot project are analyzed 3-8. The EEA pilot projects are presented in collaboration with Activity 2.4

Source: <http://www.jica.go.jp/project/laos/008/outline/>, Joint Terminal Evaluation Report for the Laos Pilot Program for Narrowing the Development Gap towards ASEAN Integration (LPP), 2015

Table 6.2.2 Outline of Capacity Development Project for Improvement of Management Ability of Water Supply Authorities

Project Name	Capacity Development Project for Improvement of Management Ability of Water Supply Authorities
Project Site	Vientiane Capital, Provinces of Luang Prabang and Khammouane
Term of Cooperation	From August 24, 2012 to August 23, 2017
Environment	<p>Objective of the Project The system of strengthening the capacity management of the water supply state enterprises (WSSEs) with mid-term and long-term views is established in Lao PDR</p> <p>Outputs</p> <ol style="list-style-type: none"> 1. Data necessary for long-term, mid-term, and short-term corporate planning at each pilot WSSE is available on an ongoing basis. 2. The pilot WSSEs are managed based on long-term, mid-term, and short-term Corporate Plans (CPs) through Plan-Do-Check-Action (PDCA) cycles. 3. Monitoring of the Corporate Plan, including Performance Indicators (PIs), is strengthened. 4. Technical guidelines on corporate planning is developed, utilizing the results of Outputs 1 to 3. 5. A mechanism to disseminate techniques and knowledge relevant to the new technical guidelines to other WSSEs and private enterprises is developed, utilizing the results of Outputs 1 to 4. <p>Activities</p> <p><For Output 1> 1-1 Review the availability and current management of data necessary for corporate planning at each pilot WSSE. 1-2 Develop an improvement plan for data management with a check list, including the way to adapt "Asset Management" approach of Japanese water supply sector to local situation at each pilot WSSE. 1-3 Implement the improvement plan at each pilot WSSE. 1-4 Develop a data management manual for corporate planning in Lao and English for approval by DG/DHUP.</p> <p><For Output 2> 2-1 Review the existing management plans, planning process, and the current management status at each pilot WSSE. 2-2 Develop an improvement plan for business management, including outlines of 10-year, 5-year, and 3-year CPs at each pilot WSSE. 2-3 Forecast long-term demand for water supply and replacement/renovation of water supply facilities ^[2], as well as long-term financial balance (i.e., revenue and expenditure), utilizing the data obtained through Output 1 at each pilot WSSE. 2-4 Develop a 10-year CP (up to 2020) at each pilot WSSE for approval by its Board of Directors. 2-5 Develop a 5-year CP (up to 2015 and/or 2016-2020) at each pilot WSSE for approval by its Board of Directors. 2-6 Develop a 3-year rolling CP, and then revise it annually at each pilot WSSE for approval by its Board of Directors. 2-7 Implement the annual action plan of the 3-year rolling CP at each pilot WSSE. 2-8 Review and revise the 10-year CP as appropriate at each pilot WSSE for approval by its Board of Directors. 2-9 Develop a corporate planning manual together with individual manuals for some specific areas, in Lao and English for approval by DG/DHUP.</p> <p><For Output 3> Provincial Level 3-1 Review the internal monitoring system ^[3] of the existing management plans and PIs at each pilot WSSE. 3-2 Develop an internal monitoring system for CP, including PIs, based on the review at each pilot WSSE. 3-3 Conduct monitoring of CP, including PIs, based on the system developed above at each pilot WSSE, the results of which would be fed back to the data management under Output 1 and corporate planning under Output 2. 3-4 Improve the internal monitoring system for CP, including PIs, at each pilot WSSE as appropriate.</p> <p>National Level 3-5 Review the monitoring system of PIs at WASRO in the context of CP. 3-6 Develop a monitoring system for CP, including PIs.</p>

	<p>3-7 Conduct monitoring of CPs, including PIs, of the pilot WSSEs.</p> <p>3-8 Improve the monitoring system for CP, including PIs, based on the results of Activity 3-7 for application to all WSSEs.</p> <p>3-9 Review the Guidelines on Service Performance Targets for Water Supply and Regulatory Monitoring of Service Level (2010).</p> <p>3-10 Develop a draft of the revised guidelines for review and approval by the Water Supply Regulation Committee.</p> <p><For Output 4></p> <p>4-1 Establish a Guidelines Committee. ^[4]</p> <p>4-2 Develop a draft outline of the guidelines for finalization by the committee.</p> <p>4-3 Develop a draft guidelines, reflecting the results of Outputs 1 to 3, for the comments of the committee.</p> <p>4-4 Modify the draft guidelines based on the above comments for approval by the Committee.</p> <p>4-5 Submit the approved draft to the Minister of Public Works and Transport for endorsement.</p> <p>4-6 Publish the guidelines in Lao and English.</p> <p><For Output 5></p> <p>5-1 Identify the core resource persons at each pilot WSSE for future dissemination of the transferred knowledge/techniques within their respective WSSEs.</p> <p>5-2 Provide on-the-job training to the core resource persons through Outputs 1 to 3.</p> <p>5-3 Provide Trainer’s Training to the core resource persons.</p> <p>5-4 Organize three regional introductory seminars on long-term, mid-term, and short-term corporate planning, one each at a pilot WSSE.</p> <p>5-5 Review the existing training program at the Training Center of NPPL in light of the new Technical Guidelines.</p> <p>5-6 Modify the existing course(s) and/or develop new course(s) based on the review at the Training Center.</p> <p>5-7 Implement the modified and / or new training course(s) at each pilot WSSE.</p> <p>5-8 Improve the above training course(s) based on the feedback from the participants.</p> <p>5-9 Develop a dissemination plan for corporate planning for DHUP based on the results of the project for approval by DG/DHUP.</p>
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Source: JICA Website <http://www.jica.go.jp/project/english/laos/012/index.html>

In the “Pilot Study for the Project Formulation of Luang Prabang Tourism Sector Development (JBIC) 2007” , the project and program package were proposed in Luang Prabang tourism zone.

Table 6.2.3 Outline of Pilot Study for the Project Formulation of Luang Prabang Tourism Sector Development

Development Package	Contents
Development Package 1: World Heritage Site (Inner Area)	<ul style="list-style-type: none"> • Rehabilitation and Improvement of the Royal Palace Museum • World Heritage Commemoration Park • World Heritage Conservation Museum • Boat Landing Improvement • Fire Fighting System Development • Traffic Safety and Management Improvement in LPB Urban Area • Tourism Site Development in Xieng Mene • Northern Tourism Information Center
Development Package 2: LPB Outer Urban Area	<ul style="list-style-type: none"> • Handicraft Village Improvement and Promotion • Access Improvement to Tourism Resources in Suburban Area • Road Construction for Northern LPB and Nam Khan Tourism Area Development (New Bypass Road) • Improvement of Water Supply Capacity • New Ferry Port Development • Recreational Facility Development • Forest Trail Improvement in Chomphet District
Development Package 3: LPB South	<ul style="list-style-type: none"> • Tourist Attraction Improvement in Kuang Si Waterfall Area • Forest Trail Improvement in LPB Southern Area
Development Package 4: LPB South – Mekong Route	<ul style="list-style-type: none"> • Village Tourism Development along Mekong Route
Development Package 5: LPB North and Nam Ou Route	<ul style="list-style-type: none"> • Pak Ou Area Improvement • Access Improvement to Pak Ou • Pak Xuang Development • Forest Trail Improvement in LPB Northern Area

Development Package	Contents
Development Package 6: LPB East – Nam Khan Route	<ul style="list-style-type: none"> • Tad Sae Waterfall Area and Forest Trail Improvement • Village Tourism Development along Nam Khan Route • Nam Khan Eco-valley Nature Study and Information Center
Development Package 7: LPB Farther North	<ul style="list-style-type: none"> • Road Improvement in Nong Kiwau Village
Development Package 8: Capacity Development, Environmental Management, Marketing, and Promotion	<ul style="list-style-type: none"> • Improvement of Central Tourism and Hospitality Training Center (THTC) • Development of Mobile Training Unit for Northern Tourism HRD • Capacity Development of LNTA and LPB Provincial Tourism Office • Rehabilitation of Landfill Site in Luang Prabang Province • Environmental Awareness Campaign • Tourism Marketing • Promotion Program

Source: Pilot Study for the Project Formulation for Luang Prabang Tourism Sector Development Project (JBIC)

According to DICT of Luang Prabang Province, the result of the project is shared among the Lao government and ADB and some projects have already been implemented e.g., bypass road of LPB District, improvement of water supply in LPB, access road to Chomphet District. ” Access road to Pak Ou Cave” is planned to be implemented (ADB Greater Mekong Sub-region Tourism Infrastructure for Inclusive Growth Project (2014-2019)).

Chapter 7 Assistance for Tourism Development by International Organizations

7.1 Position of UNESCO World Heritage Office

UNESCO functions as “coordinating agency” which coordinates related organizations for project implementation and provides advice for the project. The International Council on Monuments and Sites (ICOMOS), on the other hand, has database on monitoring and evaluation of World Heritage sites and heritage experts and provides technical support to preserve world heritage.

The points of discussion regarding tourism development and candidate projects with the UNESCO Bangkok Office are summarized below.

- It is important to improve urban facilities in Luang Prabang World Heritage Area and its surroundings and urban environment improvement should be promoted.
- In order to maintain the value of world heritage for the future generations, consideration of sustaining heritage value is important.
- Heritage experts should be involved from the project formulation stage and examine the impact of projects to heritage.
- The Heritage Impact Assessment (HIA) should be conducted at the early stage of the project through which postponement of the project and rising cost should be avoided.

7.2 Asian Development Bank (ADB)

The Asian Development Bank (ADB) has started its assistance to Lao PDR since 1968 and the total amount of assistance has reached USD 1,869.43 million which is the largest contributor to Lao PDR among international organizations. Since 2002, ADB assistance to Luang Prabang World Heritage Area and its surroundings is realized through the “Greater Mekong Sub-region Tourism Infrastructure for Inclusive Growth Project” (currently in phase 3) and plays an important role in Luang Prabang development.

Phase 1 was implemented from 2002 to 2010 which covers Lao PDR, Vietnam, and Cambodia. For Luang Prabang tourist zone, “access improvement to Kuanshi Waterfalls” was implemented. The project outline is summarized below.

Table 7.2.1 Project Outline (Phase 1)

Project Period	2002-2011
Project Cost	Total: USD 54.26 million (Lao PDR: USD 16.19 million, Vietnam: USD 11.62 million, Cambodia: USD 26.46 million)
Executing Agencies	The Lao National Tourism Administration in Lao PDR Viet Nam National Administration of Tourism in Viet Nam Ministry of Tourism, Cambodia
Project Components	Output A: Tourism-related infrastructure improvements 1. Urban environmental improvement 2. Small airport extension and rehabilitation 3. Access road improvement 4. River tourism pier development Output B: Pro-poor, community-based tourism development 1. Community participation in tourism development 2. Community awareness of tourism benefits and environmental and cultural conservation 3. Pro-poor tourism products identification 4. Small-scale, community-related tourism infrastructure 5. Capacity building for tourism-related micro enterprises and communities

	6. Gender development strategy 7. Ethnic minority participation strategy 8. Marketing and promotion plan 9. CBT networks 10. Project performance monitoring system Output C: Sub-regional cooperation for sustainable tourism 1. GMS facility for tourism cooperation 2. Improvement of tourism facilities at border posts 3. Establishment of a GMS network of tourism marketing and promotion boards 4. GMS hotel classification system 5. GMS tourism plan 6. GMS tourism statistics improvement and harmonization 7. Diversification of AMTA human resources 8. GMS tourism human resource development Output D. Implementation assistance and institutional strengthening
Project Area	Luang Prabang: Kwanshi Falls road improvement

Source: Kingdom of Cambodia, Lao People's Democratic Republic, and Socialist Republic of Viet Nam: Greater Mekong Subregion: Mekong Tourism Development Project

Phase 2 was implemented from 2009 to 2013 which covers Lao PDR and Viet Nam. For Lao PDR, Bokeo, Champassak, Houaphanh, Luang Namtha, Oudomxay, Saravanh, Savannakhet, Vientiane, and Xayaboury were covered but Luang Prabang Province was not included. The project outline is summarized below.

Table 7.2.2 Project Outline (Phase 2)

Project Period	2009-2013
Project Cost	Total: USD 21.98 million (Lao PDR: USD 10.87 million, Viet Nam: USD 11.11 million)
Executing Agencies	The Lao National Tourism Administration in Lao PDR The Ministry of Culture, Sports, and Tourism in Viet Nam
Project Components	(i) A model for sustainable tourism development projects protecting the environment and cultural heritage (developed), - Siphandone Wetland (Lao PDR) - Vang Vieng town environmental improvement (Lao PDR) - Phong Nha Ke Bang National Park (Viet Nam) - Ethnic minority cultural heritage development in Bac Kan (Viet Nam) (ii) Pro-poor, community-based, supply-chain tourism projects (operational), (iii) GMS tourism corridors (developed), (iv) Human resource capacity of public and private tourism stakeholders (improved), and (v) Efficient project management services.
Project Area	Lao PDR (Bokeo, Champassak, Houaphanh, Luang Namtha, Oudomxay, Saravanh, Savannakhet, Vientiane, and Xayaboury) Viet Nam (Bac Kan, Cao Bang, Quang Binh, Quang Tri, and Thua Tien Hue)

Source: Proposed Grant to the Lao People's Democratic Republic and Loan to the Socialist Republic of Viet Nam: Greater Mekong Subregion Sustainable Tourism Development Project

Currently, ADB has been supporting infrastructure development and capacity development for tourism development through the "Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth Project (2014-2019)". The project includes (i) improved last-mile tourism access infrastructure, (ii) improved environmental services in cross-border tourism centers, (iii) strengthened institutional capacity to promote inclusive tourism growth, and (iv) effective project implementation and knowledge management. The table below shows the outline of the project.

Table 7.2.3 Project Outline (Phase 3)

Subproject and Output	Description
Output 1: Improved Last-Mile Tourism Access Infrastructure	
1.1. Xang Cave Access Improvements, Khammouane	The subproject will (i) improve the 4 km access road; (ii) upgrade green space and walking paths; (iii) construct a public tourist reception area with parking, kiosks, and sanitation; and (iv) upgrade the existing footpaths and lighting inside the cave. At least 1,900 residents will benefit from the improved access road and expansion of local tourism-related enterprise opportunities.
1.2. Chomphet Heritage District Access Improvements, Luang Prabang	The subproject will (i) upgrade the Mekong ferry terminal and 2 km of feeder roads in Ban Xieng Maen, and (ii) rehabilitate four riverside landings to provide year-round access to temples in the heritage district. Improved public facilities and environmental management will benefit 2,100 residents and 97 ferry operators.
1.3. Ban Xang Hai–Tham Ting Cave Access Improvements, Luang Prabang	The subproject will (i) improve the 10 km access road between Route 13, Xang Hai Village and Pak Ou Village; (ii) rehabilitate four concrete river landings, 1 km of linked footpaths with drainage, and public sanitation in Xang Hai and Pak Ou villages; and (iii) supply six steel pontoons. Year-round public access by land or river will benefit at least 3,000 residents and 64 boat operators.
1.4. Chom Ong Cave Access Improvements, Oudomxay	The subproject will (i) improve the 54 km access road; (ii) construct a public tourist reception area with parking, kiosks, and sanitation; and (iii) construct a network of illuminated footpaths inside the cave. At least 8,000 residents will benefit from improved access to markets, social services, and opportunities to gain income from increased tourism traffic and agricultural production.
Output 2. Improved in Environmental Services in Cross-border Tourism Centers	The subproject will (i) rehabilitate internal roads, 2 bridges, and the tourist reception center at Sikhottabong Stupa; and (ii) construct vendor kiosks, parking, public sanitation, and a solid waste transfer station and small materials recovery facility. Improved environmental services and expanded public green space will benefit 35,000 residents of Thakhek City.
Output 3: Strengthened Institutional Capacity to Promote Inclusive Tourism Growth:	Output 3 will complement infrastructure investments in Khammouane, Luang Prabang World Heritage Area, and Oudomxay, and augment ongoing ADB assistance in Champassak, 17 by building capacity to (i) improve destination management, (ii) promote small and medium-sized enterprise development, and (iii) prevent the negative social and environmental impacts of tourism.
Output 4: Effective Project Implementation and Knowledge Management	Output 4 focuses on counterpart capacity building to ensure that financial management and procurement, civil works design and supervision, environmental and social safeguards monitoring, and the preparation of operation and maintenance (O&M) plans for project facilities are compliant with ADB and government requirements.

Source: Report and Recommendation of the President of the Board of Directors, August 2014

Table 7.2.4 Project Cost

Item	Amount (USD in millions)
A Base Cost	
Output 1: Improved Last-mile Tourism Access Infrastructure	26.74
Output 2: Improved Environmental Services in Cross-border Tourism Centers	1.08
Output 3: Strengthened Institutional Capacity to Promote Inclusive Tourism Growth	2.15
Output 4: Effective Project Implementation and Knowledge Management	6.20
Sub Total (A)	36.17
B. Contingencies	6.61
C. Financing Charges During Implementation	0.79
Total (A+B+C) 43.57	43.57

Source: Report and Recommendation of the President of the Board of Directors, August 2014

Table 7.2.5 Implementation Organization

Aspects	Arrangements
Implementation Period	November 2014–June 2019
Management	
(i) Subregional Steering Committee	Vice Minister, MICT; senior officials representing the Ministry of Tourism, Cambodia and the Ministry of Culture, Sports, and Tourism, Viet Nam (rotating chair)
(ii) National Steering Committee	Vice Minister, MICT (chair); vice governors of Champassak, Khammouane, Luang Prabang, and Oudomxay; senior officials representing MPWT, MPI, MOF, MONRE, and LWU (members)
(iii) Provincial Steering Committees	Vice Governor (chair); DICT, DPWT, DONRE, LWU, and LNF of participating provinces (members)
(iv) Executing Agency	Ministry of Information, Culture, and Tourism
(v) Project Coordination Unit	Tourism Development Department, MICT (6 PCU staff)
(vi) Implementing Agencies	DICT of participating provinces
(vii) Implementation Units	Khammouane, Luang Prabang, and Oudomxay PIUs with full-time DICT and DPWT counterparts (14 staff in each PIU); Champassak PIU with full-time DICT counterparts (11 staff in the PIU)

Source: Report and Recommendation of the President of the Board of Directors, August 2014

According to a staff of ADB Vientiane Office, as for the assistance in Luang Prabang tourism development, ADB is supporting infrastructure development and capacity development, *Agence française de développement* (AFD) is supporting infrastructure (pedestrian walkway, parking) in the UNESCO World Heritage Site and renovation of heritage buildings, while Luxemburg is supporting vocational training in tourism. JICA's support for infrastructure development (road, transport, water supply, wastewater, drainage, solid waste) and capacity development (government and private for tourism service development) will not cause any duplication among international organizations, but assistance among international organization can be effective.

7.3 France Development Agency (*Agence Française de Développement: AFD*)

In 1993, AFD started assistance for Lao PDR in urban development, agriculture, world heritage protection, etc., which covers the whole country including the Luang Prabang World Heritage Area. AFD invested EUR 33 million over 40 projects during the last 20 years (1993-2014), of which, direct and indirect beneficiaries are said to total 500,000 households.

In 1998, AFD launched the *Plan de Sauvegarde et de Mise en Valeur* (PSMV) and assistance in sustainable development of the town of Luang Prabang, which was followed by a comparatively new but similar project in Wat Phu located in the southern part of the country. This support is being conducted in close cooperation with UNESCO and Chinon City (France). AFD's fund for Luang Prabang Heritage Area from 1999-2012 totaled EUR 11.5 million (USD 15 million) which supported different projects: renewal of existing constructions, road and alley development, drainage and electric power networking, assistance for local authorities in charge of heritage protection such as DPL.

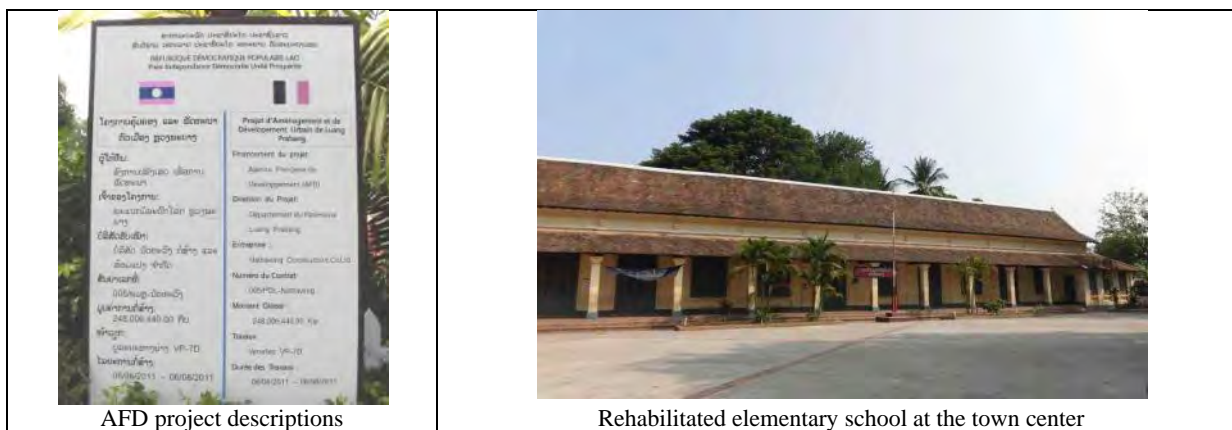
Recently, AFD committed a project named *Projet d'Appui au Développement Urbain de Luang Prabang* (PADUL) consisting of two phases as shown in Table 7.3.1.

Table 7.3.1 AFD Support in Luang Prabang World Heritage Area (PADUL)

Project	Agreement	Project Cost	Objective
PADUL Phase I	June 2009	USD 3 million	1. To balance socioeconomic development, preservation, and enhancement of heritage sites 2. To sustain institutions in charge of Luang Prabang management 3. To improve local governance (Major support on infrastructure) Drainage and sewage system master plan (USD 325,060)
PADUL Phase II	March 2012	USD 2.6 million	1. To sustain the achievements of continuous support for Luang Prabang World Heritage Area by: i) institutional support to organizations responsible for heritage preservation and urban management, and ii) heritage restoration works and urban development in the protected area. 2. To elaborate on a strategy for balanced Luang Prabang development especially in the tourism sector to ensure a sustainable future based on heritage resources. (Major support on infrastructure) Pilot project of water treatment for group of ponds (EUR 200,000)

Source: AFD and Embassy of France in Lao PDR

AFD projects' description can be seen everywhere in the town as shown in Figure 7.3.1. An elementary school located at the town center, which had been left crumbling for a long time, was rehabilitated and renewed nicely.



Source: JICA Survey Team

Figure 7.3.1 AFD Support in Luang Prabang Heritage Area

7.4 Luxembourg

The Government of Luxembourg has been supporting human resources development through Lao National Institute of Tourism and Hospitality (LANITH) since 2008. The project period is eight years. LANITH has established a school in Vientiane Capital (2010, EUR 1 million) and Luang Prabang World Heritage Area (2012, EUR 500,000) and provides two-year diploma courses in hotel service, restaurant service, and tourism operation. The outline of LANITH is shown below.

Mission: Build a tourism and hospitality "Centre of Excellence" to educate, train, innovate, communicate, and unite.

Educate: The LANITH Diploma offers four, two-year international-level majors – food production, food and beverage service, accommodation operations, and travel and tourism operations – at its Vientiane campus. The programme targets the next generation of career-minded hospitality and tourism professionals and service sector leaders.

Train: LANITH's award-winning Passport to Success industry training programme offers more than 40 multi-day modules aimed at Lao PDR' current tourism and hospitality workforce. Internationally educated Lao trainers deliver instruction in the Lao language. The programme plots trainee's progress in the "Passport to Success" booklet and presents a path for professional development by meeting ASEAN standards for competency-based training courses.

Innovate: Innovation is at the core of LANITH. Rather than employ a standard model for human resource development, LANITH customises its approach to fit Lao PDRs' burgeoning staff requirements through sustainable strategies. LANITH aggressively pursues public-private sector partnerships and harmonization with other donor agencies in pursuit of its vision and mission.

Communicate: LANITH is committed to creating awareness, communicating its activities and progress, and presenting an arena to raise and discuss important cross-cutting industry issues among all stakeholders: travel professionals, trade staff and management, government agencies, development organizations, educators, students, civil society, and foreign visitors. To accomplish this, LANITH employs several multimedia tools, and organizes periodic LANITH symposia which add another effective platform for engagement.

Unite: LANITH unites the entire visitor economy through a common vision and shared ideological conviction to excellence.

7.5 Collaboration with International Organizations

The main supporting agencies for Luang Prabang tourism development are ADB, AFD, and Luxemburg. Possible collaboration with these agencies is summarized below.

- Infrastructure development: ADB is supporting infrastructure development (road) and capacity development. For infrastructure development, road network can be improved through collaboration with ADB support. Such collaboration includes road develop that is not covered by ADB support.
- Tourism development and landscape improvement: AFD is supporting renovation of historic buildings, pedestrian way improvement, car parking development, and undergrounding of the power line. Urban environment in the city center (including river bank improvement) can be efficient and effective through collaboration with AFD. (Area and sector demarcation).
- Urban environment: AFD is supporting master plan formulation for drainage and wastewater. Assistance needed for these sectors can be based on the master plan.
- Human resources development: LANITH operation is supported by the Luxemburg government. Human resources development can be collaborated with LANITH including supplementing the fields of human resources (hotel service, restaurant service, and guide). In addition, standards for hotel and tour guide are under preparation among GMS nations which can be utilized for human resource development for the Luang Prabang tourism service improvement.

7.6 Others

In addition to the assistance by the international organizations, China and Korea have been investing mainly on tourism facilities. The outline of the investment is summarized below.

Table 7.6.1 Construction of Tourism-related Facilities

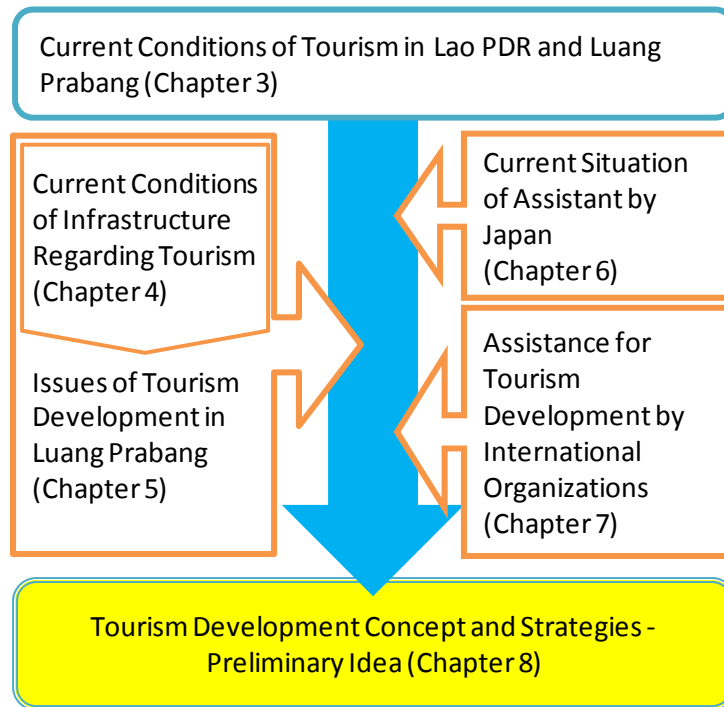
Project	Outline
Golf Course	<ul style="list-style-type: none"> • Development area: 1,030 ha, 18 holes • Invested by Korean in 2006. Management is transferred to Lao company in 2013 • Most visitors are from Lao PDR
Hotel	Chinese government is constructing large-scale hotels (123 rooms) through concession (50 years) in Ban Pongvann. To be completed in 2017.
Development in surrounding area of Kuang Si Waterfall	Plan to construct hotel and golf course. Survey and study is under implementation as of October 2015.

Source: JICA Survey Team, prepared based on interviews.

Chapter 8 Tourism Development Concept and Strategies (Preliminary Idea)

8.1 Elaboration Process of Tourism Development Concept and Strategies

The elaboration process of tourism development concept and strategies is shown in Figure 8.1.1.



Source: JICA Survey Team

Figure 8.1.1 Idea on Tourism Development Concept and Strategies

8.2 Luang Prabang Tourism Development Concept

The concept of Luang Prabang tourism development was elaborated based on interview surveys conducted with different authorities concerned between July and October 2015 in Luang Prabang Province and Vientiane Capital. The workshops were held in Luang Prabang Province on July 16 and October 2, 2015; and Vientiane Capital on July 23, 2015. The seminar on Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020) was held in Vientiane Capital on October 7, 2015.

Judging from the contents of the Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020) and the results of the interview with the Ministry of Information, Culture, and Tourism (MICT), “Providing a relaxing and comfortable atmosphere to middle to high-end tourists through experiencing the history, culture, and nature of Luang Prabang” was considered to be the most appropriate concept. This is because history, culture, and nature are regarded as the three main tourism resources in the plan, and MICT intends to differentiate Luang Prabang Province from other destinations in Lao PDR such as Vang Vieng, where a negative impact regarding the violation of traditional public order and morality due to the increase in number of foreign tourists has caused much controversy in Lao PDR society. The Lao PDR side agreed with the idea.

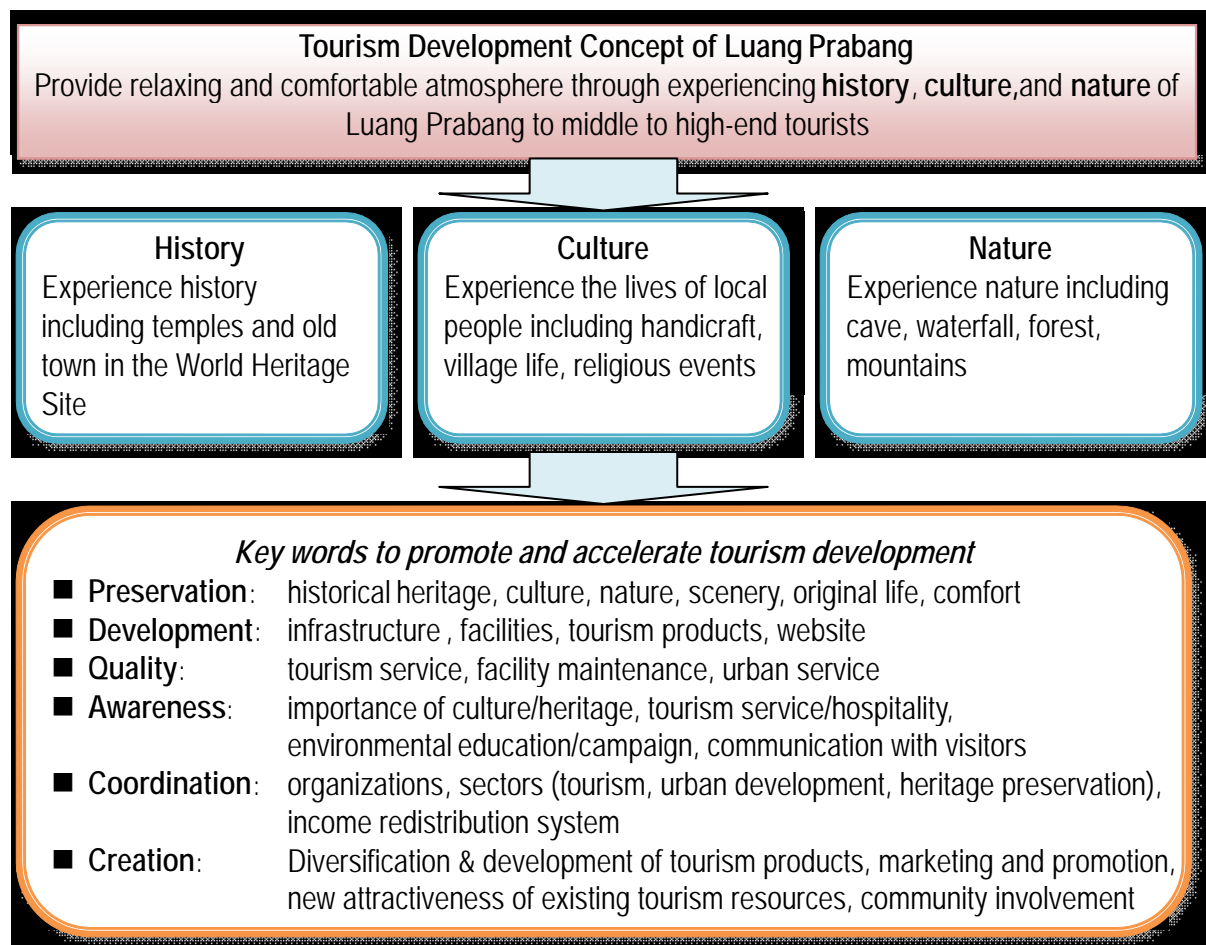
In the workshop held on October 2, 2015 in Luang Prabang Province, the six key words that had been preliminarily agreed in July were discussed again in terms of interpretation of the words, without forgetting the needs from the viewpoint of history, culture, and nature. The discussion results are as shown in Table 8.2.1.

Table 8.2.1 Interpretation of the Six Key Words

Group Key Word	Tourism Development	Infrastructure Development
Preservation	<ul style="list-style-type: none"> • Preservation of the Phousi and Grand Palace as symbol of tourism resources • Preservation of traditional cityscape • Preservation of the landscape of the Khan River • Preservation of clean and comfortable town (garbage, drainage, air, smoke free) • Respect for alms giving tradition • Preservation of community through regulating concession from foreign investment • Strengthening of education to young generation (Lao traditional dress, language) 	<ul style="list-style-type: none"> • Utilization of existing infrastructure through rehabilitation • Improvement of drainage • Forest preservation for water resources • Clarifying responsibility for water resources • Strengthening environmental education • Strengthening of town and preservation of greenery
Development	<ul style="list-style-type: none"> • Improvement of zoning in the tourist site and temple service management • Development of tourist facilities (toilet, tourism information board, tourism information center) • Improvement of access to tourist sites • Development of new tourist sites • Website development • Improving business hour in the tourist site (Phousi) • Brand creation of tourism product 	<ul style="list-style-type: none"> • Integrated road improvement on designated route (not by individual road) • Car parking development to reduce street parking • Greenery development in town • Provision of adequate water supply • Development of landfill site (expansion, new) • Construction of toilets • Improvement of drainage
Quality	<ul style="list-style-type: none"> • Equipment provision for service improvement • Education and training for restaurant, hotels/guest house, tour guide • Quality improvement of food (sophistication, safety, cost performance) • Improvement of entrance fee, accommodation, and transportation 	<ul style="list-style-type: none"> • Development of infrastructure for securing safety (pavement, water volume/quality) • Urban service improvement (road access, water supply, drainage, wastewater, septic tank)
Awareness	<ul style="list-style-type: none"> • Environmental education to public and private, campaign (impact of tourism development to nature, culture, history) • Strengthening of mutual understanding through communication between the community and the tourists 	<ul style="list-style-type: none"> • Awareness improvement of community on World Heritage • Awareness improvement of community on infrastructure (water use) • Strengthening of environmental education at schools and community, campaign (preservation of swamp, garbage)
Coordination	<ul style="list-style-type: none"> • Establishment of coordination mechanism among stakeholders (government, private, NGO, and the community) • Promotion of participation to tourism sector • Establishment of mechanism for allocation of tourism revenue 	<ul style="list-style-type: none"> • Establishment of a clear definition of stakeholder and coordination mechanism (infrastructure, heritage department, the Department of Information, Culture and Transport (DICT), private and community) • Strengthening of coordination capacity • Strengthening of coordination between the international organization and private sector
Creation	<ul style="list-style-type: none"> • Development of new souvenir (bamboo product, textile, natural coloring) • Development of attraction for long stay guests • Improvement of night market (diversification of food, introduction of new attraction) • Development of new food (Lao, fusion with foreign food) 	<ul style="list-style-type: none"> • Promotion of community from planning, implementation, to management (garbage, power lines) • Upgrading of water supply system (heritage area) • Installation of a separate system for rain water and wastewater

Source: JICA Survey Team

The Luang Prabang tourism development concept elaborated through the abovementioned process is shown in Figure 8.2.1.



Source: JICA Survey Team

Figure 8.2.1 Luang Prabang Tourism Development Concept

8.3 Strategies for Luang Prabang Tourism Development

Chapters 4, 5, 6, and 7 imply a fact that essential sectors for Luang Prabang tourism development are access roads, utilities, beautification, traffic networking, balanced urban development, and human resource development. It goes without saying that conscientious coordination among donors should be indispensable. These sectors could be logically related with the concept key words in Figure 8.2.1 as shown in Table 8.3.1.

Table 8.3.1 Relation between Important Sectors and Strategies – Key words

Strategy/ Key word Important Sector	Preservation	Development	Quality	Awareness	Coordination	Creation
Access roads		✓			✓	
Utilities		✓			✓	
Beautification	✓				✓	✓
Traffic networking		✓			✓	✓
Balanced urban development	✓	✓			✓	✓
Human resource development			✓	✓	✓	

Source: JICA Survey Team

Based on Luang Prabang Tourism Development Master Plan (LPTDMSP), the key words of strategies and the priority sectors can be described in detail below. Furthermore, new projects are not yet mentioned in LPTDMSP, but those are proposed by Lao PDR side in the Workshop which is held in Luang Prabang province on 2nd October, 2015.

Strategy 1 Preservation

- PSMV and tightening regulations from the viewpoint of heritage protection, urban development, and tourism promotion
- Cultural and historical protection
- Beautification in harmony with historical heritage

Strategy 2 Development

- Basic infrastructure: Transport (roads, public transport, parking), water supply and wastewater, flood disaster preparedness and rainwater drainage, river bank protection, and solid waste disposal (new proposal by JET)
- Tourism infrastructure: Public toilet and tourism information center

Strategy 3 Quality

- Tourism sector: Training for the tourism sector (guesthouses, restaurants, handicrafts)
- Capacity building for facility management
- Urban services: Solid waste disposal, street cleaning (new proposal by JET)
- Transparent concession process, participatory approach

Strategy 4 Awareness

- Public awareness for tourism sector and tourists in terms of culture and heritage protection (new proposal by JET)
- Awareness in terms of improvement of tourism services

Strategy 5 Coordination

- Coordination among public administrations (tourism, heritage, and urban development) (new proposal by JET)
- Coordination between public administrations and communities (new proposal by JET)

Strategy 6 Creation

- Diversification and new creation of tourism products
- Strengthening of marketing and promotion

Chapter 9 Projects for Tourism Development (Long List)

9.1 Method of Compilation of Projects for Tourism Development

Points of view for the compilation of projects for tourism development are shown below.

(1) Essential points regarding Luang Prabang Tourism Development

The local authorities of Luang Prabang Province aim to develop tourism targeting middle to high-end tourists based on the best use of the three main tourism resources: history, culture, and nature. It is essential to carefully consider the improvement of services, infrastructure (access, utilities, etc.), landscape, etc.

(2) Consistency with the policy of Japanese assistance

Japan puts focus on the socioeconomic infrastructure development in a cooperation policy for Lao PDR; where “private sector strengthening” and “urban environment” as the main programs. Accordingly, it is important to promote tourism development in Luang Prabang Province consistent with the abovementioned essential points as well as the programs of Japan. Japan has been establishing a close relationship with Luang Prabang local authorities through more than one technical cooperation project such as NAMPAPA capacity building project, LPP, etc. Effective support by the Japanese government could be expected if the past experiences and knowledge are provided at this point.

(3) Consistent with the policy of international organizations

It is mainly the Asian Development Bank (ADB) and Agence Francaise de Developpement (AFD), which provide Luang Prabang Province with necessary support in the tourism sector. ADB focuses on infrastructure and human resource development while AFD is mainly in charge of sidewalks, parking, and building restoration. It is necessary to provide further assistance in both infrastructure and human resource development for efficient development outputs. Close and delicate coordination will be necessary with ADB for infrastructure development (mainly the road sector), and with different donors for different types of human development.

(4) Consistent with the policy of international organizations

Based on the ideas mentioned above, a long list is compiled from the plans which are owned by the related organization and the relevant’ s intention and priority.

9.2 Composition of Long List

Project long list is compiled in the following steps:

- Discussion between the JICA Survey Team and concerned agencies regarding the project list prepared by concerned agencies.
- Discussion of the conditions to be supported by the Japanese government (scale, relationship with tourism development, and possibility of other sources of fund).
- Priority on the Lao PDR side with regard to tourism development and condition of assistance.
- Priority examined by the JICA Survey Team based on the intention of the Lao PDR side.
- Proposal of key words on tourism development (preservation, development, quality, awareness, coordination, and creation) and their relationship with tourism development.
- Examination of cost proposed by the Lao government.

Projects are compiled for 1) Tourism Promotion, 2) Road and Transportation, and 3) Urban Environment/Services.

9.3 Tourism Promotion

The needs of tourism promotion were analyzed by means of rating the programs (and projects) under the 23 strategies of the “Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)” based on priority.

- ○= High Priority : Focused on both LPTDMSP and JST
- △= Middle Priority : Focused on LPTDMSP and accordingly agreed by JST
- Blank = Low Priority : Focused on LPTDMSP but not agreed by JST

A long list of projects for tourism promotion is shown in Table 9.3.1. As details of the projects are not elaborated for the moment, it is necessary to continue with the discussions among stakeholders as well as between the two countries especially about human resource development for the town and the Muang Ngoi District.

“Project cost” is quoted from LPTDMSP.

Table 9.3.1 Long List of Projects for Tourism Promotion

Strategy	Programme	Number of Projects	Project Cost Estimated by Lao PDR (million USD)	Project Cost Estimated by Japan (million USD)	Priority by Lao PDR	Priority by Japan	Key word by Lao PDR/ Japan
1 Institutional improvement in Heritage Site	1 Laws and regulations	2	0.01	1.67	○	○	Preservation Coordination
	2 M/P for tourism promotion	4	0.02				
2 Tourism development and marketing strategy	1 Tourism strategy	9	0.04	0.67	△	△	Development Creation
	2 Provincial and district tourism	1	0.00				
3 Diversification of tourism products	1 Improvement of existing tourism sites	7	0.20	1.34	△	△	Development Quality Creation
	2 Survey for new tourism sites	4	0.07				
4 Tourism infrastructure (Access roads, rest areas)	1 Infrastructure for access improvement	9	1.29	4.48	○	○	Development Quality
	2 Improvement of rest areas' comfortability	7	0.14				
5 Promotion of local culture	1 Unique culture promotion	3	0.03	1.67	○	○	Preservation Creation Coordination
	2 Cultural & ethnic festivals	2	0.01				
6 Natural resource preservation	1 Awareness of importance of nature	2	0.02	0.67	○	△	Preservation Awareness
	2 Tourism site development survey	3	0.04				
7 Protection of biodiversity for eco-tourism	1 Forestry conservation and environment protection	4	0.06	0.67	○	△	Preservation Quality Creation
	2 Wildlife protection	2	0.06				
8 Upgrading of existing tourism sites	1 Tourism facilities	1	0.06	1.93	○	○	Quality
	2 Improvement in quality	3	0.12				
9 Tourism infrastructure (Information centers)	1 Improvement of basic infrastructure	3	0.08	2.70	○	○	Development
	2 Improvement of tourism information system	3	0.13				
10 Tourism business management	1 Tourism business management	3	0.02	1.34	○	○	Quality Coordination
	2 Tourism management laws & regulations	2	0.01				
	3 Monitoring & evaluation	1	0.01				
11 HRD for tourism staff	1 HRD for tourism staff	4	0.02	0.67	○	○	Awareness Coordination
12 Improvement in service quality by different training measures	1 Rating standardization	4	0.03	1.67	○	○	Development Quality Creation
	2 Training on tourism service improvement	5	0.39				
	3 Training for tourism personnel on site/ at school	4	0.03				
13 Involvement of local people	1 Potential village survey & evaluation	8	0.25	2.34	○	○	Awareness Creation
	2 Local activity development	5	0.15				
14 Optional tourism product development	1 Potential survey especially in the Ngoi District	3	0.02	0.67	△	△	Development Creation
	2 Improvement of tourism products	1	0.05				
15 Tourism products and marketing	1 Creation of tourism products	4	0.15	1.34	○	○	Development
	2 Marketing	2	2.15				
16 Sustainable supply chain	1 Tourism potential survey	1	0.02	2.34	○	○	Quality
	2 Development of potential areas	3	0.21				
	3 Tourism product supply chain	3	0.13				
	4 Promotion of tourism product networks	3	0.05				
17 Tourism statistics database	1 Tourism information database design	2	0.02	0.50	△		Quality Coordination
	2 Tourism statistics	1	0.02				
18 Capacity building for tourism research	1 Capacity building	2	0.07	0.50	△		Quality Awareness
	2 Annual tourism research reports	1	0.02				
	3 Information collection survey	2	0.07				
19 Improvement in advertisement	1 Tourism advertisement	2	0.06	0.50	△		Quality
	2 Upgrading of existing tourism publications	1	0.01				
	3 Training on publication design	2	0.06				
20 Website development	1 On-line tourism information development	1	0.02	0.33	△		Creation
21 Private sector promotion	1 Advertisement for business sector	1	0.02	0.67	△	△	Creation
	2 FAM Trip by PPP	1	0.06				
22 HRD for tourism services	1 HRD in short and long terms	4	0.08	2.89	○	○	Quality Awareness
	2 Management skills and tourism services	3	0.04				
	3 Tourism information skills	3	0.28				
23 Tourism curriculum	1 Tourism curriculum	4	0.17	1.00	○	○	Quality
TOTAL		155	7.05	32.55			
Note 1 LAK = 0.000123035 USD		Priority ○ High, △ Middle, None: Low					
1 USD = 119.717467 JPY							

Source: JET based on LPTDMSP ("Priority" is rated by JET)

The tourism projects with high priority in the long list are evaluated as follows:

Project Name	Issues on Tourism Development (Number Represents Issues in Chapter 5)	Evaluation of Project
1-Institutional improvement in the heritage site	⑧ It is necessary to continuously cooperate with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and different donors to ensure sustainable tourism as a world heritage town in all aspects.	Priority is high: This project aims at the improvement of laws and regulations which ensures sustainable tourism development from a legal viewpoint. It is important to consider social impacts on residents who might be influenced by the project.

Project Name	Issues on Tourism Development (Number Represents Issues in Chapter 5)	Evaluation of Project
4-Tourism Infrastructure (access roads, rest areas)	<p>① It is necessary to diversify tourism products to increase tourism income by lengthening visitors' stay in Luang Prabang Province and reduce environmental impacts on the World Heritage area by diverting visitors to different destinations in the province.</p> <p>⑦ It is necessary to balance the number of visitors between high season and low season (by enhancing "green tourism" during the rainy season) as well as to strengthen the competitiveness of new tourism destinations including Ngoi District, in view of effectively using tourism facilities, increasing communities' profit, and avoiding seasonal and spatial overconcentration of visitors.</p>	<p>Priority is high: This project aims at the development of small-scale infrastructure (such as access roads, tourism facilities, etc.) in the World Heritage area (which is the main part of Luang Prabang tourism) and Ngoi District (which is the second destination in the province). Determination of project sites will require a further detailed survey.</p>
5-Promotion of local culture	<p>② It is necessary to strengthen the promotion of tourism products to enhance inbound tourism.</p> <p>③ It is necessary to create business schemes which will benefit to local communities by attracting more domestic and foreign investments.</p>	<p>It is important to develop tourism attractions based on local traditional culture, as "Culture" is one of the three main tourism resources in Luang Prabang Province.</p>
8-Upgrading of existing tourism sites	<p>⑤ It is necessary to conduct surveys, planning, designing, and implementation for establishing a tourism management scheme and tourism infrastructure improvement.</p>	<p>It is important to develop small-scale infrastructure (such as public toilets, signage, parking areas, etc.) in the present main tourism destinations in view of preserving the minimum comfort and amenity and attracting more visitors.</p>
9-Tourism infrastructure (Information centers)	<p>⑤ It is necessary to conduct surveys, planning, designing, and implementation for establishing a tourism management scheme and tourism infrastructure improvement.</p>	<p>It is important to place a tourism information center (TIC) at the airport and small-scale gardens at tourism destinations, and rehabilitate Luang Prabang TIC including equipment procurement from the viewpoint of upgrading tourism poles in the province.</p>
10-Tourism business management	<p>⑥ It is necessary to upgrade the laws and regulations as well as guidelines related with human resource development (HRD).</p>	<p>Tourism management is a vital point of sustainable tourism. It is important for local authorities in charge of tourism to improve laws and regulations hand in hand with the private sector and organize a system to centralize tourism sector as a practical tourism platform based on their responsibilities.</p>
11-HRD for tourism staff	<p>④ It is necessary to conduct a series of capacity building HRD programs for those who are in charge of tourism sector (both public and private) in view of ensuring sustainability of the World Heritage site, improving visitors' satisfaction level, and competing with other Association of Southeast Asian Nations (ASEAN) countries.</p>	<p>It is necessary to develop, at the earliest time, professional human resources who should be good in planning and management for public organizations in the tourism sector including DICT.</p>
12-Improvement in service quality by different training measures	<p>④ It is necessary to conduct a series of capacity building HRD programs for those who are in charge of the tourism sector (both public and private) in view of ensuring sustainability of the World Heritage site, improving visitors' satisfaction level, and competing with other ASEAN countries.</p>	<p>Due to insufficiency of professional human resources, Luang Prabang accommodations and restaurants currently employ so many part-time workers such as students who are not professional to cope with the increasing guests and visitors. Therefore, it is necessary at the earliest time to provide them with appropriate HRD programs for front desk and food and beverage, introducing hotels and restaurants grading system, etc., to upgrade their quality of service.</p>

Project Name	Issues on Tourism Development (Number Represents Issues in Chapter 5)	Evaluation of Project
13-Involvement of local people	③ It is necessary to create business schemes which will benefit to local communities by attracting more domestic and foreign investments.	Without ensuring any substantial profits for local communities, sustainable tourism development could not be expected. It is quite important to develop tourism products and a social system so that the local communities should wildly earn from the tourism sector.
15-Tourism products and marketing	③ It is necessary to create business schemes which will benefit to local communities by attracting more domestic and foreign investments. ② It is necessary to strengthen the promotion of tourism products to enhance inbound tourism.	This project is related to No.13 Project. It is one of the challenges in Luang Prabang tourism sector that local communities have to develop attractive local products and handicrafts to earn profit from the tourism sector, which is a way to go from the viewpoint of community-based tourism (CBT).
16-Sustainable supply chain	① It is necessary to diversify tourism products to increase tourism income by lengthening visitors' stay in Luang Prabang Province and reduce environmental impacts on the World Heritage area by diverting visitors to different destinations in the province.	It is quite important in the middle and long run to conduct a survey and planning to establish a sustainable supply chain as it will be possible to promote multiplex system to enhance the attractiveness of the site by a tourism supply chain potential survey in the northern Mekong regional area (including North Lao PDR, Viet Nam, Thailand, etc.) and following tourism development.
22-HRD for tourism services	④ It is necessary to conduct a series of capacity building HRD programs for those who are in charge of the tourism sector (both public and private) in view of ensuring sustainability of the World Heritage site, improving visitors' satisfaction level, and competing with other ASEAN countries.	This project aims at the capacity building for those who live in the tourism sector especially in the districts of Luang Prabang, Ngoi, Chenggeun, and Chomphet. As they are mainly tourism destinations in the province, it is important to develop human resources at the earliest time. This project includes the construction of a public HRD center.
23-Tourism curriculum	④ It is necessary to conduct a series of capacity building HRD programs for those who are in charge of tourism sector (both public and private) in view of ensuring sustainability of the World Heritage site, improving visitors' satisfaction level, and competing with other ASEAN countries.	It is indispensable to cooperate with local universities and vocational schools as well as to develop a curriculum for sustainable HRD. It is important to establish a wide range of practical curriculum in cooperation with the neighboring countries, if necessary.

9.4 Road and Transportation

The projects in the road and transportation sector are extracted based on the needs of the Department of Public Works and Transport (DPWT) of Luang Prabang Province. A long list of road and transportation projects is shown in Table 9.4.1, and project locations are shown in Figure 9.4.2.

Table 9.4.1 Long List of Road and Transportation Projects

Necessary Projects of the Road and Transportation Sector		Priority based on Needs of DPWT (○ : High, △ : Fair, None: Low)	Priority examined by JICA Survey Team (○ : High, △ : Fair, None: Low)	Amount (USD in millions)	Amount (USD in millions) JST	Key Word for Tourism Development
1	Tourism Road Rehabilitation (Mekong Bridge Site-Ban Soun-NR13N)	○	○	4.64	4.07	Development Creation
2	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N China Hospital-Ban Donmai)	△	△	0.11	0.18	Development Creation
3	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N-Ban Donkao)	△	△	0.23	0.19	Development Creation
4	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N-Ban Khok Va)	△	△	0.36	0.31	Development Creation

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Necessary Projects of the Road and Transportation Sector		Priority based on Needs of DPWT (○ : High, △ : Fair, None: Low)	Priority examined by JICA Survey Team (○ : High, △ : Fair, None: Low)	Amount (USD in millions)	Amount (USD in millions) JST	Key Word for Tourism Development
5	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N Political School-Ban Khok Va)	△	△	0.20	0.32	Development Creation
6	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N Political School-Ban Khomkhuang)	△	△	0.35	0.31	Development Creation
7.	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N Bus Station North-Ban Seinglek)	△	△	0.22	0.38	Development Creation
8.	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N Ban Phonsa Ad-Ban Seinglek)	△	△	0.55	0.53	Development Creation
9.	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (Irrigation Company-Wad Ban Phonsa Ad)	○	○	0.20	0.48	Development
10	Tourism Road Rehabilitation of Short Cut Route (NR13N Ban Khaotenuang-Ban Naduay)	△	△	0.97	1.67	Development Creation
11	Road Rehabilitation of Provincial Road (NR13N-Ban Ansavan)	○	○	0.68	1.17	Development Creation
12	Road Rehabilitation of NR13N to 4-Lane -A (Airport-Luang Prabang World Heritage Area)	○	○	19.75	27.50	Development Creation
12	Road Rehabilitation of NR13N with 2-Lane (Luang Prabang World Heritage Area - Tad Sae Waterfall)	○	△		8.75	Development Creation
13	Road Rehabilitation of Kai Son Road (Phouvao Road)			4.94	2.25	Preservation Development
14	Road Rehabilitation of NR2501 (Luang Prabang World Heritage Area - Kuang Si Waterfall) Rehabilitation	○	○	17.29	21.88	Development Creation
15	Construction of Mekong Bridge and Road Rehabilitation	○	△	45.00	53.49	Quality Preservation
16	Rehabilitation of Main Street Road in Mouang Ngoi	○	○	0.15	0.28	Preservation Awareness Creation
17	Construction of EV Bus Stations	○	○	0.02	0.02	Preservation Awareness Creation
18	Facilitation of Traffic Lights at the 5 Intersections within the Luang Prabang World Heritage Area	△		0.28	0.48	Preservation Awareness
19	Construction of Long-distance Bus Stations outside the Luang Prabang World Heritage Area			0.48	0.55	Preservation Development Creation
20	Construction of Khan River Bridge	○	○	-	10.00	

Source: JICA Survey Team (cost are based on the material from DPWT)



Source : JICA Survey Team, processed based on the material from DWPT

Figure 9.4.1 Long List of Road and Transportation Projects (Project Nos. 1-9, No.12)



Source: JICA Survey Team, processed based on the material from DWPT

Figure 9.4.2 Long List of Road and Transportation Projects (Project Nos. 10-15, except for No.13)

The road and transportation projects in the long list are evaluated as follows:

Project Name		Issues on Tourism Development (Number represents issues in Chapter 5)	Evaluation of Project
1	Tourism Road Rehabilitation (Mekong Bridge Site-Ban Soun-NR13N)	(1)①(i) Tourism Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	Since the existing tourism road is gravel and unpaved road, the road improvement including pavement is given a high priority. The following benefits are expected after the road improvement: 1) 7 min. reduction in driving at the road section with a distance of 4.65 km, 2) Upgrading tourism convenience by means of buses and bicycles, 3) Contribution to the promotion of handicraft industry, and 4) Increase in number of tourists.
2	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N China Hospital-Ban Donmai)	(1)①(i) Connecting Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	This road is a short-cut road, which connects the Tourism Road Above No.1 and NR13. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.
3	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N-Ban Donkao)	(1)①(i) Connecting Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	This road is a short-cut road, which connects the Tourism Road Above No.1 and NR13. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.
4	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N-Ban Khok Va)	(1)①(i) Connecting Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	This road is a short-cut road, which connects the Tourism Road Above No.1 and NR13. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.
5	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N Political School-Ban Khok Va)	(1)①(i) Connecting Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	This road is a short-cut road, which connects the Tourism Road Above No.1 and NR13. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.
6	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N Political School-Ban Khomkhuang)	(1)①(i) Connecting Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	This road is a short-cut road, which connects the Tourism Road Above No.1 and NR13. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.

	Project Name	Issues on Tourism Development (Number represents issues in Chapter 5)	Evaluation of Project
7.	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N Bus Station North-Ban Seinglek)	(1)①(i) Connecting Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	This road is a short-cut road, which connects the Tourism Road Above No.1 and NR13. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.
8.	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (NR13N Ban Phonsa Ad-Ban Seinglek)	(1)①(i) Connecting Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	This road is a short-cut road, which connects the Tourism Road Above No.1 and NR13. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.
9.	Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (Irrigation Company-Wad Ban Phonsa Ad)	(1)①(i) Connecting Road: Majority of Luang Prabang tourists visit the handicraft shops along the tourism road behind the international airport. However, the road is unpaved that its accessibility becomes poor particularly in the rainy season. The tourism road shall be improved by upgrading its accessibility.	In order to smoothly connect between Tourism Road Above No.1 and NR13 as road network, it is essential to rehabilitate the connecting road in parallel with the improvement of Tourism Road Above No.1. Similar benefits are expected after the road rehabilitation.
10.	Connecting Road (NR2501 and NR13N) Rehabilitation (Irrigation Company-Wad Ban Phonsa Ad)	(1)①(v) Tourism Road: The connecting section of the tourism road between NR13N and NR2501 is gravel. The tourism road shall be improved by upgrading its accessibility.	The connecting tourism road between NR2501 and NR13N is gravel. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.
11.	Road Rehabilitation of Provincial Road (NR13N-Ban Ansavan)	(1)①(iii) Provincial Road: The provincial road as an access road (section) connected from NR13N to Tad Sae Waterfall (boat station on the Khan River) is unpaved and gravel. The provincial road shall be improved by upgrading its accessibility.	Since the provincial road from NR13N to Tad Sae Waterfall with a distance of 1.4 km is gravel, the road improvement including pavement is given a high priority. The following benefits are expected after the road improvement: 1) 2 min. reduction in driving at the road section with a distance of 1.4 km, 2) Upgrading tourism convenience for tourists, 3) Contribution to tourism promotion for Tad Sae Waterfall , and 4) Increase in number of tourists.
12 -A	Road Rehabilitation of NR13N to 4-Lane (Airport-Luang Prabang World Heritage Area)	(1) ① (ii) National Road 13 North (NR13N): The NR13N, the major arterial road (from the international airport to the city) has an important role in tourism and is positioned as the most important section for Luang Prabang tourism so the improvement and enlargement of the existing road are significant issues.	NR13N, the major arterial road (from the international airport to the city) has an important role not only for trunk access road but also for tourism road and is situated as the most important road for tourism promotion. Improvement and expansion to 4 lanes from existing 2 lanes of NR13N is given the highest priority. The following benefits are expected after the road improvement: 1) 5 min. reduction in driving at the road section with a distance of 10 km, 2) Contribution to the reduction of traffic jam especially in peak season,

	Project Name	Issues on Tourism Development (Number represents issues in Chapter 5)	Evaluation of Project
			3) Upgrading of tourism attraction affected by the improvement of accessibility and convenience, and 4) Increase in number of tourists.
12-B	Road Rehabilitation of NR13N with 2-Lane (Luang Prabang World Heritage Area - Tad Sae Waterfall)	(1)①(iii) Provincial Road: The provincial road as an access road (section) connected from NR13N to Tad Sae Waterfall (boat station on the Khan River) is unpaved and gravel. The provincial road shall be improved by upgrading its accessibility.	NR13N with the section from the city to Tad Sae Waterfall has a role in tourism road. Although road rehabilitation is necessary, it is examined that the priority of rehabilitation is not so high.
13.	Road Rehabilitation of Kai Son Road (Phouvao Road)	(1)①Kai Son Road Inside the Luang Prabang tourism zone, the pavement of Kai Son Road has been partially damaged even if it is a paved road. It is necessary to repair and rehabilitate it.	The Kai Son Road is the major trunk road within the World Heritage area. DPWT has been requested to rehabilitate the road. Since there is no problem in the pavement condition and sidewalk, its priority of rehabilitation is low so far.
14.	Road Rehabilitation of NR2501 (Luang Prabang World Heritage Area - Kuang Si Waterfall) Rehabilitation	(1)①(iv) National Road (NR) 2501: The pavement condition of the access road connected from the city to Kuang Si Waterfall, which has a high demand of tourists, is poor and is damaged partially; therefore, it is necessary for the section to be improved in order to catch the demand for tourism.	The Kuang Si Waterfall is located 25 km far from the World Heritage area, with one hour driving through NR2501 and is positioned as one of the most important tourism sites for Luang Prabang tourism. Although the traffic demand on NR2501 is quite high, pavement condition of the section is poor partially. The section shall be urgently improved to catch the demand for tourism and its priority of rehabilitation is quite high. The following benefits are expected after the road improvement: <ol style="list-style-type: none"> 1) 12 min. reduction in driving at the road section with a distance of 25 km, 2) Upgrading of tourism attraction on the Kuang Si Waterfall affected by the improvement of accessibility and convenience, and 3) Increase in number of tourists.
15.	Construction of Mekong Bridge and Road Rehabilitation	(1)⑥Mekong Bridge: Strengthening the connectivity of Luang Prabang, Chomphet District, and Thailand are promising good effects for 1) residents in Chomphet working for Luang Prabang tourism, 2) possibility of utilizing community-based tourism and piece of handicraft work in Chomphet, 3) easiness of accessibility by land for tourists coming from Thailand. Because of the promised effects above, the project on the construction of Mekong Bridge emerged and the Chinese company had made its conceptual design, but the business has been suspended due to various matters. For this matter, the Government of Luang Prabang Province is strongly wishing to have the support from Japan.	The following effects of tourism promotion are expected after strengthening the connectivity of Luang Prabang, Chomphet District, and Thailand: <ol style="list-style-type: none"> 1) The residents in Chomphet can work for Luang Prabang tourism businesses, 2) Possibility of utilizing community-based tourism and piece of handicraft work in Chomphet, and 3) Easiness of accessibility on land for tourists coming from Thailand. Beside the negative impact to the landscape of Luang Prabang World Heritage area may be generated due to the construction of Mekong Bridge. Therefore, the priority of construction is unavoidable to be not so high at the moment even though there is a strong need for its construction.

Project Name		Issues on Tourism Development (Number represents issues in Chapter 5)	Evaluation of Project
16	Rehabilitation of Main Street Road in Muang Ngoi	(1)⑥Main Street in Mung Ngoi Along the main street of Muang Ngoi tourism zone, weaving and handcraft shops and restaurants are clustered and flourishing with many tourists. However, the main street is unpaved and transportation is interrupted after the rain as there are puddles on the road. Therefore, it is necessary for the road to be paved by concrete or renovated to macadam road.	The Muang Ngoi tourism site, one of the famous tourism spots for SIT is located far away from the World Heritage area about four hours driving and tourists demand has been increasing. Along the main street of Muang Ngoi tourism zone, weaving and handcraft shops and restaurants are clustered and flourishing with many tourists. However, the main street is unpaved and transportation is interrupted after the rain as there are puddles on the road. Road improvement is essential, it is important that the road has to be paved by macadam and the priority is quite high. The following benefits are expected after the road improvement: 1) Upgrading tourism convenience by means of motorbikes and bicycles, 2) Contribution to promotion of handicraft industry, and 3) Increase in number of tourists.
17	Construction of EV Bus Stations	(1)③Traffic control is implemented in order to avoid trucks going inside the World Heritage site at day time, and this kind of traffic control will be launched more. In the future, only electric vehicles (EV) will be accepted to go inside this district. This means public transportation such as buses and <i>tuk-tuk</i> are necessary to be motorized. Accordingly, development of a bus stop for EV buses is necessary to be processed. Utilization and promotion of EV buses for tourists is supported by JICA.	In the future, only electric vehicles (EV) will be accepted to go inside this district. Development of bus stations for EV bus is necessary to be processed for utilization and promotion of EV bus for tourists which is supported by JICA. It is essential to construct EV bus stations and its priority is quite high. The following effects are expected by the road improvement: 1) Upgrading tourism attraction affected by the improvement of accessibility and convenience, and 2) Increase in number of tourists.
18.	Facilitation of Traffic Lights at the 5 intersections within the Luang Prabang World Heritage Area	(1)④In order to reduce the dangers of crossing collision at the intersection, installation of devices such as traffic lights and mirrors at the intersection is necessary with consideration of speed control of vehicles and scenery.	It is necessary to facilitate the traffic lights at the 5 intersections within the World Heritage area. Its priority is low taking negative impact to the landscape of Luang Prabang conservation area into consideration.
19.	Construction of Long-distance Bus Stations outside the Luang Prabang World Heritage Area	—	Although there is a need for facilitation of the long-distance bus stations outside the World Heritage area, it does not lead to tourism promotion and its priority is low.
20	Construction of Khan River Bridge	(1)①(vi) Khan River Bridge: The existing Khan River Bridge has been egregiously decrepit and vehicle transport has been controlled at the bridge. It is necessary to rehabilitate and replace urgently taking safety and upgrading accessibility into consideration.	The existing steel bridge (Khan River Bridge) between the airport side and the World Heritage area has been decrepit. It is essential to replace and construct the new bridge and its priority is quite high. The following effects are expected after the road improvement: 1) Upgrading tourism attraction affected by the improvement of accessibility and convenience. 2) Increase in number of tourists.

Note: Shaded box represents high priority

9.5 Urban Environment/Services

Urban services projects include river bank, wastewater and drainage, water supply, and solid waste management.

Table 9.5.1 Long List of Urban Services Projects

Necessary Projects of Urban Service Sector		Priority based on Needs of Concerned Agencies (○ : High, △ : Fair, None: Low)	Priority (○ : High, △ : Fair, None: Low)	Priority examined by JICA Survey Team (○ : High, △ : Fair, None: Low)	Amount (USD in millions)	Amount (USD in millions) JST)	Key Word for Tourism Development
1	Mekong-Nam Khan Riverside Landscaping	Dept of World Heritage	○	○	0.89	0.89	Preservation Development Quality Creation
2	Drainage and Sewerage Development in the World Heritage Area (Zone I-A)	UDAA	○	○	6.23	9.34	Preservation Development Awareness
3	Drainage and Sewerage Development in the World Heritage Area (Zone I-B)	UDAA	○	○	3.70	5.55	Preservation Development Awareness
4	Drainage and Sewerage Development (Zone II)	UDAA	△	△	15.02	22.53	Preservation Development Awareness
5	Drainage and Sewerage Development (Zone III)	UDAA	△	△	8.00	12.00	Preservation Development Awareness
6	Sludge Treatment	UDAA	○	○	4.54	8.81	Development
7.	Wastewater Treatment Plant	UDAA			11.82	17.73	Preservation Development
8.	Flood Protection	DPWT			1.43	2.14	Preservation Development
9.	Water Supply (Improvement Project)	Luang Prabang Water Supply State Enterprise (LPWSE)	○	○	5.42	8.13	Development Awareness
10.	Water Supply (Expansion Project 1)	Luang Prabang Water Supply State Enterprise (LPWSE)	△		4.96	7.44	Development Awareness
11.	Water Supply (Expansion Project 2)	Luang Prabang Water Supply State Enterprise (LPWSE)	△		5.94	8.91	Development Awareness
12.	Water Supply (Expansion Project 3)	Luang Prabang Water Supply State Enterprise (LPWSE)	△		6.82	10.23	Development Awareness
13.	Fire-fighting Facilities	LPWSE and Dept of World Heritage	○	○		1.14	Preservation Development
14.	Waste Disposal (Expansion)	UDAA	△	○		1.00	Development Awareness
15.	Waste Disposal (New development)	UDAA			5.00	5.00	Development Awareness

Source: JICA Survey Team (cost are based on the material from DPWT)

Evaluation of long list is summarized below.

Project Name		Issues on Tourism Development (Number represents issues in Chapter 5)	Evaluation of Project
1	Mekong-Nam Khan Riverside Landscaping	(5)①,② For improving the landscape along the Mekong River and the Nam Khan River, the Department of World Heritage plans to strengthen the administrative control for shops/restaurants. It will cover the Mekong River on the left bank (2.3 km) and the Nam Khan River on both banks (3.4 km=1.7 km×2, including riverside parks (3 sections), vehicle parking areas (6 sections), and sidewalks (7 sections).	Mekong-Nam Khan Riverside Landscaping aims at improving the riverside landscape in the World Heritage zone and is considered to be highly prioritized. Meanwhile, the project should be implemented carefully with social considerations for the people to be affected by the project. Mekong-Nam Khan Riverside Landscaping will contribute in attracting tourists through the creation of a high quality townscape harmonized with the natural environment in the World Heritage zone.
2	Drainage and Sewerage Development in the World Heritage Area (Zone I-A)	(3)①~② The existing drainage system should be functional with improved maintenance. The development of sewer collection system and decentralized sewerage treatment plant needs to be initiated for the betterment of water environment around the heritage areas. The planning conditions (year 2037) are given on the basis of 5,400 residents, 2,980 tourists (beds) and 1,530 m ³ /day of wastewater generation. The facility plan comprises 12 km of sewers (separated system) and decentralized wastewater treatment plants.	Drainage and sewerage development will improve the living environment and create recreational spots for residents and tourists to enjoy better waterfront environment in the World Heritage zone.
3	Drainage and Sewerage Development in the World Heritage Area (Zone I-B)	(3)①~⑤, (4)①~② Small rivers, streams, and wetlands should be improved with access for maintenance and surrounding open space in order to create a better water environment in combination with the land use management and wetland conservation. The planning conditions (year 2037) are given on the basis of 13,030 residents, 3,300 tourists (beds), and 2,630 m ³ /day of wastewater generation. The facility plan comprises 14 km of settled sewerage system, 8,600 m ² of wetland improvement, 10 km of small rivers, streams, and wetlands to be improved for creating a better water environment and 3 km of drains.	Drainage and sewerage development will improve the living environment and create recreational spots for residents and tourists to enjoy a better waterfront environment in the World Heritage zone.
4	Drainage and Sewerage Development (Zone II)	(3)①~⑤ Zone II is being urbanized. The drainage and sewerage development is considered to be a mid- and long-term issue along with urbanization.	Drainage and sewerage development should be implemented as part of urban infrastructure development in the future.
5	Drainage and Sewerage Development (Zone III)	(3)①~⑤ As Zone III covers mostly the rural areas, the drainage and sewerage development is	Drainage and sewerage development should be implemented as part of urban infrastructure development in the future.

Project Name		Issues on Tourism Development (Number represents issues in Chapter 5)	Evaluation of Project
		considered to be a mid- and long-term issue along with future urbanization. Installation of septic tanks should be implemented continuously in the future.	
6	Sludge Treatment	(6)② Septic tanks in urbanized areas should be maintained periodically with the removal of sludge. At present, collected sludge is dumped at the existing landfill site. Sludge treatment facility should be constructed with a sufficient capacity for the sludge collected from the septic tanks. Sludge generation is estimated to be 5,400 m ³ /year and a required area for sludge treatment facility (constructed lagoon) is 2 ha.	Sludge treatment will contribute to the improvement of sanitary conditions in urbanized area as well as alleviation of environmental impact around the old landfill site.
7	Wastewater Treatment Plant	(3)② City-wide sewerage system consisting of separated sewer network and centralized wastewater treatment plant is considered to be a long-term issue.	Sewerage system development is going to require many years and large expense. For these reasons, it will be important to select areas of relative priority, such as densely populated areas or those under the development for tourism, and establish new systems efficiently.
8	Flood Protection	(5)② The lower areas along the tributaries were inundated in 2008 due to the backwater from the Mekong River and the Nam Khan River. The DPWT proposes constructing the gate preventing the tributary from the backwater at six locations.	Flood inundation in the lower areas along the tributaries due to the backwater from the Mekong River and the Nam Khan River is not frequent. Before the construction of the gate, the river channel improvement for the tributaries should be planned and implemented for ensuring channel flow capacity and access for maintenance with surrounding open space.
9	Water Supply (Improvement Project)	(2) ② Since the water source on the Phou Phueng Water Treatment Plant has poor water quality such as high hardness and calcium carbonate adhered inside the piping, the improvement projects are required. Since the sedimentation tank was not set in the facilities of the second term of Namkhan Water Treatment Plant, the treatment capability is insufficient and it caused aggravation of water quality. The existing water supply system has a high rate of non-revenue water, and an improvement or replacement of old water pipe is needed.	Since the water scarcity of the dry season is a serious problem and the capacity of the existing water treatment plants is unstable, the improvement project of the existing facilities is needed and its priority is quite high. On the Phou Phueng Water Treatment Plant, the hardness of water quality is reduced from 300 mg/l to 120 mg/l by the item of CaCO ₃ . On the Namkhan Water Treatment Plant, the capacity of sedimentation tank is increased from a 6,000 m ³ /day to a 12,000 m ³ /day. Water pipe of ø600 mm is installed at 6.0 km. Distribution pipe is repaired by replacement of 3.3 km. The improvement of water quality and stable water supply are carried out, and the improvement of water-rates balance can also be expected by these projects.
10 ~ 12	Water Supply (Expansion Projects 1, 2, 3)	(2) ②, ③, ④ Since the capacity of water supply plant will not be sufficient to meet the future water demand because of urbanization and the increase in number of tourists in	In case of the expansion project based on the Luang Prabang Water Supply Master Plan (2013), it becomes possible to meet the water demand which will increase in the future by increasing water supply

Project Name		Issues on Tourism Development (Number represents issues in Chapter 5)	Evaluation of Project
		Luang Prabang District, the expansion project is needed. In addition, the concession contract on the water supply project between Luang Prabang District and private water company is discussed, and construction of new water treatment plant (14,400 m ³ /day) in the Phanom area may be planned by the contract.	capacity from 27,000 m ³ /day to 45,000 m ³ /day. Water supply area coverage will be improved from 79% to 93% by the water pipe development of 25.4 km. However, based on the action of the concession contract, a review of the Water Supply Master Plan is needed.
13	Fire Fighting Facilities	(2) ① For the preservation of the World Heritage area, additional fire hydrants, which are lacking; providing small firefighting vehicles which are possible to pass through a thin alley; and installation of initial fire extinguishing facilities of deluge gun and drencher in temples are needed.	In order to protect the historical inheritance of the World Heritage area from fire, the priority for provision of fire prevention equipment is quite high. Facilities of fire hydrant were increased to 39 from 4. Two small fire-fighting vehicles which can be mobilized on narrow road are provided. The deluge gun and drencher where quick firefighting can work are installed at 100 places. Firefighting on the World Heritage is strengthened by these equipment. Safety and security of this area should be improved through the reliability to firefighting activities.
14	Waste Disposal (Expansion)	(6) ① The existing waste disposal site needs to be extended for the expansion of a garbage collection area, and increase of disposal volume	Since the area of waste disposal site by the expansion project is expanded to 20 ha from 15 ha, the waste disposal is continued in a sanitary condition.
15	Waste Disposal (New Development)	(6) ①, ④, ⑤ A new waste disposal site is needed to meet the volume of waste disposal which will continuously increase in the future. In addition, since separate collection of rubbish is insufficient, the 3R project for recycling to promote a recycling society reduces waste to minimum is needed.	Since the planned new waste disposal site is 15 km away from the urban area, there is an issue on the management side such as transportation cost. On the other hand, the promotion of 3R for reducing the waste volume which continuously is increasing is important, and the waste treatment master plan for suitable management of waste is needed.

Note: Shaded box represents high priority

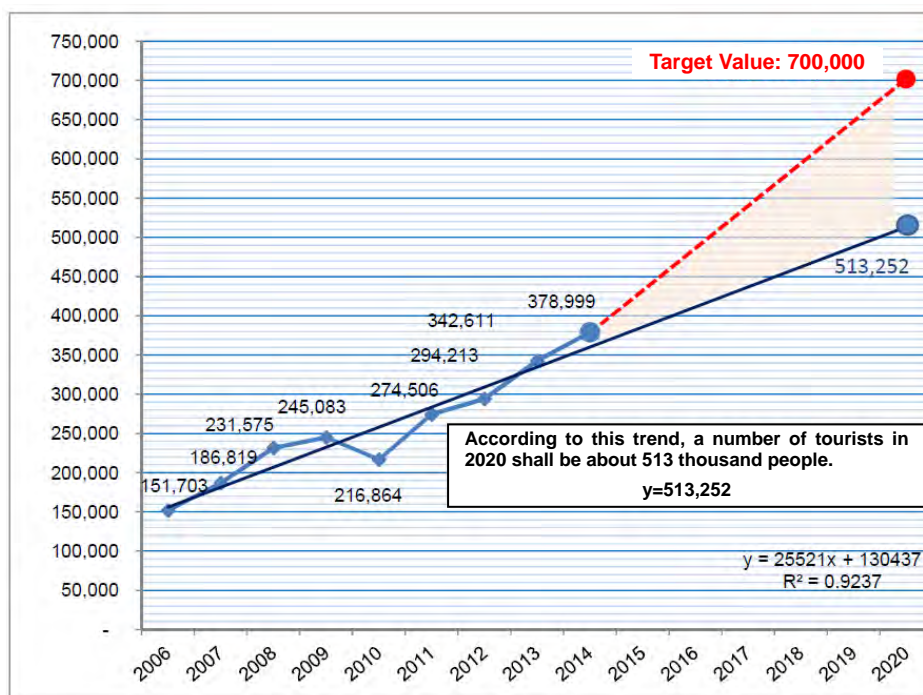
9.6 Expected Contribution of Projects for Tourism Development

Expected contribution of projects for tourism development is estimated through the contribution to the number of tourists and income generated from tourism business.

9.6.1 Contribution to the Number of Tourists

Contribution to the number of tourists is calculated by taking the difference between the target set by the “Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)” and trend estimation. The target number is defined as “with project” and trend estimation is defined as “without project”, and the difference is considered the contribution of the projects. Expected contribution to the number of tourists is 186,748.

Indicator	Number of Tourists (2020)
(a) Number of Tourists (Without Project) (Trend Estimation)	513,252
(b) Number of Tourists (With Project) (Target)	700,000
Project Impact (a)-(b)	186,748



Source: JICA Survey Team

Figure 9.6.1 Trend of Tourists Movement

9.6.2 Contribution to Tourism Income

Contribution to the tourism income is estimated based on per capita tourist expenditure and length of stay. Difference of expenditure and length of stay between “without project” and “with project” is defined as contribution of the project.

Base of tourism income is estimated as follows:

- Per capita tourist expenditure: USD 70/tourist/day (“Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)”)
- Average length of stay: Five days (“Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)”)

Condition for “without project”

- Per capita tourist expenditure: USD 70/tourist/day
- Average length of stay: Five days
- Number of tourists (2020): 513,252 (trend estimation)
- Tourism income (2020): USD 179 million

Condition for “with project”

- Per capita tourist expenditure: USD 77/tourist/day (estimate to increase by 10%, increase in value added through diversification of tourism products and service improvement)
- Average length of stay: Six days (estimate to increase by 20%, increase in value added through diversification of tourism products and service improvement)
- Number of tourists (2020): 700,000 (target)
- Tourism income (2020): USD 323 million

Contribution to tourism income for project implementation is summarized below.

Indicator	Tourism Income (2020)
(a) Tourism Income (Without Project)	USD 179 million
(b) Tourism Income (With Project)	USD 323 million
Project Impact (a)-(b)	USD 144 million

9.7 Compilation of Projects for Tourism Development

9.7.1 Method of Selection and Compilation of Projects

Projects are compiled from the long list proposed by the Lao government from the points of view of the following:

- Compiled projects which the JICA Survey Team considers important for tourism development.
- Compiled projects which support achieving tourism development concept, tourism resources (history, culture, nature), key words (preservation, development, quality, awareness, coordination, creation).
- Add new projects which are considered necessary for tourism development.
- Projects are compiled for “Integrated tourism development support”, “Technical assistance for tourism development”, and “Sector project”.
- Projects are expected to support the goal/target designated by the Luang Prabang Tourism Development and Marketing Strategy Plan (2011-2020)” and the “7th Socio Economic Development Plan (2016~2020)” as shown below (service sector is mentioned as reference):
 - Number of tourists: 700,000 in 2020 from 350,000 in 2015.
 - Annual income from tourism: USD 350 million in 2020 from USD 250 million in 2015.
 - GDP growth rate in the service sector: 10%/year (target of 2011-2015 was not achieved. Target is 14.1% and actual is 11.9%).
 - Share of service sector in GDP: 46.0% in 2020 from 43.6% in 2015.
 - Employment in the service sector (age between 15 and 64): 30% (86,000 people) in 2020 from 23.4% (58,000 people) in 2015.

9.7.2 Integrated Tourism Development

Integrated tourism development is expected to be implemented as Yen Loan Project, which is proposed for “Luang Prabang Tourism Zone” and “Muang Ngoi Tourism Zone” .

(1) Tourism Development in the World Heritage Area and Surrounding Areas (Luang Prabang Tourism Zone)

1	Project Name	Luang Prabang Tourism Development Project (Yen Loan)
2	Background	Tourism resources in Luang Prabang World Heritage Area are composed of history, culture, and nature. In order to improve the attractiveness of the area as tourist destination, integrated tourism development has to be implemented.
3	Objective	Develop tourism from the point of view of infrastructure development, heritage and natural preservation, and human resource development.
4	Implementing agencies	Department of World Heritage, LPWSE and Dept of World Heritage, UDAA, DPWT

5	Project components	<ul style="list-style-type: none"> • Tourism facility <ul style="list-style-type: none"> ➢ Tourism information center ➢ Small scale facility: public toilet, road pavement, parking, green area/view points, information board ➢ Tourism training center • Transport: road development which contribute to tourism development and local industry <ul style="list-style-type: none"> ➢ Tourism Road Rehabilitation (Mekong Bridge Site-Ban Soun-NR13N) ➢ Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (Irrigation Company-Wad Ban Phonsa Ad) ➢ Road Rehabilitation of NR13N to 4 Lane (Airport-the Luang Prabang World Heritage Area) ➢ <u>Khan River Bridge Construction (steel bridge) USD 10 million (newly proposed) (newly added)</u> • Urban environment/service <ul style="list-style-type: none"> ➢ Water supply (improvement) ➢ Firefighting facility ➢ Drainage and sewerage in Zone I ➢ River bank improvement (landscape) ➢ Solid waste management (expansion of land fill site) ➢ <u>Undergrounding of the power line (newly proposed)</u> • Institutional strengthening in the heritage area <ul style="list-style-type: none"> ➢ Improve institution in heritage are: regulation, revision of master plan, revenue generation mechanism • Tourism product development (SIT, event, handicraft) • Human resources development <ul style="list-style-type: none"> ➢ Tourism management ➢ HRD for public and private sector ➢ Training to local people
6	Cost	<p>Tourism facility: USD 10.11 million Access road: USD 42.05 million Urban service (urban environment): USD 35.86 million Institutional strengthening: USD 2.61million Tourism product development (SIT, event, handicraft): USD 5.98 million Human resources development : USD 2.77 million Total: USD 99.38 million</p>
6	Impact to tourism development	<ul style="list-style-type: none"> • Improve attractiveness as tourist destination by improving infrastructure, tourism facility, preserving heritage and nature, and improving human resources
7	Impact to heritage	<ul style="list-style-type: none"> • Some of the components may affect the heritage area such as road, water supply, wastewater, and information center. Consideration to the heritage has to be made (scale, design)
8	Impact to the region (social, economy, culture)	<ul style="list-style-type: none"> • Social/culture: cultural aspect can be preserved by promoting community-based tourism, improve access of local people • Economy: Job opportunity and income increases due to the increase in number of tourists and length of stay.

(2) Tourism Development in Ngoi District

1	Project Name	Muang Ngoi Tourist Site Improvement Project
2	Background	<ul style="list-style-type: none"> • Muang Ngoi is designated as 2nd priority tourist site in Luang Prabang Province. • Muang Ngoi is known for culture and natural tourist site. • The area should be improved as a whole to increase the attractiveness as tourist site.
3	Objective	Improve infrastructure and tourism facility and also promote tourism products in Muang Ngoi.
4	Implementing agencies	DICT, DPWT
5	Project components	<ul style="list-style-type: none"> • Road in the village center • Tourist information center development, small-scale tourism facility • Tourism product development (SIT, event, handicraft) • Human resources development
6	Cost	USD 3.77 million
7	Impact to tourism development	<ul style="list-style-type: none"> • Improve convenience of tourists • Increase in number of tourists
8	Impact to heritage	No impact
9	Impact to the region (social, economy, culture)	<ul style="list-style-type: none"> • Job creation (restaurants, guesthouse, handicraft, guide)

9.7.3 Capacity Development for Tourism Development

Capacity development for tourism development aims to be implemented through a technical cooperation project.

(1) Tourism Product Development

1	Project Name	Tourism Product Development (Technical Cooperation Project)
2	Background	The Luang Prabang provincial government is trying to promote its resources, namely; history, culture, and nature. Some resources are not fully utilized. It is important to develop resources for tourism development
3	Objective	Promote maximum utilization of tourism resources for tourism development particularly in the areas of culture, history, and nature
4	Implementing agencies	DICT, Heritage Department
5	Project Components	<ul style="list-style-type: none"> • Diversification of tourism products: Improvement of existing tourism sites, Survey for new tourism sites • Promotion of local culture: Cultural and ethnic festivals • Development and promotion of handicraft • Promotion of community-based tourism for providing more opportunities for local people to participate in the tourism industry
6	Cost	USD 7.68 million
7	Impact to tourism development	<ul style="list-style-type: none"> • Attracting more visitors to less popular sites • Integrated tourism management and promotion • Improvement of comfortability • Benefiting local economy by providing job opportunity and income generation
8	Impact to heritage	<ul style="list-style-type: none"> • Mitigation of negative impact through dispersing tourists to new tourist sites. • Securing sustainable preservation management due to guaranteed constant town beautification by observing laws and regulations
9	Impact to the region (social, economy, culture)	<ul style="list-style-type: none"> • Benefiting local economy by providing job opportunity and income generation • Culture can be sustained through participation of local people

(2) Tourism Service Improvement

1	Project Name	Tourism Service Improvement Project (Technical Cooperation Project)
2	Background	Luang Prabang tourist zone is targeting middle- to high-end tourists. In order to provide tourism that is satisfied by the target group, tourism service should be improved
3	Objective	Construct tourism facilities that provide convenience to tourists and to improve tourism service that can be satisfied by middle- to high-end tourists
4	Implementing agencies	DICT, Heritage Department
5	Project Components	<p><u>Tourism facility</u></p> <ul style="list-style-type: none"> • Upgrading of existing tourism sites: Tourism facilities improvement in quality • Tourism infrastructure: tourism information center, database system improvement, tourism training center <p><u>Soft component</u></p> <ul style="list-style-type: none"> • Institutional improvement in the heritage site: Laws and including revenue collection and allocation system • Tourism business management: Tourism business management, tourism management laws and regulations, monitoring and evaluation • Human resources development for public and private sector • Improvement of tourism service quality: service standard, tourism service training • HRD for local people
6	Cost	USD 13.87 million
7	Impact to tourism development	<ul style="list-style-type: none"> • Improve convenience by providing information on tourism resources • Integrating tourism management and activation of private sector • Provide comfortable environment
8	Impact to heritage	<ul style="list-style-type: none"> • Some facilities may have impact on heritage such as design • Promotion of heritage preservation through the initiative of the private sector • Promotion of preservation management by securing funds for management.
9	Impact to the region (social, economy, culture)	<ul style="list-style-type: none"> • Increase in tourism income from the increase in number of tourists and length of stay. • Improved financial situation will be utilized for preservation.

9.7.4 Sector Projects

Infrastructure development which is expected to contribute to tourism development is compiled to access improvement, strengthening of EV bus, and urban environment/service improvement.

(1) Access Road Improvement

1	Project Name	Tourist Site Access Improvement Project (Yen Loan or Grant Aid)
2	Background	Tourism resources are scattered around the World Heritage site. Access to tourist site has to be improved to provide convenience
3	Objective	<ul style="list-style-type: none"> • Improve access to tourist sites which benefit both tourists and local people. • Improve access during the rainy season because access to some sites is difficult if road is not paved
4	Implementing agency	DPWT
5	Project Components	<ul style="list-style-type: none"> • Tourism Road Rehabilitation (Mekong Bridge Site-Ban Soun-NR13N) • Connecting Road (Tourism Road Above No.1 and NR13N) Rehabilitation (Irrigation Company-Wad Ban Phonsa Ad) • Road Rehabilitation of Provincial Road (NR13N-Ban Ansavan) • Road Rehabilitation of NR13N (Ban Phonsy-Ban Kok Gnew) • Road Rehabilitation of NR2501 (Luang Prabang World Heritage Area - Kwan Si Waterfall) Rehabilitation • Rehabilitation of Main Street Road in Muang Ngoi • <u>Khan River Bridge Construction (steel bridge) USD 10 million (newly proposed)</u>
6	Cost	USD 92.88 million
7	Impact to tourism development	<ul style="list-style-type: none"> • Accelerating tourism promotion and handicraft industry • Improving the accessibility to Chomphet and Thailand, and accelerating tourism promotion
8	Impact to heritage	<ul style="list-style-type: none"> • Changing landscape and view from high point of the World Heritage site
9	Impact to the region (social, economy, culture)	<ul style="list-style-type: none"> • Providing convenient tourism transportation • Improving access is expected to bring more tourists to the tourist site, particularly in the rainy season, which contributes to more income. • Traditional handicraft can be maintained by increase in sales.

(2) EV Tuk-tuk Stations (*Tuk-tuk*)

1	Project Name	Construction of EV Tuk-tuk Stations (Grant Aid)
2	Background	The city center is sometimes congested with traffic which is not safe and also causes air pollution. JICA has been conducting trial project for EV Tuk-tuk. Installation of EV bus station is expected to improve the air quality of the environment and secure safety in the town
3	Objective	<ul style="list-style-type: none"> • To improve convenience of tourist • To improve the air/noise quality of the environment such as noise and air
4	Implementing agency	DPWT
5	Project Components	<ul style="list-style-type: none"> • EV Tuk-tuk installation • EV Tuk-tuk station construction • Training of staff
6	Cost	USD 5 million
7	Impact to tourism development	<ul style="list-style-type: none"> • Tourism promotion through improving access in the heritage site
8	Impact to heritage	<ul style="list-style-type: none"> • Providing eco-friendly public transportation • Improve air quality • Design of bus and bus station to match the feeling of heritage. The design should be well-thought-out.
9	Impact to the region (social, economy, culture)	<ul style="list-style-type: none"> • Local people can utilize the bus

(3) Urban Service/Environment Improvement

1	Project Name	Urban Environment Improvement Project (Loan)
2	Background	Maintaining urban environment is important not only for the local people but also providing comfortable environment for tourists, including providing utility and clean environment that increases the value of heritage.
3	Objectives	<ul style="list-style-type: none"> • to provide water for tourism use (hotels, restaurants) and for domestic use • to improve the quality of water in drainage and ponds through which comfortable environment is provided to tourists and value of heritage is improved. • to improve cleanliness and beautification of heritage site through proper waste management
4	Implementing agencies	Luang Prabang Water Supply State Enterprise (LPWSE), UDAA
5	Project Components	<p>River bank improvement/landscape: parks</p> <p>Water supply</p> <ul style="list-style-type: none"> • Water Supply: Improvement to efficiency of existing water supply system; installation of transmission; and replacement of distribution pipes <p>Drainage and wastewater in Zones I-A, I-B</p> <ul style="list-style-type: none"> • Drainage and sewerage development, sludge treatment <p>Solid Waste Management</p> <ul style="list-style-type: none"> • Landfill site development (improvement) <p>Firefighting facility</p> <ul style="list-style-type: none"> • Hydrant, fire engine, hose <p><u>Undergrounding of the power line</u></p> <ul style="list-style-type: none"> • <u>Undergrounding of the power line in the heritage site (newly proposed)</u>
6	Cost	<p>River bank improvement/landscape : USD 0.89 million</p> <p>Water supply: USD 8.13 million</p> <p>Drainage: USD 14.89 million</p> <p>Wastewater treatment: USD 8.81 million</p> <p>Solid waste (landfill site expansion): USD 1.00 million</p> <p>Firefighting facility; USD 1.14 million</p> <p><u>Undergrounding of the power line: USD 1.00 million</u></p> <p>Total: USD 35.86million</p>
7	Impact to tourism development	<ul style="list-style-type: none"> • Provide clean and comfortable urban environment (clean town/water quality/solid waste management) to tourists, which is expected to improve the value of heritage
8	Impact to heritage	<ul style="list-style-type: none"> • Cleaning expects an improvement in the value of the heritage • Types of facility may have impact on heritage. Large-scale facility may not be accepted
9	Impact to the region (social, economy, culture)	<ul style="list-style-type: none"> • Drainage and pond improvement is expected to improve the living environment through improving the water quality • Urban environment improvement through solid waste management

Chapter 10 Invitation to Japan

10.1 Background and Objectives

The invitation program had been implemented to gain support on regional development through the promotion of Luang Prabang as a tourist destination. This program aimed to encourage initiatives of the relevant parties from Luang Prabang for considering Luang Prabang Regional Development by visiting cities where tourism development has been successful and by having discussions with their respective local governments. Two locations in Japan have been visited, namely; 1) Gassho-dukuri Village in Shirakawa-go, which is a world heritage since 1995. This village and Luang Prabang have many things in common including their implementing measures in preserving historical buildings. 2) The other location is Takayama City where it is filled with natural greenery that actively promotes tourism and has many important cultural properties.

The objectives of the invitation program are summarized as below:

- To encourage relevant parties from Luang Prabang to learn the initiatives of community development at the world heritage site and the preservation of historical and cultural districts in Japan (tourism promotion, heritage preservation, infrastructure development, finances, participation of residents, roles of public and private) to serve as reference for regional and community development of Luang Prabang and its tourism promotion.
- To introduce Luang Prabang to the tourism sector of Japan and to understand the tourism needs of Japan to serve as reference for the future of Luang Prabang Tourism and Regional Development
- To achieve the objective of Luang Prabang Province Officials which is to learn the strategies of tourism development and implementation of priority projects through discussions in the program

10.2 Contents of the Invitation Program

The invitation program was implemented for eight days with the contents summarized below.

- Examples in Japan (Lectures from experts):
 - ① Tokyo University: Introduction of specific areas with concentrated historical and cultural resources such as traditional architectures preservation district in Japan where coexists together with residents' living environment (Tsumago-juku, Kawagoe)
The introduction included following subjects:
 - Tourism promotion, residents' living environment, balance in preservation of historical resources;
 - Measures in preservation/ conservation according to the characteristics of the district
 - Methods in financial management for preservation; and
 - Participation of tourism development government, related areal agencies, private organizations, and residents
 - ② Japan Association of Travel Agents (JATA): policies of tourism promotion in Japan, requests from the Japanese side
- Example in Hida Takayama:
 - ① Takayama City: overall tourism Promotion and regional development, individual policies of community development (infrastructure development, information center), preservation, events (experience type, scenery, culture, season), roles of

government for regional and tourism development

■ Example in Shirakawa-go:

- ① Shirakawa village (Board of Education): overall tourism promotion and regional development, individual policies of community development (infrastructure development, information center), preservation, events (experience type, scenery, culture, season), roles of government for regional and tourism development
- ② General Incorporated Foundation for Preservation of World Heritage Shirakawa-go Gassho-zukuri: research for village preservation, institutions for the research, institutions enhance the development of the village and its suburbs, direction of preservation/conservation of traditional houses, ways of management in operating car parks (lecture and discussion were held together with Shirakawa Village Office)

10.3 Discussions with Different Japanese Organizations

During the invitation period, the Lao invitees had more than one chance to discuss tourism related topics with Japanese public and private sectors. The results of discussions and exchange of views with different Japanese organizations are as summarized below.

10.3.1 JICA Headquarters

(1) Discussion with JICA Headquarters

Monday, 15th February 2016 at 10:00, the Lao invitees had a discussion at the JICA Headquarters with the JICA personnel in-charge about the program during the invitation period. The meeting was held as an initial orientation for the Lao invitees. The main points are as summarized below.

[JICA]

- At the national level, compared with other countries, Japan does not occupy a pioneering position when it comes to tourism industry promotion. Takayama City (Gifu Prefecture), however, has been making efforts to promote local tourism more than 30 years. This is also the case for Shirakawa Village (Gifu Prefecture) from which the Lao side may learn from their practices and experiences.
- Lao PDR has been economically growing at an annual rate of 7% for more than ten years. JICA would be happy if the circumstances allow them to continue further support regarding tourism development in Luang Prabang Province. JICA expects that the representatives from Lao PDR will learn a lot from Japan about environmental policy making as sustainability is important for tourism development.

[Lao Side]

- The Lao side does want to promote tourism development considering the maximization of resources of Luang Prabang.
- Infrastructure development is also important to ensure cleanliness and safety. Compliance should be respected too. The Lao side is looking forward to learn a lot from good examples in Gifu Prefecture.

(2) Lecture from a Special Appointed Professor from Tokyo University

Monday, 15th of February 2016 at 3:30 p.m., the Lao invitees attended a lecture at the JICA Headquarters about the “Community Development and Territorial Design to Utilize Historic Townscapes” by a special appointed professor of Territorial Design Studies Unit from Tokyo University. The main points are summarized below.

[Essence of the Lecture]

- To learn about changes in various types of cooperation between the authorities and the citizens from the examples of Tsumago-juku (Nagano Prefecture) and Kawagoe City (Saitama Prefecture);
- To learn about the history of citizens’ initiative;
- To learn about the point of “Important Preservation Districts for Groups of Historic Buildings” based on Japanese Law of Urban Planning; and
- To learn about the social system for maintenance and management of historic areas considering the main stakeholders such as building owners, business persons, local authorities, and urban planning experts.

[Lessons learned]

- The Lao side had believed that citizens must be forced to live in obsolete and in inconvenient conditions to maintain historic values, but now they realized that citizens need to know that it is possible to preserve structures with historic values while having the comfort of modern life and at the same time, they were able to determine other necessary surveys that need to be conducted and appropriate measures that need to be taken.
- It goes without saying that Japanese experiences cannot be applied directly to Lao society where socioeconomic as well as cultural conditions are different, but the Lao representatives believed that Luang Prabang also could try to overcome the same kind of difficulties.

10.3.2 Japan Association of Travel Agents

Monday, 15th of February 2016 at 2:00 p.m., the Lao invitees attended a lecture at JATA about “Japan Update and our Promotional Activities” by JATA staff. The main points are summarized below.

[Essence of the Lecture]

- To learn about the history of Japanese outbound trips;
- To learn about JATA’s roles and activities;
- To learn about the recent trend of Japanese tourists; and
- To learn about JATA’s cooperation with Japanese embassies and Japan National Tourism Organization (JNTO)

[Lessons learned]

- Apart from the essence of the lecture, the Lao side got useful information about inbound tourism in Japan including average figures of length of stay of tourists and their expenses, popular destinations;
- The Lao side learned from the Japanese about the main roles of each stakeholder (local authorities,

- tourism association, tour companies) and their struggles in order to increase tourist arrivals; and
- The Lao side also learned about JNTO’s promotion activities in foreign countries to enhance inbound tourism in Japan.

10.3.3 Takayama City

Tuesday, 16th of February 2016 at 2:00 p.m., the Lao invitees visited the San-machi area and “Takayama Jinya” which functioned as an office of Hida Gundai (the magistrate of Hida Region) and the Jinya of Tenryo.

Tuesday, 16th of February 2016 at 3:30, the Lao invitees attended a lecture at the Takayama City Hall about “A City of International Tourism, Hida Takayama” by Director of Overseas Marketing Strategy Division. The main points are summarized below.

[Essence of the Lecture]

- To learn about Takayama City’s basic information including socioeconomic conditions and history;
- To learn about the tourism policy of Takayama City which is confronted with decreasing birthrate and aging population and suffering from depopulation;
- To learn about the recent foreign tourists’ trend in Takayama City; and
- To learn about local organizations for tourism promotion including a committee for urban design

[Lessons learned]

- Apart from the essence of the lecture, the Lao side understood the maintenance system for important cultural assets in Takayama City from a financial aspect including the subsidies from the national, prefectural, and local body level as well as the owners’ expenses.
- The Lao side also understood Takayama City’s ideas on how to increase the average expenses of tourists. It is important to develop new souvenirs making the best use of local ingredients and materials and new tourism destinations other than the old houses in the city center.

An inspection tour was conducted in Takayama City as shown in Figure 10.3.1.



Source: JICA Survey Team

Figure 10.3.1 Inspection Tour (Takayama City)

10.3.4 Shirakawa Village (Shirakawa-go)

Wednesday, 17th of February 2016 at 10:00 a.m., the Lao invitees had site visit to an observation point and “Wada Family’ s House” (a national important cultural property) in order to learn about tourism facilities in each site. In particular, Lao invitees were actively asking questions about financial and facilities management of “Wada Family’ s House” .

Wednesday, 17th of February 2016 at 1:00 p.m., the Lao invitees attended a lecture at Shirakawa Village Office about “An Outline of Shirakawa-go” by Deputy Manager of Tourism Promotion Division. A member from Shirakawa Board of Education and a representative of the foundation for preservation of “Gassho-Zukuri” houses also attended the meeting. The main points are summarized below.

[Essence of the Lecture]

- To learn about Shirakawa Village’s basic information including socioeconomic conditions and history;
- To learn about the community mutual aid system for re-thatching the roof of an old house and other daily village activities;
- To learn about the policy for enhancing the accommodation capacity in the village;
- To learn about the struggle to create and promote other destinations in the village to avoid excessive environmental burden in the world heritage area caused by overheated tourism; and
- To learn about the village’s challenges to improve the service quality of some restaurants which lack skills on hospitality to tourists

[Lessons learned]

- The Lao side understood the difficulties in which the village is being confronted to like a decreasing birthrate and aging population society and the challenges in inheriting fair share of tradition to the next generation.
- The Lao side understood the financial resources for infrastructure management and on how to operate a foundation.
- The Lao side understood the idea of raising income from village parking lots for the preservation of historic houses.

An inspection tour was conducted in Shirakawa Village as shown in Figure 10.3.2.



Source: JICA Survey Team

Figure 10.3.2 Inspection Tour (Shirakawa Village)

10.4 Seminar

The seminar “Luang Prabang (Lao PDR), A Holy World Heritage in Mountains - Its Charms and Prospects” was held in the morning of 19th February 2016, which targeted both public-private sectors in the tourism industry of Japan. The seminar was sponsored by JICA and the presenters were invitees from Lao PDR.

(1) Outline

The outline of the seminar is summarized in Table 10.4.1.

Table 10.4.1 Outline of the Seminar (19th February, 2016)

Items	Contents	Remarks
Title	“Luang Prabang (Lao PDR), A Holy World Heritage in Mountains – Its Charms and Prospects”	
Objectives	1) To share information to Japanese tourism agencies regarding attractions of Luang Prabang as a tourist spot and policies of tourism promotion in both Japan and Luang Prabang 2) To provide a chance to exchange ideas between Lao PDR side and the Japanese relevant side to increase the attractions of Luang Prabang as a world heritage and as a tourist spot.	
Sponsor	JICA	
Presenters	Deputy Director of DICT, Luang Prabang Prefecture	About 20 minutes of PPT presentation and about 8 minutes Video for tourism promotion translated in English
Date	Friday, 19 th of February, 2016, 10:00 a.m. – 12:00 noon	
Location	Bellesalle Kudan 4 th Floor Room 3 (Sumitomo Fudosan Kudan Bldg., Kudan-Kita 1-8-10, Chiyoda-ku, Tokyo)	
Attendants	Public (Japan Tourism Agency) 2 person, Private (travel agencies, trading companies, etc.) 19 person, Total: 21 persons	All invitees from Lao PDR (10 persons) and JICA officials (7 persons) have attended
Language	Lao – Japanese (simultaneous interpretation)	

Source: JICA Survey Team

The program of the seminar is shown in the Table 10.4.2.

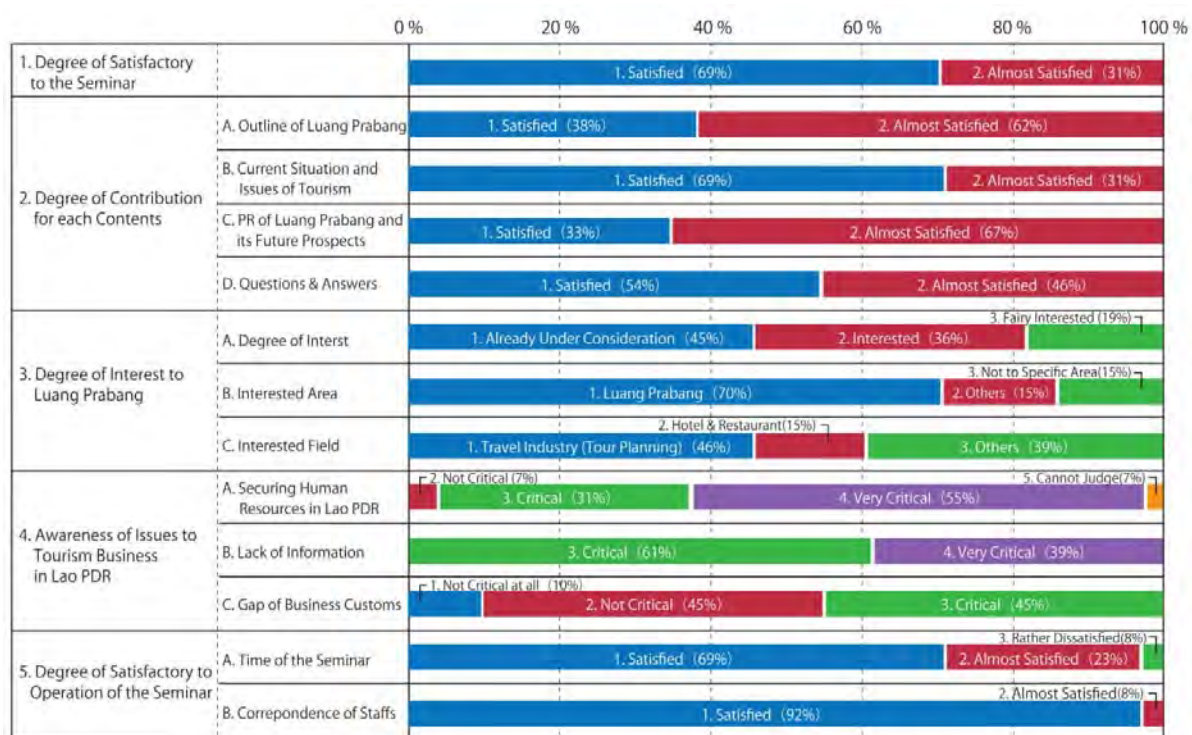
Table 10.4.2 Program of the Seminar

No.	Time	Program	Presenter
1	9:30	Opening of the Seminar Room	-
2	10:00 – 10:10	Venue Opening	Vice Governor of Luang Prabang
3	10:10 – 10:50	Presentation “Luang Prabang (Lao PDR), A Holy World Heritage in Mountains – Its Charms and Prospects”	Deputy Director of DICT, Luang Prabang
4	10:50 – 11:10	Coffee Break	-
5	11:10 – 11:50	Questions and Answers	All Laos and Japanese Participants
6	11:50 – 12:00	Closing Remarks	Manager of JICA Laos Office

Source: JICA Survey Team

(2) Impressions of Attendees

Short questionnaires regarding impressions to the seminar have been distributed to the attendees. The results are summarized in Figure 10.4.1.



Source: JICA Survey Team

Figure 10.4.1 Impressions of the Attendees

10.5 Confirmation of Intentions of Lao PDR Side regarding Japanese Assistance

On Friday, 19 February 2016 at 14:00, the last day of the invitation program, a meeting was held to have a discussion between the Lao PDR side and the JICA side at JICA Headquarters and reviewed what has been learnt during the period of the invitation program.

JICA side has insisted on the importance of tourism development in north side of Lao PDR including Luang Prabang. At the same time, JICA has requested to Lao PDR side to take into consideration that the resources which can easily be lost if the development takes a wrong course. JICA has presented the survey on 1) capacity building, and 2) infrastructure development that are being planned as the next assistance of JICA to Lao PDR and requested for a continuous support from Lao PDR side. Lao PDR side has accepted to this.

The impressions of the Lao invitees are summarized in Table 10.5.1.

Table 10.5.1 Impressions of Invitees (19th February, 2016)

Invitees		Impressions
1	Vice Governor of Luang Prabang Prefecture	The invitation was very fruitful as a whole. We will have further discussions with other Lao stakeholder organizations upon returning to the province in order that the Lao PDR should merit further support from Japan.
2	Director of DPWT, Luang Prabang	Community participatory approaches in Shirakawa Village are wonderful. More accommodation would be desirable.
3	Head of DPL, Luang Prabang	Shirakawa Village seemed to be more beautiful compared with the last time I came in 2009 (rice field scenery and undergrounding electric poles and cables). I do want to keep learning from Japan about infrastructure and disaster management.
4	Managing Director of Luang Prabang Water Supply State Enterprise	It is wonderful to be able to safely drink tap water without any problems in Japan. We do appreciate the ongoing technical cooperation by JICA which started in 2013. We expect further support from JICA.
5	Director of MICT	I've been admiring Japan's readiness in welcoming foreign tourists since 2000 when I came to Japan for the first time (multi-linguistic signs, comfortable facilities, etc). Takayama City's tourism development strategy is also wonderful.
6	Director of DPI, Luang Prabang	The balance between development and preservation is important. We want to develop human resources.
7	Deputy Director of DICT, Luang Prabang	The hospitality of Takayama City is just wonderful. I do want to come back to the city another time. It would be great if Takayama and Luang Prabang become sister cities in the near future.
8	Vice President of UDAA, Luang Prabang	Luang Prabang should cope with environmental issues. We will coordinate between Lao stakeholders for the challenges with a view to cooperating with Japan.
9	President of Luang Prabang Travel Agents Association	We were so impressed with Japan's experiences in community initiative and partnership between public and private sectors including Takayama City and Shirakawa Village.

Source: JICA Survey Team

Chapter 11 Remarks on Project Implementation

11.1 Outline of Remarks on Project Implementation

Remarks on the implementation of tourism development for Luang Prabang are prepared from the three points of view, namely: remarks on the project implementation mentioned in the JICA Country Analysis Paper; implementation at UNESCO World Heritage Site and its surrounding; and implementation organizations.

11.2 Consistency of Policy on Japanese Assistance

(1) Project formulation in consideration of sustainability of partner countries

The budget of Lao government is characterized that most of the national budget is allocated for ordinary budget and most of project budget depends on international organizations. Budget for operation and maintenance (O&M), securing staff for O&M, and providing training are considered constraints. During project formulation, budget issues have to be considered.

(2) Information collection to understand the trend of international organization and private sector

In recent years, such countries as China, Thailand and Vietnam have been participating in ODA and private sector support are involved in power sector and water supply sector. Coordination capacity of Lao government, on the contrary, is limited. In order to avoid unnecessary duplication, enough information should be collected from the project formulation stage and monitoring of information through implementation agencies have to be conducted more than ever before.

For tourism development in Luang Prabang, ADB is supporting infrastructure development and capacity development, AFD is supporting infrastructure development and building renovation in UNESCO World Heritage Site. For examining project details, information should be shared with ADB and AFD.

(3) Maximum utilization of project schemes

A variety of project schemes, loan, grant, technical cooperation, private partnership, community participation, can be applied in Lao PDR. Characteristics of these schemes should be well thought out and examine the best combination of schemes which maximize the development benefit.

Sustaining “culture and traditional way of living” is considered one of important issues for tourism development in Luang Prabang. Possibility of private partnership and community participation should be considered for preserving “culture and traditional way of living”

11.3 Sustaining the Value of UNESCO World Heritage Assets

For implementing tourism development in Luang Prabang, impact to UNESCO World Heritage has to be carefully examined. Interest of UNESCO is not only to preserve value and landscape of the UNESCO World Heritage site, but also preserve conditions in buffer zone and surrounding areas where may have impact on landscape of the assets (visual from the heritage site or not) and indirect impact. Failure to consider the preservation of assets may lead to delay of the project and additional cost which can be avoided. Risk that may affect implementation has to be avoided. Following

aspects should be paid attention for project formulation.

- Assigning heritage experts: A heritage expert should be assigned from the project formulation stage to identify consideration to heritage (design of tourist information center, indirect impact from road construction, facility design, and impact to natural environment).
- Involvement of UNESCO and ICOMOS: Projects in UNESCO World Heritage Site requires discussion in the committee for UNESCO. ICOMOS plays an important role in decision making at the committee. After the framework of the project is formulated, information should be shared with ICOMOS and necessary procedure for heritage consideration has to be discussed.
- Implementation of HIA (Heritage Impact Assessment): HIA is required for some projects. HIA is mandated for the projects in the UNESCO World Heritage Site. The project outside the UNESCO World Heritage Site sometimes requires HIA. Information should be shared with ICOMOS, and confirm whether or not HIA is required. Additional cost for changing design to match the heritage atmosphere may be required after HIA is conducted so HIA shall be conducted prior to implementing the project (e.g. F/S). Cost of HIA should be included in F/S.

11.4 Project Implementation to Achieve Target for Tourism Development

Tourism development is involved in a variety of sectors including tourism facility development, infrastructure development (road, urban environment), tourism product development, tourism service improvement, and human resources development. In addition, preservation and utilization of history, culture, and nature has to be promoted.

Project implementation has to consider the preservation of history, culture, nature, and utilize these resources, together with tourism promotion through infrastructure/facility development and human resources development.

11.5 Consideration of Negative Impact of Increase in Number of Tourists

According to Luang Prabang tourism development strategy, target tourists in 2020 is set at 700,000 which is close to double the current number of tourists; however, expected negative impact has to be considered. For supporting tourism development, appropriate target (capacity) of tourists has to be examined and tourism promotion and tourism product development in the districts of Luang Prabang, Chomphet, and Muang Ngoi have to be accelerated in diverting tourists to other tourist sites to minimize the negative impact.

11.6 Establishment of Implementation Organization

A variety of sectors are involved in tourism development. For tourism development in Luang Prabang, the Tourism Department, Heritage Department, DPWT, and other departments are involved. In order to implement projects efficiently, active involvement of the Governor or Vice Governor of Luang Prabang Province is essential. In addition, it is necessary to establish the Project Implementation Unit (PIU) or Steering Committee, both at the national level and local level, has to be established. PIU in Luang Prabang Province has to be established directly under the Governor or Vice Governor, which makes coordination more efficient. Infrastructure such as road requires technical observation, so DPWT and other infrastructure related departments have to be involved.

Establishment of PIU has to be determined based on scale and contents of the project and has to be discussed with the Lao government. Considering the management capacity (technical and operational) of Luang Prabang provincial government, involvement of the central government is essential. For the establishment of PIU and Steering Committee for coordination, the capacity of project management has to be fully considered.

The PIU will be established as an implementation agency for tourism development project under the Luang Prabang provincial government. Main tasks are expected to be as follows:

1) Administrative task

- ① Coordinating meetings and event and prepare minutes of the meeting
- ② Procurement of equipment
- ③ Liaison activity

2) Personnel task

- ① Salary, social welfare
- ② Working environment
- ③ Personnel (recruitment of staff, driver)
- ④ Education and training

3) Financial task

- ① Financial management
- ② Evaluation of invoice and receipt
- ③ Payment
- ④ Account book management
- ⑤ Bank related activity

4) Environmental task

- ① Public consultation management
- ② Relocation and compensation execution
- ③ EIA report and EIA preparation

5) Technical task

- ① Procurement of consultant and contractor
- ② Approval of design drawings and tender document
- ③ Supervision of design and construction
- ④ Approval of construction document and design

After the completion of the project, tasks will be transferred to concerned organizations and each organization will be responsible for the operation and maintenance.

<Responsible agencies>

- Heritage preservation : Heritage department
- Tourism information center, human resources development: DICT
- Road, bridges, wastewater/drainage: DPWT
- Water supply: LPWSE
- Riverbank facility(Landscape): UDAA

11.7 Feedback from Invitation to Japan

During their stay in Takayama City and Shirakawa Village, the Lao invitees seemed to be impressed with especially by the followings about which the two countries shall be continue further discussions to formulate a future cooperation outline.

1) Human Resource Development

- ① Tourism management skills for local administration
- ② Tourism service (Guide/ Front desk/ Food & beverage)
- ③ Heritage management and infrastructure maintenance
- ④ Community participation

2) Infrastructure Development

- ① Water supply
- ② Drainage/ Wastewater treatment
- ③ Waste management
- ④ Road construction
- ⑤ Installation and construction of tourism facilities

Chapter 12 Conclusion and Recommendation

12.1 Conclusion

The conclusion of this Survey is shown below:

- Proposal of tourism development concept

Through discussion and workshop with concerned agencies and stakeholders, tourism development concept was proposed to have the following objective: to provide a relaxing and comfortable atmosphere to middle to high-end tourists by experiencing the history, culture, and nature of Luang Prabang Province.

- Key words for tourism development

Key words for tourism development and relevance to tourism development were discussed and proposed.

- Preservation: historical heritage, culture, traditional life style
 - Development: infrastructure, facilities
 - Quality: tourism service, facility maintenance, urban service
 - Awareness: importance of preservation of culture/heritage, tourism service/hospitality, urban environment
 - Coordination: organizations, sectors (tourism, urban development, heritage preservation)
 - Creation: diversification and development of tourism products, marketing and promotion
- Compilation of the project long list for tourism development

Long list for tourism development project was compiled through discussion with the Lao government.

- Tourism development: facility, human resources development, institution
 - Road and transport: access road, public transport
 - Urban environment/services: river bank improvement, water supply, wastewater treatment, drainage, solid waste management, fire-fighting facilities
- Classifying projects for tourism development

Based on the tourism development concept and key words for tourism development, projects are classified as follows:

- Integrated tourism development in Luang Prabang Province: tourism facility, access road, urban environment/service (water supply, fire-fighting facility, wastewater, drainage, solid waste, undergrounding of the power line), institutions in heritage area, tourism product development, human resources development
- Integrated tourism development in Muang Ngoi: road, tourism facility, tourism product development
- Tourism product development: diversification of tourism product, promotion of local culture, development and promotion of handicraft, promotion of community-based tourism (CBT)
- Tourism service improvement: tourism facility, institutional improvement, tourism management, human resources development, service improvement
- Tourism access road improvement: roads
- EV Tuk-tuk stop improvement: EV bus, bus stop, human resources development

- Urban environment/service improvement: river bank improvement, water supply, drainage/wastewater, solid waste management, fire-fighting facility, undergrounding of the power line.

12.2 Recommendation

Recommendation for implementation for tourism development is addressed below.

- Implementation of Luang Prabang Tourism Development Project (Yen Loan)

In order for the project to contribute to the target of tourism development, comprehensive assistance is necessary. Points for selecting the package project are listed below.

- Tourism and regional development are involved in a variety of sectors. Important sectors for tourism and regional development are included,
- Infrastructural component and technical assistance component are included,
- Project components that have been included in the existing plans and identified as priority in tourism development through workshops are included.

Based on the points mentioned above, the following project package is recommended to be implemented by yen loan.

Data Collection Survey on Tourism Development in Luang Prabang
Final Report

1 Project Components

Sector	Project	Implementing Agencies	Project Outline	Project Cost (Unit: US million) Note: Estimated by the Survey Team based on the cost proposed by Laos government				Alternatives	
				Capacity Building	Equipment	Facility	Total	Grant	Loan
1. Tourism Facility	(1) Tourism information Center	DICT	Information center will be renovated and equipment is procured at airport and in the city		0.39	1.50	1.89	★	
	(2) Small scale facility (toilet, pavement of access road, green area, view point, information board)	DICT	Small scale facility (toilet, information board, parking) will be constructed at tourist site			5.32	5.32	★	
	(3) Tourism human resources center	DICT	Human resources will be strengthening in Luang Prabang, Ngoi, Xeng, Chomphet. These districts are the center of tourism, and human resources development is essential. This project includes construction of human resources training center.		0.89	2.00	2.89	★	
2. Transport	(1) Tourism Road Rehabilitation (Mekong Bridge Site-Ban Soun-NR13N)	DPWT	Graved road will be improved (paved) along the handicraft and souvenir villages.			4.07	4.07		★
	(2) Connecting Road (Tourism Road above No.1 and NR13N) Rehabilitation (Irrigation Company-Wad Ban Phonsa Ad)	DPWT	Road improvement at National road No 13 and tourism road connecting point will be conducted			0.48	0.48		★
	(3) Road Rehabilitation of NR13N to 4 Lane (Airport-Luang Prabang)	DPWT	Road expansion (2 lane to 4 lane) of National road No 13 (north) from airport to city, which is main access will be conducted.			27.50	27.50		★
	(4) Khan River bridge construction (steel bridge)	DPWT	Bridge (metal) crossing city center to the other side of Khan river will be conducted			10.00	10.00		★
3. Urban Environment/Service	(1) Water supply (improvement)	LPWSE	Improvement project, including replacement of old pipes of existing facility, will be conducted. An improvement of water quality and a stable water supply are carried out which leads improvement of sanitary condition, and an improvement of water-rates balance can also be expected by these projects.			8.13	8.13		★
	(2) Fire fighting facility	UDAA	Facilities are improved including fire hydrant, small fire-fighting vehicles, deluge gun and drencher. Safety and security of heritage area improve through the reliability to fire-fighting activities.			1.14	1.14		★
	(3) Wastewater/Drainage in Zone I	UDAA	Zone I-A: The facility plan comprises 12 km of sewers (separated system) and 3 nos. of decentralized wastewater treatment plants. Zone I-B: The facility plan comprises 14 km of settled sewerage system, 8,600 m2 of wetland improvement, 10 km of small rivers, streams and wetlands to be improved for creating better water environment and 3 km of drains Sludge treatment facility: Sludge generation is estimated to be 5,400 m3/year and a required area for sludge treatment facility (constructed lagoon) is 2 ha. Zone I-A: US\$ 9.34 million Zone I-B: US\$ 5.55 million Sludge Treatment: US\$ 8.81 million			23.70	23.70		★
	(4) River bank improvement (landscape)	UDAA, Heritage Dept.	Mekong River left bank (2.3 km) and Nam Khan River both banks (3.4 km=1.7 km × 2, including Riverside Parks (3 sections), Vehicle Parking Areas (6 sections) and Sidewalks (7 sections).			0.89	0.89		★
	(5) Solid waste facility (Expansion)	UDAA	Expansion project is expanded to 20ha from 15ha, the waste disposal is continued in a sanitary condition			1.00	1.00		★
	(6) Undergrounding of the power line	Heritage Dept.	Undergrounding of the power line in the heritage site will be conducted.			1.00	1.00		★
4. Institutional Improvement	(1) Improvement of institution in heritage area	DICT	This project is for improvement of institutions in heritage area which supports sustainable tourism development by proposing new system.	1.67			1.67	★	TA
5. Tourism Product Development	(1) SIT (Special Interest Tourism)	DICT	• "Culture" is one of three pillars of tourism resources in Luang Prabang. Tourism product development by utilizing regional and traditional culture will be conducted.					★	
	(2) Event	DICT	• Tourism product and social system including CBT (Community Based Tourism) through which local people can earn income from tourism will be developed.	5.98			5.98		TA
	(3) Handicraft	DICT							
6. Human Resources Development	(1) Tourism management	DICT	• Comprehensive human resources development will be conducted in such fields as tourism development plan preparation and tourism management for sustainable tourism development.					★	
	(2) Human resources development for tourism sector (public and private)	DICT	• Tourism product and social system including CBT (Community Based Tourism) through which local people can earn income from tourism will be developed.	2.77			2.77		TA
	(3) Training to local people	DICT							
Total				10.42	1.28	86.73	98.43	20.52	77.91

Note: DICT (Department of Information, Culture and Tourism), DPWT (Department of Public Works and Transport), LPWSE (Luang Prabang Water Supply Enterprise), UDAA (Urban Development Administration Authority)

2. Cost by Component

(1)	Capacity Development	10.42	US\$ million
(2)	Equipment	1.28	US\$ million
(3)	Infrastructure/Facility	86.73	US\$ million
Total		98.43	US\$ million

- Examination of implementation organizations

For the implementation of the project, the Project Implementation Unit (PIU) will be established. Usually, the management unit is established both at the site (Luang Prabang Province) and at the central government. Establishment of the management unit depends on the size and technical aspect. It is necessary to discuss the establishment of the management unit with the Lao government.

In addition, the project management capability is limited. Three yen loan projects are under implementation in Lao PDR and PIUs rely heavily on the consultant for project management. For project implementation, the consultant has to be heavily involved in project management.

- Invitation to Japan

The invitation of representatives from Lao to Japan was so fruitful that it gain more than one meaning. All firsthand and direct information that the Lao invitees got in Japan will be useful in deciding their future policies for tourism development including further cooperation with Japan. For example, they did admire the fact that the citizens take initiative and act for the preservation of old values and as the result, the old buildings constructed hundreds years ago still remain in good conditions, which contributes in a substantial way to the current local tourism development. In this context, it is recommended that the Lao counterpart organizations should be invited to Japan for training and inspection in line with future technical cooperation framework between the two countries.

~ End of Document ~

Appendix-1

1. Similar Cases in Other Countries

1.1 Historic Villages of Shirakawa-go and Gokayama - Japan

1.1.1 Overview of Shirakawa-go

Shirakawa Village is located in the northwestern part of Gifu Prefecture and has a population of 1,700 people, as of 2013. 95.7% of the total area of 356 km² is covered with forests. Accordingly, there is more than one natural park such as Hakusan National Park, Amu Prefectural Natural Park, etc. They have a lot of snow in the winter so the village used to be isolated from the surrounding areas and considered as one of the most secluded areas of central Japan. The local climate is comfortable in the summer. On the contrary, the village is totally covered with snow. (Information source: Shirakawa Village HP)



Figure A.1.1 Location of Shirakawa Village

The Ogimachi area in Shirakawa Village is a community located on a benchland beside the Sho River. The “Gassho-zukuri” architecture style in the community was created to overcome the heavy snow, to make gunpowder, and to live on sericulture at the same time, and is highly evaluated as one of the most rationally developed housing styles in Japan. The Gassho-zukuri houses have been protected with other surrounding buildings, agricultural land, and natural environment. The area was zoned as a national “important preservation district of historic buildings” in 1976. Then, in 1995, the area was listed, together with Aikura and Suganuma communities in Gokayama area, Toyama Prefecture, as “Historic Villages of Shirakawa-go and Gokayama”, a world cultural heritage, by UNESCO. (Information source: Shirakawa Village World Heritage Master Plan)

Landscapes of Shirakawa Village are as shown in Figure A.1.2.



(1) Gassho Style Houses in the Summer

(2) Traffic Management Pilot Project (Left: Before, Right: After)

Source: Shirakawa Village HP/Shirakawa Village World Heritage Master Plan (Summary)

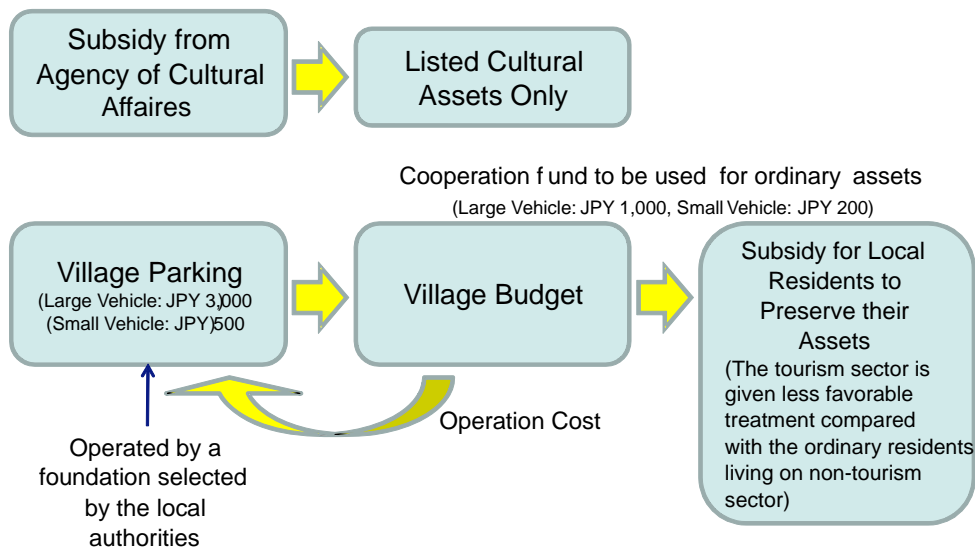
Figure A.1.2 Landscapes in Shirakawa Village

1.1.2 Shirakawa Village's Efforts for Financial Sustainability

Shirakawa Village has been making efforts to preserve the environment in the heritage area and ensure financial sustainability for landscape preservation as shown below.

- Thanks to Tokai-Hokuriku Expressway, which opened in 2008, the access to the village was drastically improved. Consequently, the number of visitors almost doubled from 770,000 in 1996 to 1,500,000 in 2013. The average time that the visitors spent in the village, however, was reduced to one hour.
- As a part of traffic management in the heritage area, the village has been restricting the entry of large vehicles (900 m in the center, 9:00-16:00) since September 2009, and tourism vehicles (1,000 m in the center, 9:00-16:00) since April 2014.
- The village restricts the entry of large vehicles into the center and induces them to park at any of the three paying parking areas in order to collect JPY 500 for sedan and JPY 3,000 for large vehicle. Out of the said amount, JPY 200 from sedan and JPY 1,000 from large vehicle will be part of the “Gassho Fund” for preservation of the world heritage community.
- In other words, a part of the parking cooperation fund contributes to the income of a general incorporated foundation for World Heritage Shirakawa-go Gassho-zukuri preservation. The amount of contribution was JPY 13.5 million in 2014, which accounted for 10% of the foundation. The cooperation fund is mainly used for different community preservation projects and operation costs.

The flow of parking fee profits return to the community is shown in Figure A.1.3.



Source: JICA Survey Team based on an interview in Shirakawa Village

Figure A.1.3 Flow of Parking Fee Profits Return to the Community

1.2 Hoi An Ancient Town - Vietnam

1.2.1 Overview of Hoi An

Hoi An is a middle-scale city with a population of 120,000 people located in Quang Nam Province, central Vietnam. It is 30 km to the south from Da Nang, the largest city in the region.

The city is situated at the mouth of Thu Bon called Cua Dai and had a name of “Faifoo” during the 15th and 17th centuries which was developed as the center of the east-west trading with India, China, Japan, Indonesia, Portugal, Italy, etc.

The scenery of Japanese Covered Bridge and the ancient houses along the streets imply that the town was a center of cultural exchange with Japanese and other foreign merchants. Traditional professions, customs, songs, literature, and gastronomy still remain in the ancient town.

Apart from the Japanese Covered Bridge, a number of beautiful ancient buildings such as the Chinese assembly halls (Phúc Ki ễ n, Qu·ng Đông, Hải Nam, Tri ễ u Châu, etc.), Quan Công Temple, old houses (Quân Th·ng, T·n Ký, Phùng H·ng, etc) are waiting for visitors.

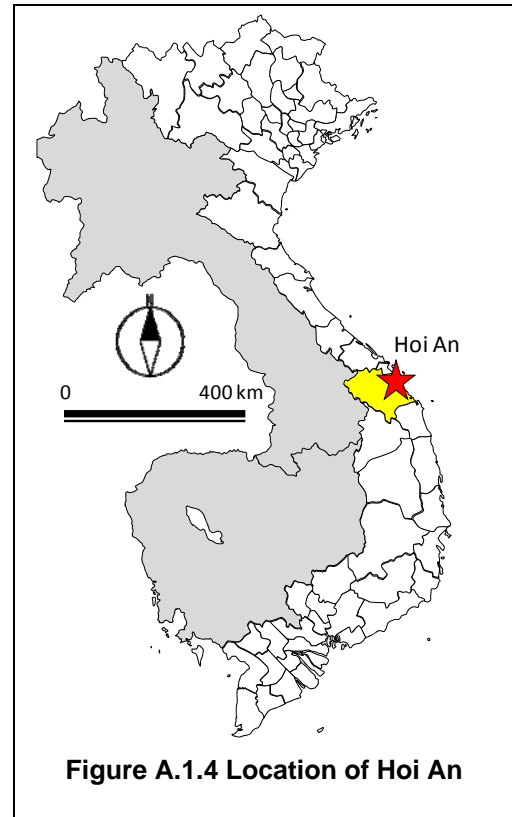


Figure A.1.4 Location of Hoi An

Currently, on the 14th of every month in the lunar calendar, it is forbidden to use electric light and enter the Ancient Town by motorcycle. The town turns into a pedestrian precinct which is not common in Vietnam yet. (Information Source: HP Ministry of Culture, Sports and Tourism, Vietnam)

In 1999, Hoi An Ancient Town was listed as a world cultural heritage by UNESCO.

Landscapes of central Hoi An are as shown in Figure A.1.5.



(1) Ticket Station

(2) Ancient Town View from an Old House

Source: JICA Survey Team

Figure A.1.5 Landscapes in Hoi An Ancient Town

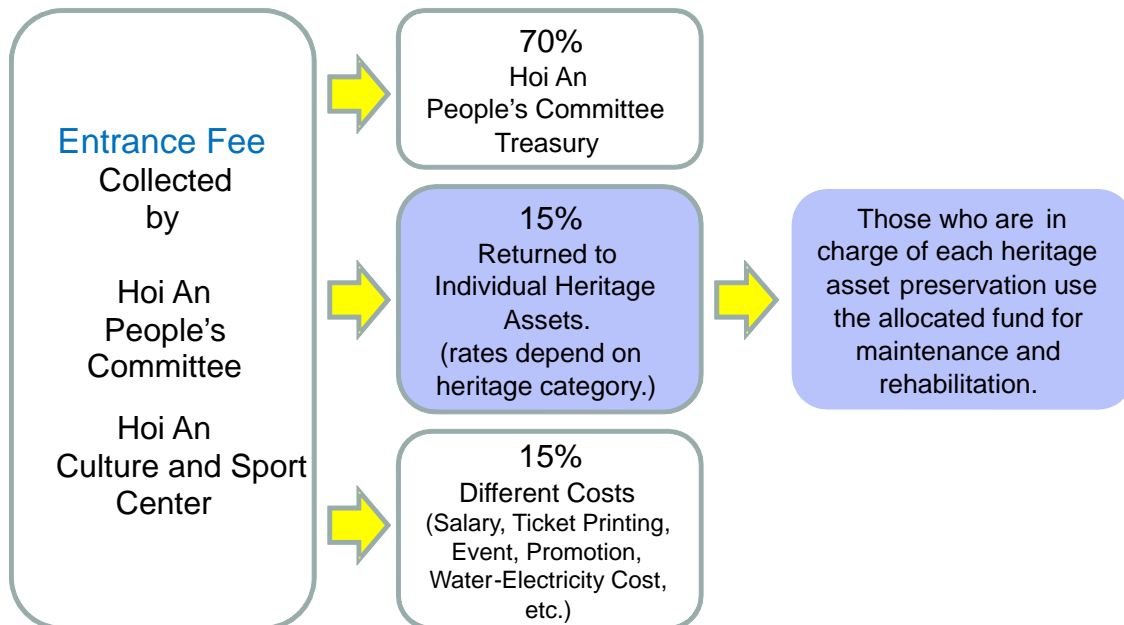
1.2.2 Hoi An's Efforts for Financial Sustainability

Hoi An has been making efforts to preserve the environment of the heritage area and ensure financial sustainability for landscape preservation as shown below.

- To restrict the entry of vehicles into the Ancient Town depending on the hours in view of ensuring the comfort of strolling visitors
- To set up a ticket station on the outer border of a pedestrian precinct and collect the entry fee (VND 120,000/person/valid for 24 hours) from visitors.
- With the entrance tickets, visitors have a chance to discover the ancient beauty of Hoi An: Japanese covered bridge, Chinese assembly halls, old houses, etc.
- Old houses submit the collected tickets to the local authorities to get a subsidy to rehabilitate their property and premises.

The flow of entrance fee profits return to the community is shown in Figure A.1.6.

The collected entrance fee is shared as follows: 70% to Hoi An People's Committee Treasury, 15% to different costs such as salary, ticket printing, events, promotion, water-electricity cost, etc., and 15% (the rest): return to the community in exchange of the collected tickets.



Source: JICA Survey Team based on an Interview with Hoi An People's Committee

Figure A.1.6 Flow of Entrance Fee Profits Return to the Community

Appendix-2

Participants List (Workshop in Luang Prabang Province on July 16, 2015)

Survey on Tourism Development in Louang prabang, Lao PDR

Participants List (Workshop, Luang Prabang, July 16)

Date: 16 July 2015

Location: Chitchalern Hotel (Louangprabang)

Time: 13:30 - 15:30

Register

<u>No</u>	<u>Position</u>	<u>Organization</u>
1	President	District Governer
2	Technician	Province Governer
3	Chief of Economic Department	Suphanuvong UNI
4	JICA Survey Team	Almec Corporation
5	Chief Engineer	DPWT
6	Duputy Director	Luanf Prabang WSE
7	Deputy Director	DPL
8	Sector Chief	DPL
9	Deputy Director	Hotel Association
10	Rep	JICA
11	Sector Chief	DICT
12	Deputy Director	UDDA
13	Deputy Head of Division	DICT
14	Agency Chief	DICT
15	Director of Tourism Association	Tourism Association
16	DOFA	Foreign Affair
17	Assistant	
18		
19	JICA Survey Team	JICA
20	Water supply and servage	JICA Study Team
21	Tourism Development	JICA Study Team
22		JICA Study Team
23	Assistant	

Participants List (Workshop in Vientiane Capital on July 23, 2015)

Survey on Tourism Development in Louang prabang, Lao PDR

Participants List (Workshop, Vientiane, July 23)

Date: 23 July 2015

Location: Lanexang Hote (Vientiane)

Time: 13:30 - 15:30

Register

<u>No</u>	<u>Position</u>	<u>Organization</u>
1	Translator	Company
2	Manager	Haysoke Travel
3	Rep	JICA
4	Team Leader	JICA SURVEY TEAM
5	Tourism Development	JICA SURVEY TEAM
6	Vice Division Header	The Ministry of Pulic Works and Transport
7	President	Lao Nat Com for UNESCO
8	Division Header	Department of Tourism Development
9	Vice Director	Lao Hotel and Restaurant Association
10	APO	JICA
11		Lanith

Participants List (Workshop on Oct 2, 2015)

No.	Oganization
1	HOTEL
2	LOUANGPRABANG WSE
3	SOUPHANOUVONG UNIVESITY
4	DICT
5	DICT
6	DICT
7	DICT
8	JICA HQ
9	JICA HQ
10	JICA HQ
11	JICA LAOS
12	UDAA
13	UDAA
14	LUTA
15	JICA LAOS
16	DICT
17	DPWT
18	JICA SURVEY TEAM
19	JICA SURVEY TEAM
20	JICA SURVEY TEAM
21	JICA SURVEY TEAM

Participants List (Seminar on October 7, 2015)

No.	Organization
1	UDAA
2	HERITAGE OFFICE
3	UDAA
4	DICT
5	LPB GOVERNOR
6	DICT
7	DPWT
8	JICA SURVEY TEAM
9	TOURISM DEPARTMENT
10	TOURISM DEPARTMENT
11	JICA HQ
12	JICA HQ
13	JICA SURVEY TEAM
14	JICA SURVEY TEAM
15	EMBASSY OF JAPAN
16	MOF
17	MPWT
18	JRISS
19	JRISS
20	KEI
21	JICA LAOS
22	JICA LAOS
23	JICA LAOS
24	JICA LAOS
25	JICA LAOS
26	ADB
27	LANITH
28	APD
29	JICA SURVEY TEAM
30	MPWT
31	JICA HQ

Appendix-3

The seminar “Luang Prabang (Lao PDR), A Holy World Heritage in Mountains – Its Charms and Prospects” (19th February, 2016) Questionnaire

主催機関のサービスの向上に向けて、アンケートにご協力をお願いします。						
JICA主催セミナー「世界遺産都市ルアンパバーン(ラオス国)-その魅力と展望-」						
【2016年2月19日(金)10:00~12:00 於:ベルサール九段】						
■ご所属先をご記入ください。(参加者のお名前は不要です)						
ご所属	<input type="checkbox"/> 企業・団体	会社・団体名				
		部署・部門名				
	<input type="checkbox"/> 個人参加					
質問1. 今回のセミナーは皆様のお役に立つものでしたか? 以下の1~4から適当なものをお選びください。また、その理由をご記入ください。(総合評価)						
<input type="checkbox"/> 4. 役に立った <input type="checkbox"/> 3. まあ役に立った <input type="checkbox"/> 2. あまり役に立たなかった <input type="checkbox"/> 1. 役に立たなかった						
理由						
質問2. 講演内容について、どの程度お役に立ったかお選びください。また、その理由をご記入ください。						
項目	4 立役に した	3 立役ま つにあ た	2 かた役あ つなま た立り	1 か立役 つな た	理由	
A. ルアンパバーンの概要	→	4	3	2	1	
B. 観光の現状と課題	→	4	3	2	1	
C. ルアンパバーンのPRと今後の展望	→	4	3	2	1	
D. 質疑応答	→	4	3	2	1	
質問3. ラオス国における観光関連のビジネスへのご関心について、以下の1~5から適当なものをお選びください。また、3~5を選んだ方は、ご関心のある地域およびビジネス分野について選択、ご記入ください。						
<input type="checkbox"/> 5. 既に検討中 <input type="checkbox"/> 4. 関心あり <input type="checkbox"/> 3. そこそこ関心あり <input type="checkbox"/> 2. そこまで関心はない <input type="checkbox"/> 1. 関心はない						
ご関心のある地域	<input type="checkbox"/> 1. ルアンパバーン <input type="checkbox"/> 2. その他地域() <input type="checkbox"/> 3. 特定の地域への関心はない					
ご関心のあるビジネス分野	<input type="checkbox"/> 1. 旅行業(ツアー企画) <input type="checkbox"/> 2. ホテル、飲食店等 <input type="checkbox"/> 3. その他()					
質問4. ラオス国における観光ビジネスについて、以下の項目がどの程度問題と認識されているかお選びください。また、その理由をご記入ください。						
項目	4 い題全 でく な問	3 な問 い題 で	2 あ問 る題 で	1 あ問と る題 でも	0 な分 い から	理由
A. 現地人材の確保	→	4	3	2	1	0
B. 現地情報の不足	→	4	3	2	1	0
C. ビジネス慣行の違い	→	4	3	2	1	0
D. その他 (右側に具体的に記入ください。)	→	4	3	2	1	0
質問5. 今回のセミナーの運営について、満足度をお選びください。また、その理由をご記入ください。						
項目	4 満 足	3 満 ま 足 あ	2 不 や 満 や	1 不 満	理由	
A. 開催時期、時間について	→	4	3	2	1	
B. スタッフの対応について	→	4	3	2	1	
質問6. その他、主催機関のサービスについてのご意見・コメントなどございましたら、ご記入ください。						
このアンケート調査の結果は、主催機関の事業活動の評価及び業務改善、事業フォローアップのために利用いたします。						
ご協力ありがとうございました。						