PROJECT DOCUMENT
ON THE
HOTEL & TOURISM MANAGEMENT TRAINING INSTITUTE
Part B
Curriculum Development, Teacher Training and
Technical Assistance in the operative Phase
January 2005

HOTEL & TOURISM MANAGEMENT TRAINING INSTITUTE (HTMTI)
Curriculum Development, Teacher Training and Technical Assistance in the operative Phase
Bhutan, Thimphu Dzongkhag

Objective:
To establish a regional vocational training institute with a view to upgrading it to diploma and degree level in the future.

Executing Agency:
Ministry of Trade and Industry (MoTI), Thimphu

Implementing Agency:
Department of Tourism, Thimphu

Austrian Coordination Bureau
Mme. Christine Weinberger
Austrian Coordinator

Project Volume:
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n.a. (in kind)

Austrian Development Agency:
NU 64,470,000 = EUR 1,289,400

Project Period:

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Director General
Department of Aid and Debt Management

Ambassador Dr. Michael Linhart
Managing Director
Austrian Development Agency

March 28, 2005
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Abbreviations:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACD</td>
<td>Austrian Coordination Bureau, Thimphu</td>
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<td>AC</td>
<td>Senior Technical Advisor Construction</td>
</tr>
<tr>
<td>ADA</td>
<td>Austrian Development Agency, Vienna</td>
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<td>ADC</td>
<td>Austrian Development Cooperation</td>
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<tr>
<td>AO</td>
<td>Senior Technical Advisor Operation</td>
</tr>
<tr>
<td>ATC</td>
<td>Austrian Tourism Consultants, Vienna</td>
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<tr>
<td>DoT</td>
<td>Department of Tourism</td>
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<tr>
<td>FS</td>
<td>Feasibility Study for HTMTI by Dr. Martin Uitz (November 2002)</td>
</tr>
<tr>
<td>DADM</td>
<td>Department of Aid and Debt Management</td>
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<td>DBA</td>
<td>Department of Budget and Accounts, Ministry of Finance</td>
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<tr>
<td>DS</td>
<td>Detailed Study for HTMTI and Training Hotel by Dr. Martin Uitz (August 2003)</td>
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<tr>
<td>EUR</td>
<td>Euro</td>
</tr>
<tr>
<td>GOP</td>
<td>Gross Operative Profit</td>
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<tr>
<td>6th FYP</td>
<td>The Ninth Five Years Plan</td>
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<td>HRD</td>
<td>Human Resource Development</td>
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<td>HTMTI</td>
<td>Hotel and Tourism Management Training Institute</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>ITH</td>
<td>Institute of Tourism and Hotel Management, Kleßheim, Austria</td>
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<tr>
<td>LAN</td>
<td>Local Area Network</td>
</tr>
<tr>
<td>MoF</td>
<td>Ministry of Finance</td>
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<tr>
<td>MTI</td>
<td>Ministry of Trade and Industry</td>
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<td>MoLHR</td>
<td>Ministry of Labour and Human Resources</td>
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<tr>
<td>NEX</td>
<td>National Execution</td>
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<tr>
<td>NTTA</td>
<td>National Technical Training Authority</td>
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<tr>
<td>NU</td>
<td>Bhutanese Ngultrum</td>
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<tr>
<td>PD</td>
<td>Project Director</td>
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<tr>
<td>PM</td>
<td>Project Manager</td>
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<tr>
<td>PMU</td>
<td>Project Management Unit</td>
</tr>
<tr>
<td>PMT</td>
<td>Project Management Team</td>
</tr>
<tr>
<td>PSC</td>
<td>Project Steering Committee</td>
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<tr>
<td>RGoB</td>
<td>Royal Government of Bhutan</td>
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<td>SATS</td>
<td>South Asia Secretariat of Tourism</td>
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<td>SNV</td>
<td>Netherlands Development Organisation</td>
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<tr>
<td>TA</td>
<td>Technical Assistance</td>
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</table>
1. Executive Summary

In connection with the Project Document B regarding the physical implementation of Hotel and Tourism Management Training Institute (HTMTI), the Training Hotel and the Banquet Hall this Project Document provides the overall background and agreement for the joint Austrian-Bhutanese effort to

- develop curricula for all fields of instruction at HTMTI,
- develop teaching materials and aids for the same purpose,
- train young teacher candidates for their future service at HTMTI and
- further train tourism professionals in Bhutan invited to contribute as lecturers.

The Project Documents further provides a background for a sustainable partnership between HTMTI and an Austrian institution well established in the field of international hotel management and tourism training programs.

HTMTI will receive support from the Austrian side not only during the pre-opening phase, when teachers are trained and curricula developed while the premises of the new institute are being constructed, but also for at least an initial operative period of five years. This support will be given in form of visiting teacher schemes and regular Technical Assistance provided by an Austrian expert on managerial and operative matters.

The Department of Tourism has already employed 10 teaching candidates. These candidates have been sent to an Associate Degree Program at Mahidol University in Thailand as of September 2004 for two years.

International and Bhutanese experts will develop curricula and teaching materials jointly in a team building effort.

Annex 1S gives the full data for the budgets involved.

Annexes 7 and 8 give a clear picture of the budgets provided by Austria for those tasks and for the implementation timetable. Annex 6 explains the management structure during the pre-opening phase, which requires under NEX full cooperation and transparency between the Austrian and the Bhutanese partners.
2. Project Background

Cooperation in the Tourism Sector is on the agenda of Austrian-Bhutanese development cooperation since the early 1990ies. RGoB has raised the subject of establishing a high quality-training institute for the tourism sector several times as a potential field of cooperation in the Annual Consultations between Bhutan and Austria.

The 9th Five Year Plan 2002 – 2007 (FYP) defines new targets for human resource development and in particular evaluates the tourism industry as a substantial growth factor in employment and income generation. In this context the project of establishing a vocational training institute for the tourism sector is addressed.

The ACB in collaboration with DoT commissioned a Feasibility Study (FS) in 2002 and a further Detailed Study (DS) in 2003 on the proposed Hotel and Tourism Management Training Institute and the Training Hotel. After mutual approval of these studies the results were considered the basis of the relevant agreements laid down in the Bhutanese – Austrian Annual Consultations of 2004:

»The main decision is the one on starting concrete activities for the long awaited Hotel & Tourism Management Training Institute. This will be a major activity in the tourism sector between RGOB and Austria and will require substantial portion of the bilateral budget for an extended period of time«

Both partners agreed considering the joint approach for the project under the aspect of co-financing the requested works and services and proposed a long-lasting partnership between a renowned Austrian Tourism and Hotel Management Training Institute and the respective Bhutanese institution to be established for the operational phase. Efforts for this component should start as soon as possible. In addition, it is also considered important to tie up relevant partnerships from among the region in Asia.

RGoB decided to make available the old Motithang Hotel premises to locate the proposed Hotel and Tourism Management Training Institute.

The tourism sector in Bhutan is expected to be a major contributor to foreign exchange earnings, job generation and self-employment. Bhutan’s tourism policy of »high quality and low impact« requires a growing number of skilled and well-trained staff, which the proposed training institute will deliver to the sector.
Austria has been among the leading nations not only in tourism development but also specifically in the field of high quality training for tourism and hotel management at international level. Transfer of such know-how to a partner in the course of development cooperation is among the core objectives of Austrian development policy.

### 2.1. Governmental Sector Policy

The sector policy for tourism is mainly laid down in the document »Bhutan 2020, A Vision for Peace, Prosperity and Happiness« and in the 9th FYP. Tourism is earmarked as an »engine for growth«, as a key tool to generate employment and foreign exchange earnings and to act as an image-builder for Bhutan.

The overall approach defines a »high quality – low impact« strategy but complements it with a clear commitment for »value-for-money«. Improvement of the quality of services is seen as a core target. The 9th FYP refers to the necessity of implementing an adequate training facility for improving the skills of the employed working force:

»Since Bhutan is positioned as a high value destination the development of human resources will continue to be an important strategy for the 9th plan and the establishment of a Hotel Management and Tourism Training Institute (HMTTI) is an important priority to improve overall service standards.«

The 9th FYP further defines skills development and awareness building as key targets and refers to the tourism sector:

»HRD will be accorded a high priority in the 9th Plan, as there is an urgent requirement to improve the level of services within the industry and the hospitality sector in particular. Furthermore, to address the concerns of the RGoB with the increasing number of unemployed youth, efforts will be made in close collaboration with the Ministry of Labour and Human Resources, to provide basic training courses to increase employment opportunities within the sector.«

The 9th FYP clearly targets the establishment of a »National Hotel Management and Tourism Training Institute« in cooperation with an international partner.¹

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¹ 9th FYP, Chapter 5
2.2. Beneficiaries, participants and partners

Direct beneficiaries / target groups of the intervention

- Department of Tourism (DoT), as the department in charge of tourism development, which has been commissioned by RGoB to take also the responsibility of training and educating skilled work force for the tourism sector.
- Hotel and Tourism Management and Training Institute (HTMTI) the management and the future teachers and instructors.
- School leavers from grade 10 and beyond, who will be offered vocational education and professional training.
- Work force already employed in the tourism sector, which will be offered further training courses to improve their skills and qualify for standards to be set.

Indirect beneficiaries / stakeholders of the project intervention

- The tourism sector, consisting of hotel and lodge operators, tour operators and governmental tourism organisations. All employers of the sector have to recruit skilled labour in order to achieve a higher quality level of services.
- Visitors to Bhutan, relying on quality services offered by the Bhutanese hospitality industry.
- Ministry of Finance of Bhutan, as tourism will increase its contribution of foreign exchange earnings by improving the quality of services.
- Ministry of Trade and Industry (general capacity building and gaining of experience in project implementation and execution procedures), implementing the proposed Master Plan for the tourism sector by using skilled and professional working force.
- Urban and rural communities in Bhutan, as well-trained tourism professionals will be successfully developing new products and generate jobs and self-employment.

2.3. Problem analysis

Bhutan's unique approach to tourism and the strategy of »high yield – low impact« has left the country with a comparatively low number of tourism arrivals (between 5000 and 7000 so-called »royalty-paying tourists«; 2000 to 3000 other international guests and an unrecorded number of Indian visitors estimated at 15,000 per year).

However, the policy of »high yield« and government-controlled minimum selling prices has been raising expectations on the side of tourists concerning the quality of the
services to be expected, which were not always fulfilled by the operators of tours, meal services and accommodation.

Cooperation between Austria and Bhutan has so far granted more than 60 Bhutanese tourism professionals scholarships for the International Institute for Tourism and Hotel Management (ITH) in Salzburg, Austria. Most of the graduates of this diploma course are employed on junior and senior management levels in Bhutanese tourism enterprises by today.

Employees on entrance level in classic fields of employment in the tourism sector however had so far no access to specific training institutions preparing them for their jobs. Most of the currently employed working force in such positions can be considered as unskilled labour, only trained »on the job« by their employers.

Employment in tourism for most of this unskilled working force does not have a high esteem image, nor does it grant much more than a minimum income. Turnover among tourism employees is high, as few incentives and career perspectives are offered by the employers (with some exceptions in the field of cultural and trekking guides).

The 9th FYP is positioning tourism as a key and priority sector to generate jobs and self-employment, to develop rural areas, to spread income between larger groups of stakeholders in the society and to increase the country’s foreign exchange earnings. It further addresses the tourism sector as an important tool in portraying the image of Bhutan in the international community. For the first time the 9th FYP also sets quantitative targets for tourism development and growth by aiming at 15,000 visitors per year in 2007 generating a turnover in excess of USD 21 million, generating a royalty of USD 8 million at least.

Foreign Investors were invited to Bhutan to establish new hotels in the 5-star and deluxe category. Several other new hotels and lodges are currently under construction. The number of tour operators has ten-folded within less than a decade.

In view of these developments a growing demand for skilled work force is foreseeable, qualifications are given in the Feasibility Study (FS, 6.3.). At the same time the already employed unskilled working force is in great need of training to improve skills and thus maintain competitiveness in the sector. So far only those were able to get some
professional training were either granted a scholarship or able to organize other funding for respective courses abroad.

Apart from the obvious lack of a Bhutanese institution to train tourism and hospitality professionals, there is also an almost complete absence of skilled and trained teachers for such purpose in Bhutan. Training of the trainers and developing tailor-made curricula for the proposed HTMTI will therefore play a crucial role in the successful implementation of the project.

2.4. Other interventions in the project surrounding

Bhutan and Austria have agreed under Contracts 2044-00/2003 and 2044-01/2003 to develop a Tourism Master Plan in order to support the preparation of a sustainable tourism development strategy. Two Austrian long-term experts were seconded to DoT within the framework of this contract, a local cost budget was agreed upon to support jointly agreed activities and pilot projects.

SNV has seconded short-term experts to DoT, who provide technical assistance in fields jointly identified and approved by the Steering Group established at DoT.

3. Strategic Approach

3.1. References to the programmatic guidelines of Austrian Development Cooperation

The sector policy of the Austrian Development Cooperation has identified sustainable tourism development as a means for poverty alleviation, job generation and improved income spreading among the population, if connected with social, economical and ecological responsibility. Bhutan’s tourism policy has been highlighting these goals in the past, further development of tourism is being monitored consequently under these considerations.

The implementation of a Hotel and Tourism Management Training Institute will allow Austria to provide the Bhutanese partner with relevant know-how and at the same time make use of all the local/regional potentials, materials and talents applicable.

Working conditions of the currently employed and future employees of the sector will improve after skills training and further education are available and successfully implemented and lead to a standardization of job profiles and salary structures. As a
consequence living condition of qualified employees in the sector will improve. HTMTI will attract a growing number of school leavers in search of vocational training and further education and jobs and thus minimise unemployment.

Jobs will also be created for approximately 12 full-time teachers and 4-5 administrative staff at HTMTI.

The programmatic guidelines of the Austrian Development Cooperation can be interpreted in the project context as follows:

<table>
<thead>
<tr>
<th>Principle</th>
<th>Interpretation in the project context</th>
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| **Ownership**                      | - HTMTI will be operated fully under Bhutanese responsibility. Austrian input will strengthen capacity building in the proposed institute and integrate.  
- The construction and renovation works will be financed by to a considerable extent by the Bhutanese side  
- Bhutan will employ the future teachers at HTMTI and remunerate the proposed part-time lecturers. |
| **Decentralisation and Rural Development** | - Within the framework of decentralisation establishing tourism organizations on District level will be an issue. Skilled labour will be needed for that purpose and made available through training at HTMTI.  
- Integrated and sustainable tourism development will allow skilled working force to stay on living in rural areas and help minimise migration to urban centres. |
| **Cultural Environment**           | - Tourism is globally considered a protector of cultural environment and heritage, as the attraction of tourism destinations much depend on well-kept and authentic cultural environment.  
- Qualified teachers and well-educated tourism professionals will develop awareness to the issue of protecting the cultural environment and heritage. |
<p>| <strong>Natural Environment</strong>            | - Bhutan has implemented successfully a regime of National |</p>
<table>
<thead>
<tr>
<th>Poverty Alleviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks covering most of the natural environment favoured by tourists.</td>
</tr>
<tr>
<td>- The HTMTI will cooperate with respective authorities attempting a partnership of protectors of the natural environment and use some of them as part-time instructors.</td>
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<tr>
<td>- Environmental issues will be core subject in the development of curricula for HTMTI.</td>
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<table>
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<tr>
<th>Gender</th>
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<tr>
<td>Tourism can increase the economic opportunities in urban and rural areas considerably, create employment and additional income for other businesses.</td>
</tr>
<tr>
<td>- Integrated and sustainable tourism development will allow skilled work force to stay on living in rural areas and help minimise migration to the cities.</td>
</tr>
<tr>
<td>- Income from employment or self-employment in tourism will reach well-trained tourism professionals in the most direct way and motivate to further develop and invest in potential tourism destination specifically in the rural areas.</td>
</tr>
<tr>
<td>- Tourism destinations well catered for and managed by skilled professionals will be exposed to considerably lower poverty risks.</td>
</tr>
<tr>
<td>- Well-trained tourism professionals will be more aware about conditions of employment, fair salaries and their social benefits.</td>
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</table>

<table>
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<tr>
<th>Gender</th>
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<tbody>
<tr>
<td>Tourism already is a sector in Bhutan, which offers fair and more equal opportunities to both sexes, whilst the number of female school leavers beyond grade 10 is still well below the 50%.</td>
</tr>
<tr>
<td>- Equal opportunity will be offered for teaching jobs at HTMTI to both male and female candidates.</td>
</tr>
<tr>
<td>- Job profiles trained and courses offered at HTMTI will be designed in a way to equally attract both sexes.</td>
</tr>
</tbody>
</table>
• HTMTI will offer vocational training and courses enabling male and female students and/or already employed workforce to improve their skills and qualify for equal positions in the sector.

• The overall tourism policy of Bhutan aims at a sustainable approach of «high yield – low impact».

• HTMTI will be set up in the form of an independent institution under the roof of DoT and financed as far as necessary by RGoB.

• The Training Hotel and banquet facilities will generate profits for the institute, which will strengthen sustainability, minimise dependence on RGoB funding.

• Demand for qualified graduates from HTMTI in the tourism sector is high and will expand within the framework of the 9th FYP, the number of young school leavers interested in admission to such training facility is expected to grow.

• Teachers and instructors will be offered long-term employment by HTMTI as an independent but government controlled legal entity.

• Introduction of vocational training institutions is a priority task for Bhutan’s education policy.

• Development of tailor-made curricula and teaching aids will enable Bhutan to train tourism job profiles integrating the country’s tourism policy.

• Qualifying a teaching force for the tourism sector will allow Bhutan to offer vocational training programs in the country and not depend on sending students abroad only.

• For the renovation of the existing premises and the new construction of the Training Hotel, Austria will provide state-of-the-art technology in selected fields, where local or regional means do not cater for the required high quality
3.2. Strategic approach of the Project

While the Feasibility Study surveyed different locations throughout Bhutan for the implementation of HTMTI, RGoB’s decision to use the premises of the former »Old Motithang Hotel« is now binding for the further development of the project. All relevant agreements between Bhutan and Austria concerning the renovation of these premises and the new construction of a Training Hotel are subject to the »Project Document on the Hotel and Tourism Management Training Institute – Part A « (PD-A).

The physical implementation of HTMTI will be complemented by a comprehensive program generating the environment for successful operation of the institute. The following components will be delivered:

- Development of curricula for the tourism-related subjects as given in the DS
- Development and production of teaching aids and materials for the subjects mentioned in the DS.
- A train-the-trainers program focusing on the already employed teacher candidates.
- A train-the-trainers program for the proposed integration of national tourism experts as part-time lecturers.
- Technical Assistance for the pre-opening and opening phase of the institute including managerial support.
• A regular exchange program of visiting teachers in cooperation with an Austrian Hotel and Tourism Training Institute.
• Establishment of an institutionalised and long-lasting partnership with a renowned Austrian Hotel and Tourism Training Institute and regional Institutes in order to further develop the programs on HTMTI and mutually approve academic degrees.

These programs and services will be provided during the physical construction phase of HTMTI, timetables linked in order to have the trained teaching force available in time for the operative phase, when renovation and construction works are concluded.

4. Intervention logic

The project intervention logic is shown in a simplified logical framework:

4.1. Overall project objective

Curriculum Development and Production of Teaching Materials

The overall objective is to provide curricula and teaching materials for HTMTI suitable both for Bhutanese and international/regional standards.

As explained in the FS (see chapter 6.6) only some teaching materials are available, such as
• Handbook on Trekking Guide Training
• Guidelines for Training of Cultural Guides
• Handbook on Iconography.

These materials are complemented by international teaching materials, namely syllabi provided by the South Asia Tourism Secretariat (SATS). These shall be used as a basis for further development and completion with reference to specific Bhutanese needs.

In the fields of
• Language training,
• Accounting,
• Communication & presentation techniques and
• Information technologies

It is assumed that the institute can rely on existing curricula and teaching materials, used by other educational institutions in Bhutan.
In the subjects of
- Food & Beverage production
- Food & Beverage service
- Hygiene
- House Keeping
- Front Desk Management
- Tour Operations
- Marketing and e-Commerce
- Tourism Policy
- Product Development
- Computerised Reservation Techniques
- Guide Services
- Sustainable Tourism Management

Some materials are available as mentioned above. However, in order to start a
- high quality vocational training programme at HTMTI offering 2-year courses as
  recommended in the FS to school leavers and from time to time.
- offer comprehensive training courses to the unskilled working force deployed in the
  sector,

new and accurate overall curricula and teaching materials will have to be produced. Those
will use the existing resources, namely the Handbook on Iconography, the
Handbook on Trekking Guide Training and others but will have to adjust them to the new
syllabus and the upgraded aims and objectives of the proposed institute.

This task has to start at the earliest stage, as training programmes for the proposed
institute teaching force need to be developed as soon as possible. Those should be based on
the new curricula to come.

For this endeavour a team approach will be used, as experts for all main subjects
following the guidelines given in the FS have to be involved. Some of these subjects
certainly need to be addressed by Bhutanese experts, for others short-term international
technical assistance will be requested.

An experienced international expert shall act as the team leader, who should have
thorough experience in curriculum development, teaching materials and multi-media
teaching aids production which have to be regionally compatible and applicable to Bhutanese specifications.

**Train-the-Trainers**

HTMTI will need a permanently employed teaching force of 8 – 10 in-house teachers complemented by at least 2 international visiting teachers and the necessary number of national tourism experts acting as part-time lecturers with practical experience.

DoT has already employed 10 teacher candidates. These candidates have been sent to an Associate Degree Program at Mahidol International University College in Thailand as of September 2004 for 2 years.

The train-the-trainer module will offer courses for national tourism experts, selected to act as part-time lecturers using their practical experience.

The overall objective is to have a sufficient number of trained lecturers and teacher candidates in place, when HTMTI becomes operative in the year 2007. This teaching force at the given time will have to be evaluated and complemented by international visiting teachers.

**Technical Assistance and Managerial Support**

A Senior Adviser for Operations (AO) will be provided by Austria to serve for the first three years of the project for 90 man-days per year and in the consecutive five years for 30 man-days per year. AO will be the key international expert to assist HTMTI management in the implementation of all teacher trainings, curriculum development, production of teaching materials and establishing management structures for the Institute and the Training Hotel.

The AO will therefore develop a detailed implementation plan for technical assistance and managerial support.

**Visiting Teachers Program and Institutional Partnership with an Austrian Hotel and Tourism Training Institute**

During the implementation phase of the physical and software components of HTMTI Austria will propose a leading Austrian Hotel and Tourism Training Institute to act as the long-term international partner for HTMTI. Such partnership shall lead to exchange of students and teachers, technical support, mutual approval of academics and help to
build an international reputation for HTMTI. The partnership will play a crucial role in positioning HTMTI after successful implementation of programs as a regional centre of excellence, which shall attract also students from other countries in the region.

The AO will be responsible for developing a detailed implementation plan on issues related to visiting teachers program and institutional partnership with an Austrian hotel and tourism training institute.

4.2. Specific Project Goals, expected results and their indicators (TM)

Curriculum Development and Teaching Materials

- Evaluate all existing curricula and teaching materials as mentioned in FS and DS, integrate usable components in further development and identify shortfalls and missing elements for the needs of HTMTI

  *(TM) Report filed and approved, giving the exact layout and specific needs for the curriculum developers*

- Establish a team of curriculum and teaching materials developer, consisting of national and international experts and provide terms of reference for them.

  *(TM) Team building concluded, terms of reference set, team operative*

- Provide written curricula for all subjects as mentioned in 4.1. for the 2-years-courses

- Provide written curricula for all subjects as mentioned in 4.1. for the modular training courses

  *(TM) Curricula submitted, used in train-the-trainers module and operative*

- Provide teaching materials for all subjects as mentioned in 4.1., containing state-of-the-art multi-media tools, workbooks and frameworks for hand-outs to be produced dynamically by the lecturers

  *(TM) Teaching materials submitted, used in train-the-trainers module and operative*

- Establish the technical training facilities and relevant equipment requested to offer specific training for house keepers, receptionists, waiters/waitresses, barmen, cooks, bell captains, accountants and controllers, and maintenance personnel (in the field of Hotel & Restaurant Management); for tour operators, sales clerks, marketing professionals including e-marketing specialists, cultural and trekking guides, accountants and controllers (in the field of Tourism Management).
Train-the-Trainers:

- Identify the candidate teachers and coordinate selection of subjects assigned for their training; evaluate current level of experience and talent; provide for individualised timetable of respective trainings integrating the participation at the Associate Degree Program in Thailand.

  
  
  TM Candidates selected and evaluated, sent for Associate Degree Program, all relevant subjects to be taught at HTMTI sufficiently covered

- Identify candidates from the tourism sector in Bhutan, who are willing to act as part-time lecturers at HTMTI and offer their practical experience in the respective professional environment.

  
  
  TM Candidates selected and evaluated, contracted for participation at Train-the-Trainers module

- Establish a team of trainers, consisting of national and international experts and provide terms of reference for them. Integrate members of the curriculum developing team and use respective synergies.

  
  
  TM Team building concluded, terms of reference set, team operative

- Provide Train-the-Trainer modules as given in Annex 7, evaluate results and define shortfalls in view of the overall objective to have a well-trained teaching force in place for the first year of operation of HTMTI in 2007.

  
  
  TM Train-the-Trainer modules held successfully, at least 8 - 10 trained junior teachers and a sufficient number of complementing trained part-time lecturers in place

Technical Assistance and Managerial Support

- Assist HTMTI management in selection of administrative staff, upgrade respective skills and identify shortfalls with the overall objective having a fully operative management and administrative team in place for the start-up of regular operations at HTMTI in 2007.

  
  
  TM Recruitment and team building successfully completed. Management and administration for HTMTI fully operative

- Offer support to HTMTI management, introduce state-of-the-art management techniques and open access to international experience to the management
Management techniques implemented, state-of-the-art managerial techniques introduced

- Provide long-term assistance in all fields of operational, managerial and administrative questions; transfer respective know-how from Austrian institutions to HTMTI

TM TA for HTMTI management established for a total of eight years, partly by deploying Senior Advisor Operations in the field, partly by the means of international backstopping

- Offer full support for the operation and management of the Training Hotel as a best practice show case model for the hospitality sector in Bhutan; assist in the pre-opening management, staff recruitment and marketing.

TM Training Hotel successfully operative

Visiting Teachers Program and Institutional Partnership with an Austrian Hotel and Tourism Training Institute

- Integrate two Austrian visiting teachers per year in the teaching force of HTMTI, aiming at the subjects taught, for which there is most need due to lack of experienced national teachers (to be decided upon annually); provide this assistance for at least the first five years of operation to HTMTI.

TM Austrian Visiting Teachers employed and operative at HTMTI

- Develop an institutionalised long-term link of HTMTI with a renowned Austrian Hotel and Tourism Training Institute, providing a continuous influx and transfer of know-how. Establish a student and teacher exchange program and a scholarship scheme for mutual benefit. Establish mutual approval of academic degrees and levels. The linkage should be in place not later than in 2006 in order to already use synergies in the final stage of the project implementation and pre-opening phase of HTMTI.

TM Institutional link successfully established and operative

Project activities and accompanying component

4.2.1. Summary of project activities for the curriculum development
1. Evaluate existing teaching materials, define specific Bhutanese needs
2. Organise start-up workshop with the team of curriculum developers
3. Prepare a raw design of the overall syllabus and each individual curriculum for all subjects taught. Present interim results from desk research
4. Prepare detailed design of all curricula
5. Organise finishing workshop for curricula with the team and define needs for teaching materials
6. Present draft for teaching materials
7. Edit curricula and teaching materials. Presentation

Accompanying components
• Training and capacity building measures for future curriculum development and curriculum updates in the teamwork between national and international experts
• Comprehensive project information and documentation

4.2.2. Summary of project activities for Train-the-Trainees module
1. Evaluate current experience and skills levels of candidate teachers, allocate subjects for their training, prepare them for the Associate Degree Program
2. Identify national tourism experts willing to undergo training for their acting as part-time lecturers, assign relevant subjects
3. Ensure and supervise exposure of candidate teachers to practical experience during the holidays of the academic year at the Associate Degree Program. Decide individually on additional scholarships for international training to further develop skills of candidate teachers
4. Convene first Train-the-Trainees seminar for candidate teachers and part-time instructors
5. Expose candidate teachers to further practical experience
6. Convene second Train-the-Trainees seminar for candidate teachers and part-time instructors
7. Hold exams for evaluation

Accompanying components
• Training and capacity building measures in the course of the trainings for HTMTI management in the field of HRD
• Comprehensive project information and documentation

4.3. Detailed description of project activities and accompanying components

4.3.1. Detailed description of the project activities for the curriculum development

An overall view of these activities and a comprehensive timetable for implementation is given in ANNEX 7.
4.3.1.1. Evaluation of existing materials

The FS gives an overview of the currently available Bhutanese teaching material in the field of cultural and trekking guides training:

Handbook on Trekking Guide Training:

This handbook was prepared for the Austro-Bhutanese trekking guide training, which took place between 1994 and 1996. Part of it will serve as the base for improved teaching materials in that segment.

Guidelines for Training of Cultural Guides:

These are currently in use by the training section of DoT providing 3-weeks-courses to this target group for the licensing procedure. The recommendation is to considerably improve and enlarge the guide training modules, as guides are the key ambassadors of tourism to the visitors and need a thorough and overall educational background.

Handbook on Iconography:

This handbook is currently prepared under Austro-Bhutanese cooperation and will be a substantial tool in the field of cultural guide training, used in separate modules as well as in the 2-years-course for school leavers.

Furthermore, the existing curricula and textbooks provided by SATS for all relevant subjects will be thoroughly studied. Contact with SATS about the partial or full use of these materials will be established, and shortfalls and/or specific needs regarding the unique Bhutanese approach on tourism will be defined.

These materials will be evaluated, excerpts shall be used for the overall attempt to develop new comprehensive curricula for all subjects.

4.3.1.2. Start-up workshop for curriculum developers

The workshop will initiate a team building process of national and international experts. All relevant tasks will be assigned to the respective team members. Standards and format for the requested curricula will be presented and decided upon.

4.3.1.3. Raw Design and interim results

During this desk-research phase each national expert will in cooperation with the international counterpart develop raw design of each individual curriculum. Interim
results will be electronically disseminated, discussed and commented by the team leader.

4.3.1.4. Detailed Design

All experts will provide a detailed version of the respective curricula and present them at the finishing workshop.

4.3.1.5. Finishing workshop

After presentation and fine-tuning of the curricula, needs for relevant teaching materials complementing the curriculum will be defined.

4.3.1.6. Draft Teaching Materials

Content, media and design for the teaching materials will be proposed by each expert responsible. Draft versions of the materials will be electronically disseminated and commented by team leader. Needs for respective quantities aiming at the first five years of operation of HTMTI will be defined.

4.3.1.7. Editing

An overall syllabus and individual curricula for each subject taught at HTMTI will be edited. Teaching materials will be produced in relevant quantities. Results will be presented to all relevant parties.

4.3.2. Description of accompanying components

4.3.2.1. Training and capacity building measures

Austria will provide a Senior Advisor for Management of Operations (AO) to be incorporated into the organisational implementation structure providing technical assistance and backstopping service for all relevant questions and coordination arising in the process of curriculum and teaching materials development. This assistance will aim at capacity building and know-how transfer with AO visiting site about every three months for a total of 90 working days per year, allowing participation in all relevant meetings of the team of curriculum developers. AC will have a seat in the proposed Project Management Committee as described in 5.3.3.
4.3.2.2. Comprehensive project information and documentation

Detailed project documentation and information about the project will be provided in order to use experience curriculum and teaching materials team for dynamic further development of these components at a later stage.

4.3.3. Detailed description of the project activities for Train-the-Trainers module

An overall view of these activities and a comprehensive timetable for implementation is given in ANNEX 8.

4.3.3.1. Evaluate Candidate Teachers

The already employed 10 candidate teachers shall undergo a thorough evaluation aiming at a well-working decision upon their respective fields of further education and future subjects taught at HTMTI.

This phase shall also provide a sound background for the foreseen Associate Degree Program; candidates shall have good orientation on their future responsibilities. A start-up workshop shall be convened to serve this purpose, support identification with the overall objectives and raise motivation.

4.3.3.2. Identify part-time Lecturers

HTMTI shall address tourism professional preferably in Thimphu with a solid background of practical experience and invite them to make themselves available for part-time teaching at the institute. Subject will be identified, in which such practical experience is much needed, respective candidate will be allocated for these subjects and invited to participate at the Train-the-Trainer module.

4.3.3.3. Candidate Teacher’s Supervision

As the candidate teachers will spend much of the first two years of the project implementation phase in Thailand undergoing the Associate Degree Program, it will be crucial to individually accompany and supervise the career management of each candidate with relevance to the foreseen subject taught.
This implies a comprehensive program of exposure to practical experience in relevant fields, partially included in the Associate Degree Program but to be complemented by additional modules decided upon individually giving reference to specific Bhutanese needs.

The supervision will include eventually and from time to time considerations on specific scholarships awarded to candidates completing their academic background.

4.3.3.4. Train-the-Trainers Seminar 1

International experts offer a basic training module for teaching methods and tourism related didactics. The new curricula (partly still in the developing stage) will be introduced.

The seminar will be held in two parallel groups:

- Candidate teachers, just returned from the Associate Degree Program
- Tourism professionals, foreseen as part-time lecturers

4.3.3.5. Exposure to practical experience

All candidate teachers shall now be once more exposed to a phase of practical experience in a business environment perfectly fitting for their proposed teaching subjects. Selection will be very individual, depending on the needs of the respective position and the qualifications acquired by the candidate so far.

International exposure will be considered if requested for the respective job description, including the opportunity to gain such experience in the course of the already established partnership with an Austrian Hotel and Tourism Training Institute.

4.3.3.6. Train-the-Trainers Seminar 2

International and Bhutanese experts offer advanced training module for teaching methods, use of new curricula, new teaching materials. This second seminar will fine-tune the skills of the participants and expose them to realistic teaching environment; partly using already the environment of the then newly built and renovated premises of HTMTI (as far as feasible).

The seminar will be held in two parallel groups:

- Candidate teachers, just returned from the Associate Degree Program
4.3.3.7. Exams

All members of the teaching force at HTMTI shall undergo final exams after completing the Train-the-Trainers module. Passing the exams successfully shall be seen as a precondition for long-term employment for the candidate teachers and for awarding contracts to the part-time lecturers.

4.3.4. Description of accompanying components

4.3.4.1. Training and capacity building measures

The senior Advisor for Management of Operations (AO) will be assisting the management of HTMTI in the endeavour to individually prepare and manage the further education and career building of the already employed candidate teachers. The overall goal is to establish a well-working system of permanent further education and HRD at the HTMTI and among the members of its teaching force. This service shall be organized in the sense of capacity building, know-how and experience transfer with a AO visiting site about every three months for at least a total of 90 working days per year of construction and being full-time available for advice in Austria via e-mail.

4.3.4.2. Comprehensive project information and documentation

HTMTI shall be enabled in the future to convene train-the-trainers programs independently in order to supplement the teaching force, further educate the teachers and attract new applicants for positions offered. The project documentation shall facilitate such endeavour.

4.4. Project equipment: ownership, tax exemption

All the equipment and items imported to the Kingdom of Bhutan specifically to be used for HTMTI and the Training Hotel will be automatically exempted from all forms of taxes.
5. Project Implementation

5.1. Required Budget

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*1 EURO = NU 50.00 as a medium rate of exchange over the entire period

The details of budget and calculations for all components are given in ANNEX 1S.

Should the need of a budget revision, e.g. shift between budget lines to allocate sufficient funds for planned or new activities arise without exceeding the total volume, this will have to be discussed and approved in the Project Steering Committee Meeting and ultimately approved by the Donor.

5.2. Financing

The total cost of the HTMTI will be shared between the Austrian and Bhutanese side according to the distribution in the budget tables in PD-A.

Bhutanese contribution:

In line with the commitment made in the Annual Consultations Document 2004, the Bhutanese contribution with regard to the items described in this Project Document will be in the following fields:

- Salaries and all other expenses for HTMTI management and administration
- Salaries, travel allowances and all other expenses for the candidate teachers
- Salaries and/or honoraria for tourism professionals recruited as part-time lecturers
- All running cost of HTMTI

Austrian contribution:

Austrian contribution is given in the table under 5.1. Required Budget. Details are indicated in ANNEX 1S.
5.3. Organisational structure, project management and coordination

5.3.1. Structure of Project Implementation
The Project will be executed nationally. National Execution of the Project implies that the entire management of the Project is the responsibility of the respective national authority. The national authority remains accountable to the donor for production of outputs, achievements of project activities, use of resources provided by the donor and financial and physical reporting. The essence of »National Execution« is to increase the project management capacity, project efficiency, cost effectiveness, sense of ownership and sustainability. The implementing agency will be DoT. The Project Manager (PM) will be directly responsible to the Director General of DoT acting as the Project Director (PD) in all matters relating to the implementation of the Project.
The PD and PM will be seconded in the Project Management Unit (PMU) by the following officers:
- Director of Training Hotel and Banquet Facilities
- Director of HTMTI (Administration and Finance)
- International/Local Experts
A graphic overview of the project management structure is given in ANNEX 6.

5.3.2. Project Management

5.3.3. Project Management Unit (PMU)
The PMU is a project implementation office headed by a Project Director. The Project Manager (PM) will be directly responsible to the Project Director (Director General of DoT) in all matters relating to the field implementation of the Project. The Project Manager will be supported by the Project Management Team (PMT) consisting of Project Director (DG of DoT), Director of HTMTI (Hotel), Director of HTMTI (Administration and Finance), International / Local Architects and International/Local Advisors.
The following procedures will be executed:
- The annual work plan will be prepared by the PMU and submitted to the Annual Project Meeting of the Project Steering Committee (PSC) for approval. The annual
work plan will cover separately all components of project activities funded by the ADA and Royal Government of Bhutan.

- On the basis of the approved annual work plan, funds will be released by ADA to the Ministry of Finance for further release to the Project. Funds for all the project activities to be funded by the ADA, apart from technical assistance costs and cost of investment in Austrian and/or international equipment, will be released to the Royal Government of Bhutan. Funds for the TA and investment in Austrian and/or international equipment will be directly released to the respective contractors on the basis of half yearly reports countersigned by the PD. The contractors will provide half yearly statements of expenditures to ADA and the PMU.

- Royal Government of Bhutan’s rules and regulations will be followed for all purchases of goods and services in Bhutan. The procurement of goods and services in Austria shall follow the rules and regulations of Department for Development Co-operation and ADA.

- The PMU will prepare quarterly accounts and progress reports for the activities funded by the ADA and Royal Government of Bhutan separately and submit to the Ministry of Finance and the ACB.

- Project Director will be the Drawing and Disbursing Officer for the Project. The PD will be assisted by the PMU in all technical and managerial matters relating to the Project.

- Procedures for disbursements of funds for local expenditure as per RGoB rules for NEX.

5.3.4. Responsibilities

Royal Government of Bhutan:

Overall responsibility for the Project, for the recruitment of teachers, trainees and administrative staff and for the overall running cost of the Institute.

Project Director (PD)

It is assumed that the PD is the same person as the Director General of DoT. As DoT will be acting as the implementing agency, it makes sense not to split these two important offices.

Key responsibilities are:
• Overall coordination and supervision of all project related issues
• Chairing and convening the meetings of PMU
• Monitoring the physical and financial implementation of the project, identify shortfalls and eventually initiate corrective measures
• Ensure an integrated time scheme for curriculum development and the training of teachers related to the progress of the physical implementation of HTMTI
• Ensure the proper cost control for the project
• Ensure annual auditing of the project accounts
• Ensure at any stage compliance of the project with RGoB sector policy.

Project Manager (PM)

This officer shall be nominated by the Bhutanese side and act as a full time overall project manager with thorough experience and capacity in the implementation of projects of similar size and kind.

Key responsibilities are:
• Financial and administrative management of the project as per the rules and regulations of the Royal Government of Bhutan and Bilateral Agreement,
• Execution of the project’s programmes in line with the Agreement signed between the Government of Austria and Bhutan,
• Planning and designing of activities in order to reach project results, time management of a project, introduction of an efficient recruitment system and tendering for services, works and materials
• Preparation of quarterly progress report and application for fund release,
• Preparation and submission of quarterly accounts,
• Overall site management, controlling of the integrated training, team-building and curriculum development tasks.
• coordination of all staff on the working level
• efficient monitoring of all works at the site
• attend meetings of PMU
• prepare minutes of the meetings of PMU
• attend meetings of PSC
• prepare minutes of meetings PSC
Senior Technical Advisors

Austria will provide a non-resident senior technical advisor for operations (AO) with a focus on the development of organizational and management structures for the institute, development of curricula, training of teachers during the pre-opening phase. During the initial period of operation (first 5 years) this advisor will be available for further management support, evaluations and benchmarking. This advisor will be available for 90 man-days per year each, split over 3-4 visits on site during the pre-opening phase; and for 30 man-days a year split over a maximum of two visits for the first five years of operation.

The Senior Technical Advisor for Operation (AO) will be responsible for all matters in the field of capacity building of the institute and the training hotel and for all matters concerning teacher training, curriculum development and operational structures of the institute and the hotel as defined in the Project Document B. In addition to above mentioned 90 man-days per year during the pre-opening phase, AO will be available for 30 man-days per year for the first five years of operation after implementation of HTMTI is completed.

AO shall assist/advise the PD and PM in the execution of the Project as follows:

- Support in technical and managerial matters
- Recruitment and coordination of experts in all fields relevant for the development of the teaching force, curricula and teaching aids and operations in both the pre-opening and the operational phase of HTMTI
- Continuous technical assistance in the areas of short term planning, monitoring, reporting, etc. three or four times a year for about a month.
- Participation in meetings of PMU.
- Participation in meetings (if requested) of PSC.

5.3.5. The Project Steering Committee (PSC)²

The institutional steering of the project is effected by the meetings of the PMU, which will be held as an

- Annual Meeting of the PSC and from time to time as

² Member see ANNEX 5
- Project Review Meetings of the PSC on invitation of the chairperson.

The chairperson of the PSC will be the Secretary of the Ministry of Trade and Industry. The agenda of the meetings of PSC shall contain and lead to decisions and/or approvals of:

- Annual work plan approval and annual budget approval
- Any matters brought forward by the PMU for decision making
- Progress made towards achievements of project objectives and production of project outputs
- Operational issues such as constraints to implementation
- Any issues concerning the coordination of project inputs from the Bhutanese and the Austrian side
- Discussion of all issues of general importance for the project
- Need for project evaluation
- Approval of the minutes of the last PSC meeting

PMU shall provide an executive summary of all relevant project reports for the briefing of the members of PSC and disseminate it in due time, when invitations for the next meetings are sent out. PMU shall also provide minutes of all PSC meetings and include them in the project documentation.

5.4. Monitoring and Controlling

The monitoring function is secured by:
1. The mandate of the PSC to steer and control the implementation of decisions
2. The duties of the Project Director
3. A regular reporting

The reporting system lies in the responsibility of the PMU and comprises of:
- A quarterly project report submitted by PMU
- Separate progress reports concerning the activities funded by the Austrian and Bhutanese side every six months.
- An overall Interim Report on the project development due every 12-month covering each calendar year, submitted not later than 90 days within the end of the year.
5.5. Conditions and accompanying measures

RGoB assures the necessary framework conditions as indicated below:

- The premises foreseen for the implementation of HTMTI at Motithang are secured, apt and available for that purpose.
- HTMTI will be given a legal status as a government owned corporation, enabling this legal entity to operate the proposed training institute as well as the training hotel.
- HTMTI will be enabled to employ teachers and pay honoraria to lecturers under the respective laws appropriate for the legal status of the institute.
- HTMTI will be enabled and sufficiently financed to send trainee teachers abroad for Associate Degree Courses as mentioned.
- HTMTI will be receiving the necessary funding for operating the institute and for the start-up phase of operation of the training hotel.
- HTMTI will be enabled to generate revenues from operation of the training hotel, the institute's hostel, the banquet and meeting facilities and any other business related to and serving the aims and objectives of HTMTI. These revenues will remain within the legal entity of HTMTI and shall be seen as working capital for operations and further development of the institute.
- Legislative and administrative support concerning licences, permissions and other requirements eventually needed for all project related works and services as given in this project document.

6. Risk assessment

Risk factors were thoroughly surveyed in the course of producing the Feasibility Study and the Detailed Study. The successful and sustainable implementation of the proposed HTMTI and the Training Hotel can only be seen in the context of an overall sector plan for achieving the goals set in the 9th FYP and the further development of the sector presumably proposed in the next FYP.
Risk:
Substantial change of Bhutan’s overall tourism policy could be a risk factor. All prognoses and quantifications concerning HTMTI are based on a policy of continuous growth of arrivals and controlled conditions in small steps, highlighting the country’s unique cultural and natural heritage.

The regional political situation and other regional phenomena had a strong impact on the development of tourism in Bhutan.

Risk:
Any deterioration of the regional security situation as well as unforeseeable outbreak of disease or natural disaster would be harmful for the sector’s development in Bhutan and create a scenario in which temporarily the number of new jobs offered would be insufficient to accommodate all graduates from HTMTI.

The construction phase of the Institute and the Training Hotel has to comply with the development of organisational structures and institutional strengthening for HTMTI, curriculum and teaching aids development and a comprehensive train-the-trainers program. The timeframe for training a teaching force for HTMTI must not be underestimated.

Continuous education of teaching and training staff has to be ensured and guaranteed by RGoB.

Risk:
As Bhutan currently does not have any human resources for specific teaching tasks as a hotel and tourism training institute, it is crucial to start the train-the-trainers module early enough and to support HTMTI in the initial phase of operation by visiting teachers from abroad.

As soon as HTMTI will produce a growing number of graduates every year with a good background for classic job profiles in the tourism sector, the working environment for the already employed unskilled working force will become more competitive. It is therefore crucial to offer training modules for upgrading the skills of these employees in order to keep them in the sector.

Risk:
If already employed unskilled work force will not undergo further education offered by HTMTI because of lack of interest or eventually lack of paid time for such purpose, a
class of unskilled labour in the tourism sector could emerge, for which working conditions would deteriorate.

Employment in the tourism sector in Bhutan currently suffers from shortcomings in the field of many skilled job profiles. The current policy wishes to encourage especially Bhutanese nationals to train for qualified work in relevant fields such as e.g. cooking, hospitality services, guiding and tour operations. A change of employment policy in Bhutan could damage the overall goal of HTMTI.

**Risk:**

Legislation allowing an influx of larger numbers of tourism professionals from other countries in the region and/or encouraging Bhutanese tourism professionals to apply for jobs abroad would cannibalise the objectives of HTMTI.

The Project Document describes a comprehensive joint venture of Austrian and Bhutanese inputs and modules in the task of constructing HTMTI. Precise timing, a cooperative management style including full transparency and excellent communication culture are essential to avoid misunderstandings and obstacles.

**Risk:**

If communication and coordination between Bhutanese and Austrian members of the management team and other experts is not satisfactory, the project can suffer delays and obstacles as many works and services can only be completed if the inputs of both partners are in place at the committed time.

### 7. Considerations towards sustainability

#### 7.1. Political support

Tourism was identified as a priority sector in the 9th FYP. RGoB, MTI and DoT have expressed very decisively that further development of high-quality tourism will rely substantially on the availability of qualified training institutions. There is great awareness for the current lack of well-training workforce in the sector.

Tourism as a generator of income, jobs and foreign exchange is considered a key asset of Bhutan’s economic growth potential.

At the same time RGoB has expressed its intention to cater for additional educational opportunities for school leavers from grade 10 and beyond, as the current employment
market and existing educational programs will not be able to cater for the foreseeable number of school leavers in the years to come.

7.2. Appropriate technology
Austria's well-known expertise and know-how in the field of tourism and particularly of tourism training institutions will provide state-of-the-art technologies to the renovation and construction works and equipping the Institute and the Training Hotel. The same applies for the standard of teaching materials and the use of multi-media tools and IT in the context of curriculum development and presentation techniques. Austrian input will focus in fields only, where Bhutan currently cannot provide high quality techniques or services. Integration of such techniques and services based on international standard in a Bhutanese environment will serve as a model structure for future tourism development in Bhutan.

7.3. Environmental protection
In general tourism can be seen as a contributor to environment protection and generate awareness hereof if properly managed. Bhutan's approach to tourism is committed to protection of environment and natural heritage. Improving the educational level of the work force employed in this sector will add to this objective by creating a better awareness for this policy.

Representatives of Bhutanese governmental and non-governmental organisations in the field of environment protection will be invited to act as part-time lecturers in relevant subjects at HTMTI.

Concerning the renovation and constructions works on the premises of HTMTI and the Training Hotel, Austrian know-how and technology will be integrated in environmentally important fields such as energy management, water treatment and hygiene.

7.4. Socio-cultural impact
Tourism always has an impact on socio-cultural traditions and serves as an agent for change. However, the Bhutanese approach on tourism has in the past created a picture of extremely low impact because of low numbers of arrivals and controlled management of the tourist's movement in Bhutan.
Even with a commitment to growth in small steps, Bhutan's tourism policy continues to follow the motto "high yield – low impact".

7.5. Gender issues

Bhutan has a record of being more advanced on gender issues than many other countries in the region. Specifically in the tourism sector, already now women are holding several managerial positions. Some of the Bhutanese tour operators have women as owners.

Tourism is seen as a sector offering equal opportunities to both sexes in employment and for entrepreneurs. Austrian Development Cooperation has invited Bhutanese students for a diploma course at the International Institute of Tourism and hotel Management in Salzburg/Austria. The quota of female participants in this scholarship program was 50% in the last 5 years.

Access to positions as teachers or lecturers at HTMTI will be equally open to both sexes. The proposal to identify a certain quota of teaching jobs to women up front was not seen necessary by the Bhutanese side.

7.6. Institutional and managerial capacity building

The renovation and construction works will allow Austrian experts to transfer know-how in all fields of related management to their Bhutanese counterparts. The implementation of the Training Institute and the Training Hotel will require substantial upgrading of management capacities, HTMTI will be established as a RGOB autonomous body in keeping with existing norms.

Teacher training programs, the development of curricula, teaching aids and institutional linkages will be a milestone in the capacity building at HTMTI. This will include programs of further qualifications aiming at the managerial level and developing of teaching skills with Bhutanese tourism professionals invited to HTMTI as part time lecturers.

The project implementation under the NEX procedure represents a big challenge for all concerned project parties and requires the building of management capacities and routines. These learning processes shall be accompanied and supported by the Senior Technical Advisors role.
Apart from managerial capacity building a transfer of technical know-how in selected fields of specialisation is clearly envisaged, as specifically the training hotel is meant to be a model for future high quality hotel construction in Bhutan.

7.7. Economic capacity

The implementation of the HTMTI will aim at the production of highly skilled marketable product or service in addition to the formation of a new generation of skilled tourism professionals for Bhutan's own tourism sector which will increase the competitiveness and support Bhutan's policy of high quality tourism.

8. Audit and evaluation

The Project accounts will be audited annually based on RGoB's Fiscal Year (July 1 to June 30) by the Royal Audit Authority of Bhutan for the part of the amount released through the Ministry of Finance of the RGoB and the report shall be made available to the Austrian side. For the part that is directly executed by the Austrian Development Agency, audit will be carried out in Austria and an audited report shall be made available to the Bhutanese side. With the consent of the RGoB, the Austrian Development Agency may carry out financial audit if considered necessary with regard to the use of Austrian contribution under the project.

According to NEX stipulations the RGoB is responsible for funding the audit cost.
### ANNEX 1 Software H&TMTI Bhutan 2004

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<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre Opening Software investments</td>
<td>Austria</td>
<td>Team Leader</td>
<td>1,500,000.00</td>
<td>30,000</td>
<td>'Team Leader'</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Hospitality experts</td>
<td>460,000.00</td>
<td>9,600</td>
<td>Shutanese</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Food production experts</td>
<td>400,000.00</td>
<td>8,000</td>
<td>Shutanese</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Marketing experts</td>
<td>200,000.00</td>
<td>4,000</td>
<td>Shutanese</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Tour operations</td>
<td>200,000.00</td>
<td>4,000</td>
<td>Shutanese</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Guide service</td>
<td>200,000.00</td>
<td>4,000</td>
<td>Shutanese</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Backstopper Hospitality</td>
<td>375,000.00</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Backstopper Food production</td>
<td>375,000.00</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Backstopper Marketing, tour operations</td>
<td>375,000.00</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Backstopper guide service</td>
<td>375,000.00</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Teaching material production</td>
<td>1,000,000.00</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Travel costs</td>
<td>810,000.00</td>
<td>18,200</td>
<td>6 roundtrip fares</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Allowances</td>
<td>630,000.00</td>
<td>12,600</td>
<td>180 days in Bhutan</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Reserve</td>
<td>80,000.00</td>
<td>1,600</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Curricula development</td>
<td>7,040,000.00</td>
<td>140,000</td>
<td></td>
</tr>
<tr>
<td>Pre Opening Software investments</td>
<td>Austria</td>
<td>Team Leader</td>
<td>1,500,000.00</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Hospitality experts</td>
<td>750,000.00</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Food production experts</td>
<td>750,000.00</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Marketing experts</td>
<td>750,000.00</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Business Admin experts</td>
<td>750,000.00</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Travel costs</td>
<td>1,620,000.00</td>
<td>32,400</td>
<td>12 roundtrip airfares</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Allowances</td>
<td>1,190,000.00</td>
<td>23,800</td>
<td>340 days in Bhutan</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>International scholarships</td>
<td>1,500,000.00</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Austria</td>
<td>Teaching materials</td>
<td>190,000.00</td>
<td>3,800</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Train the Trainer</td>
<td>9,060,000.00</td>
<td>180,000</td>
<td></td>
</tr>
<tr>
<td>Preopening Software</td>
<td>Austria</td>
<td>Senior advisor for MM of operation</td>
<td>10,500,000.00</td>
<td>210,000</td>
<td>3x90 + 5x30 days a € 500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Travel Costs</td>
<td>1,500,000.00</td>
<td>30,000</td>
<td>12 roundtrip fares</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Allowances</td>
<td>1,470,000.00</td>
<td>29,400</td>
<td>allowances for 420 days a € 70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Senior Advisor 8 years</td>
<td>13,470,000.00</td>
<td>269,400</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grand Total Development</td>
<td>25,470,000.00</td>
<td>689,400</td>
<td></td>
</tr>
<tr>
<td>Yearly costs for visiting teachers</td>
<td>Austria</td>
<td>1 year/2 Teachers</td>
<td>7,000,000.00</td>
<td>140,000</td>
<td>8 month incl. Travel costs &amp; allowances</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 year/2 Teachers</td>
<td>7,000,000.00</td>
<td>140,000</td>
<td>8 month incl. Travel costs &amp; allowances</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3 year/2 Teachers</td>
<td>7,000,000.00</td>
<td>140,000</td>
<td>8 month incl. Travel costs &amp; allowances</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 year/2 Teachers</td>
<td>7,000,000.00</td>
<td>140,000</td>
<td>8 month incl. Travel costs &amp; allowances</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 year/2 Teachers</td>
<td>7,000,000.00</td>
<td>140,000</td>
<td>8 month incl. Travel costs &amp; allowances</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total yearly budget</td>
<td>36,000,000.00</td>
<td>700,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grand Total Software</td>
<td>64,470,000.00</td>
<td>1,289,400</td>
<td></td>
</tr>
</tbody>
</table>
### Training of young teacher candidates.

<table>
<thead>
<tr>
<th>Task</th>
<th>Date</th>
<th>Goal</th>
<th>Time and location required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-up workshop</td>
<td>To be defined</td>
<td>Identify specific qualifications and interest and choose subjects for each individual training</td>
<td>1 week at DoT</td>
</tr>
<tr>
<td>Traineeship</td>
<td>To be defined</td>
<td>Expose them to various vocational training in respective fields</td>
<td>6 months at selected Bhutanese tourism enterprises and DoT</td>
</tr>
<tr>
<td>Associate Degree Program, Thailand</td>
<td>To be defined</td>
<td>Earn an associate degree in the relevant subject</td>
<td>Mahidol University International College</td>
</tr>
<tr>
<td>Train-the-trainers Seminar 1</td>
<td>To be defined</td>
<td>International experts offer a basic training module for teaching methods and tourism related didactics; introducing new curricula in the developing stage</td>
<td>10 weeks at DoT</td>
</tr>
<tr>
<td>Individual training</td>
<td>To be defined</td>
<td>Send candidates to individually assigned training programs (national and/or international), e.g. ITH/Austria, Singapore, additional traineeship in Bhutan e.g. as assistant guide, operations officer etc.</td>
<td>8 months at various locations according to individual training plan</td>
</tr>
<tr>
<td>Train-the-trainers Seminar 2</td>
<td>To be defined</td>
<td>International and Bhutanese experts offer advanced training module for teaching methods, use of new curricula, new teaching materials.</td>
<td>10 weeks at DoT</td>
</tr>
<tr>
<td>Exams</td>
<td>To be defined</td>
<td>Evaluation of candidates within given standards by International and National Counsellors, obtain certificate</td>
<td>5 days at DoT</td>
</tr>
<tr>
<td>Start of work</td>
<td>To be defined</td>
<td>Participation as assistant teachers in interim training offered by DoT;</td>
<td>4-6 months</td>
</tr>
</tbody>
</table>

**Assumption:**

Project start will be at the beginning of 2005. Due to the high priority of extending professional further education and career management to the 11 already employed candidate teachers, the start-up workshop could be pre-poned in line with the proposed departure of the candidates for the Associate Degree Program in Thailand.
Training of tourism professionals as part-time lecturers.

<table>
<thead>
<tr>
<th>Task</th>
<th>Date</th>
<th>Goal</th>
<th>Time and location required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-up workshop</td>
<td>To be defined</td>
<td>Identify candidates and their specific qualifications and interest</td>
<td>1 week at DoT</td>
</tr>
<tr>
<td>Train-the-trainers Seminar 1</td>
<td>To be defined</td>
<td>International experts offer a basic training module for teaching methods and tourism related didactics; introducing new curricula in the developing stage</td>
<td>8 weeks at DoT</td>
</tr>
<tr>
<td>Practical experience</td>
<td>To be defined</td>
<td>Participate in the interim training offered by DoT in selected subjects</td>
<td>During 8 months with respect to the individual's availability (minimum 4 hrs per week)</td>
</tr>
<tr>
<td>Train-the-trainers Seminar 2</td>
<td>To be defined</td>
<td>International and Bhutanese experts offer advanced training module for teaching methods, use of new curricula, new teaching materials.</td>
<td>8 weeks at DoT</td>
</tr>
<tr>
<td>Exams</td>
<td>To be defined</td>
<td>Evaluation of candidates within given standards by International and National Counsellors; obtain certificate</td>
<td>5 days at DoT</td>
</tr>
<tr>
<td>Start of work</td>
<td>To be defined</td>
<td>Participation as teachers in interim training offered by DoT</td>
<td>4-6 months with respect to the individual's availability (minimum 4 hrs per week)</td>
</tr>
</tbody>
</table>
## Cost of Train-the-trainers module.

<table>
<thead>
<tr>
<th>Expert</th>
<th>Cost per man-day, in Ngultrum</th>
<th>Number</th>
<th>Total cost</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team leader</td>
<td>15.000</td>
<td>100</td>
<td>1,500.000</td>
<td>Supervise the overall program, actively participate in the seminars as lecturer</td>
</tr>
<tr>
<td>Expert for hospitality subjects (F&amp;B, frontdesk, house keeping)</td>
<td>12.500</td>
<td>60</td>
<td>750.000</td>
<td>Lecturers at the seminars (eventually also experts in the curriculum development module)</td>
</tr>
<tr>
<td>Expert for food production</td>
<td>12.500</td>
<td>60</td>
<td>750.000</td>
<td></td>
</tr>
<tr>
<td>Experts for Marketing and Policy subjects</td>
<td>12.500</td>
<td>60</td>
<td>750.000</td>
<td></td>
</tr>
<tr>
<td>Expert for business administration subjects</td>
<td>12.500</td>
<td>60</td>
<td>750.000</td>
<td></td>
</tr>
<tr>
<td>Travel expenses international experts</td>
<td></td>
<td></td>
<td>1,620.000</td>
<td>12 roundtrip airfares allowances for 340 days in Bhutan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,190.000</td>
<td></td>
</tr>
<tr>
<td>International scholarships</td>
<td>4</td>
<td>+ 2</td>
<td>1,500.000</td>
<td>4 existing ITH</td>
</tr>
<tr>
<td>Teaching materials and other input</td>
<td></td>
<td></td>
<td>190.000</td>
<td>2 provided in this budget</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>9,000.000</td>
<td>Lump sum</td>
</tr>
</tbody>
</table>
## Curriculum Development.

### Costing and Team Structure.

<table>
<thead>
<tr>
<th>Expert/category</th>
<th>Estimated cost per man-day in Nguilrtrum</th>
<th>Number of man-days</th>
<th>Total cost</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Leader (International)</td>
<td>15.000</td>
<td>100</td>
<td>1,500,000</td>
<td>Supervising all task, consult the Bhutanese experts, countercheck before editing</td>
</tr>
<tr>
<td>Experts for hospitality subjects (Bhutanese)</td>
<td>4.000</td>
<td>120</td>
<td>480,000</td>
<td>F&amp;B service, Front Desk, House Keeping, Bar-keeping, Banqueting</td>
</tr>
<tr>
<td>Experts for food production (Bhutanese)</td>
<td>4.000</td>
<td>100</td>
<td>400,000</td>
<td>Kitchen Training with reference to Bhutanese standards and international demand</td>
</tr>
<tr>
<td>Experts for Marketing subjects (Bhutanese)</td>
<td>4.000</td>
<td>50</td>
<td>200,000</td>
<td>Product development, tourism policy, marketing &amp; e-commerce</td>
</tr>
<tr>
<td>Experts for Tour Operations (Bhutanese)</td>
<td>4.000</td>
<td>50</td>
<td>200,000</td>
<td>Sales, operations, travel agency administration</td>
</tr>
<tr>
<td>Experts for Guide Services (Bhutanese)</td>
<td>4.000</td>
<td>100</td>
<td>200,000</td>
<td>Trekking &amp; Cultural Guides, cultural and natural resources culture and nature conservation</td>
</tr>
<tr>
<td>Backstopper for hospitality subjects (International)</td>
<td>12.500</td>
<td>30</td>
<td>375,000</td>
<td>Assist and guide the respective Bhutanese experts</td>
</tr>
<tr>
<td>Backstopper for food production (International)</td>
<td>12.500</td>
<td>30</td>
<td>375,000</td>
<td>Assist and guide the respective Bhutanese experts</td>
</tr>
<tr>
<td>Backstopper for marketing and tour operations (International)</td>
<td>12.500</td>
<td>30</td>
<td>375,000</td>
<td>Assist and guide the respective Bhutanese experts</td>
</tr>
<tr>
<td>Backstopper for guide services and related subjects</td>
<td>12.500</td>
<td>30</td>
<td>375,000</td>
<td>Assist and guide the respective Bhutanese experts</td>
</tr>
<tr>
<td>Cost of production/printing teaching materials and multi-media teaching aids</td>
<td>1,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Experts travel cost</td>
<td></td>
<td></td>
<td>810,000</td>
<td>6 roundtrip airfares</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>630,000</td>
<td>allowances for 180 days in Bhutan</td>
</tr>
<tr>
<td>unforeseen</td>
<td></td>
<td></td>
<td>80,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>7,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Implementation Schedule Curriculum Development

<table>
<thead>
<tr>
<th>Task</th>
<th>Date</th>
<th>Manpower input</th>
<th>Time required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-up workshop</td>
<td></td>
<td>Team Leader</td>
<td>10 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bhutanese Experts</td>
<td>3 days</td>
</tr>
<tr>
<td>Raw design</td>
<td></td>
<td>Bhutanese Experts</td>
<td>30% of their days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Team leader</td>
<td>20 days</td>
</tr>
<tr>
<td>Desk research on interim results</td>
<td></td>
<td>Backstoppers</td>
<td>10 days</td>
</tr>
<tr>
<td>Detailed design</td>
<td></td>
<td>Bhutanese Experts</td>
<td>50% of their days</td>
</tr>
<tr>
<td>Finishing Workshop</td>
<td></td>
<td>Team Leader</td>
<td>20 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bhutanese Experts</td>
<td>3 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Backstoppers</td>
<td>3 days</td>
</tr>
<tr>
<td>Editing Phase</td>
<td></td>
<td>Team Leader</td>
<td>50 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bhutanese Experts</td>
<td>remaining days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Backstoppers</td>
<td>17 days</td>
</tr>
<tr>
<td>Curricula and Teaching Aids presented</td>
<td></td>
<td>Team leader</td>
<td>1 day</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bhutanese Experts</td>
<td></td>
</tr>
</tbody>
</table>

Dates have to be defined when Tender has been granted.
ANNEX 6

Structure of Project Management and Implementation Procedures

Project Steering Committee (PSC)
Voting Members:

- Representative MTI (chair)
- Project Director = DG of DoT
- Project Manager
- Representative Department of Budget and Accounts (DBA), MoF
- Representative DADM
- Representative Ministry of Labour and Human Resources (MoLHR)
- ACB
- Austrian/Local Technical Advisors

Project Management Unit (PMU) / Project Management Team (PMT)

- Project Director (PD) - Director General of DoT (Chair)
- Project Manager (PM)
- Director HTMTI (Hotel/Banquet Facilities)
- Director HTMTI (Administration/Finance)
- International/Austrian Experts/Architects/Advisors
- Local Architect/Advisors
Organigram

RGoB

Ministry of Finances, DADM

Ministry of Trade and Industry, MTI

Department of Tourism, DoT

Annual Consultations 2004

Project Document

Project Steering Committee (PSC)

MTI (Chair)
DoT
DADM
DBA
MoLHR
ACB

Project Management Team

Implementation

Project Management Team (PMT)

- Project Director - DG of DoT (Chair)
- Project Manager (PM)
- Director of HTMTI (Hotel/ Banquet Facilities)
- Director of HTMTI (Administration/Finance)
- International Experts/Architects/Advisors
- Local Advisors/Architects/Experts