

Strengthening Local Value Chains in Kaski-2 for Enhancing Cave Tourism

A study conducted as a part of the Daayitwa Nepal Public Policy Fellowship 2023, under the able supervision of Hon. Bidya Bhattarai

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Acknowledgements

This research on cave tourism brings together a rigorous study on the prospects of cave tourism in constituency 2 of Kaski district of Pokhara Metropolitan City. In producing this result, I hope to make the findings of this study more accessible to other researchers, government officials, diplomats, and policy makers of Nepal. This research is also primarily fueled by providing job creating opportunities through improved local value chains in different wards of Kaski-2.

The research was a collective effort and would not have been realized without the help of many individuals and institutions.

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Sincerely,
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Table of Contents

List of Figures	iv
List of Tables	iv
Abstract	v
1. INTRODUCTION	1
1.1 Background	1
1.2 Context of Pokhara	3
1.3 Stakeholders of Tourism in Pokhara	4
1.4. Caves in Kaski-2	7
1.4.1. Gupteshwor Cave	7
1.5. Local Value Chain in Cave Tourism	12
1.6. Problem Statement and Justification of the Study	13
1.7. Objectives	14
1.8. Research Questions	14
1.9. Limitations of the Study	14
2. LITERATURE REVIEW	15
3. LOGICAL FRAMEWORK	16
4. METHODOLOGY	18
4.1. Research Methods	18
4.1.1. Data Sources	18
4.2. Research Tools and Approaches	18
4.2.1. Literature Review	18
4.2.2 Key Informant Interview	18
4.2.3 Focus Group Discussions	18
4.2.4. Empirical Study	19
I. Sampling Techniques	19
II.Data Collection	19
III.Empirical Strategy for Data Analysis	19
4.3. Area of Study	19

5. FINDINGS	20
5.1. Infrastructure and Connectivity	20
5.1. 1. Transportation	20
5.1.2. Lodging and Fooding Facilities	21
5.3. Promotion and Marketing	24
5.4. Tourism Behavior and Patterns	25
5.6. Cave Management and Preservations	26
5.7. Challenges and Proposed Solutions	27
5.8. Potential for Innovative Tourism	29
6. DISCUSSION	30
7. RECOMMENDATIONS	32
ANNEXES	34

LIST OF FIGURES

1. Figure 1. Tourists Arrival in Nepal by Age Group	2
2. Figure 2. Average Stay of Tourists in Nepal.....	3
3. Figure 3. Stakeholders Map.....	6
4. Figure 4. Pivot Chart of Stakeholders Interest in the Issues of Cave Tourism.....	6
5. Figure 5. Mapping of Gupteshwor Cave by Gebauer H.D. in 1986.....	9
6. Figure 6. Customer Journey Touchpoints.....	13
7. Figure 7. Fundamental Pillars for Value Chain Analysis.....	17
8. Figure 8. Scaling Up of Nascent Value Chains.....	17
9. Figure 9. Budget Distribution of Ministry of Industry, Tourism, Forest and Environment, Gandaki Province, Specifically Towards Industry and Tourism.....	23
10. Figure 10. Location Map of Muglin Pokhara Road.....	28

LIST OF TABLES

1. Table 1. Stakeholders of Tourism in Pokhara.....	4
2. Table 2. Recorded Caves in Kaski District.....	7
3. Table 3. Road Length with Category and Pavement of Kaski District in 2020.....	20
4. Table 4. Kaski's Tourism and Industry Expenditure and Corresponding Activities.....	23

ABSTRACT

The research endeavors to address the challenges prevalent in Pokhara's tourism industry, specifically focusing on the overlooked domain of cave tourism within the Kaski-2 region of Nepal. Despite proactive measures taken by the city, stakeholder interest remains low, impeding the development of this promising sector. The study meticulously explores seven out of twelve significant caves, emphasizing their cultural and religious importance and the unexplored economic opportunities they present. It underscores the imperative of local value creation, investigating potential avenues within cave tourism and offering guidance to local producers in establishing or enhancing effective local value chains. Acknowledging its limitations in scope, particularly in the selective choice of accessible caves, the research provides valuable insights into the incipient value chain. Furthermore, it underscores the vital role of effective communication and collaboration among diverse stakeholders for fostering the growth of the cave tourism industry in the region.

1. INTRODUCTION

1.1 Background

The problem of a centralized tourism industry murks any booming tourist attraction and Pokhara of Kaski district is no different. Past the first historic ascent of Annapurna I (8091 meters) by Maurice Herzog in 1950, Pokhara valley, located at 27° 7' to 28° 10' N and 83° 50' to 84°10' E, has been established as a transit point for the mountaineers and adventure seekers. The completion of Siddhartha highway in 1968 and the formation of Pokhara Tourism Center in 1961 also made Pokhara an inviting place for tourists from around the world (Rebati Raman 2017).

While the outskirts of Lakeside and Pokhara city have shared the profits of the increasing flow of tourists, the regions that lie farther away from the tourist hub have derived little benefits. Few locals, let alone tourists, know of these tourist destinations. One of the potential solutions to pull us out of this centralized tourism of Pokhara is through enhancing the connectivity between the distant tourist destinations.

Local value creation is an important process through which the tourist destinations can be better connected. Local value indicates the amount of money which stays in the region in the forms of profits, wages, salaries and taxes. It is the sum of all the services minus the external upstream inputs of a region. Local value creation contributes towards the prosperity and poverty reduction of a region.

Local values are created in local value chain systems in the process of value creation and value distribution. Local value chains are described by Kaplinsky and Morris(2001) as a full range of activities necessary to bring about a product or service from ideation, go through different phases, i.e. from production, delivery, to disposal after use. The local value chain adds up values within local boundaries in economical, environmental, and social dimensions of a region.

Local value creation and distribution is tricky in the tourism industry as the products offered in tourism are mostly services. The products like transportation, accommodation, and entertainment can never be stored and have to be consumed in production. Since the products are consumed and produced simultaneously, customers of tourism are also a part of the service delivery. (Uno acto principal)

In the year 2022, based on the reports of the Ministry of Culture, Tourism & Civil Aviation, the greatest number of tourists arriving in Nepal were of the age group 31-45 years, followed by those of the age group 46-60 years. Most of the tourists visiting Nepal were in the age bracket of 16-60

years. The age group of 16-60 years is an active age group and thus there is a great potential for adventure tourism. This age group is more likely to hike, trek, sky-dive, white-water raft, kayak, paraglide, bungee jump, and explore caves.

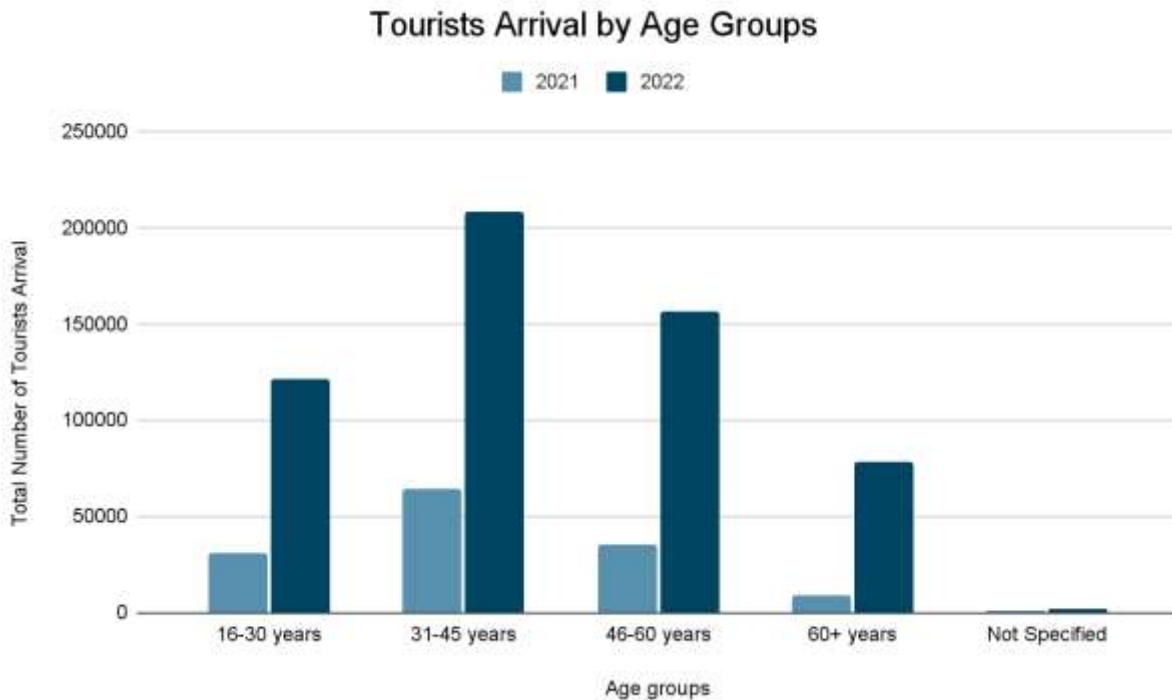


Figure 1. Tourists Arrival in Nepal by Age Groups¹

While the age group of tourists arriving in Nepal is encouraging for the tourism industry, particularly for adventure tourism, the length of stay of the tourists in Nepal is concerning. Tourists' length of stay has decreased by a rate of 15.4% from 2021 to 2022. At present, the average length of stay of tourists in Nepal is only 13.1 days. Length of stay of tourists is a key indicator that represents a holistic evaluation of the economic impact of tourism, the effectiveness of tourism marketing strategies, and the overall satisfaction of the tourists.

There are some positives in tourism with the increasing gross foreign exchange earning to 326282 thousand USD in 2022. The average spending of tourists per day has however decreased from 48 USD to 40.5 in 2022. The decrease in the length of stay of tourists alongside the increase in price of services post COVID-19 might help explain this decrease in the average day spending of tourists in Nepal.

¹ Nepal Tourism Statistics 2022 (Government of Nepal Ministry of Culture, Tourism & Civil Aviation, 2023)

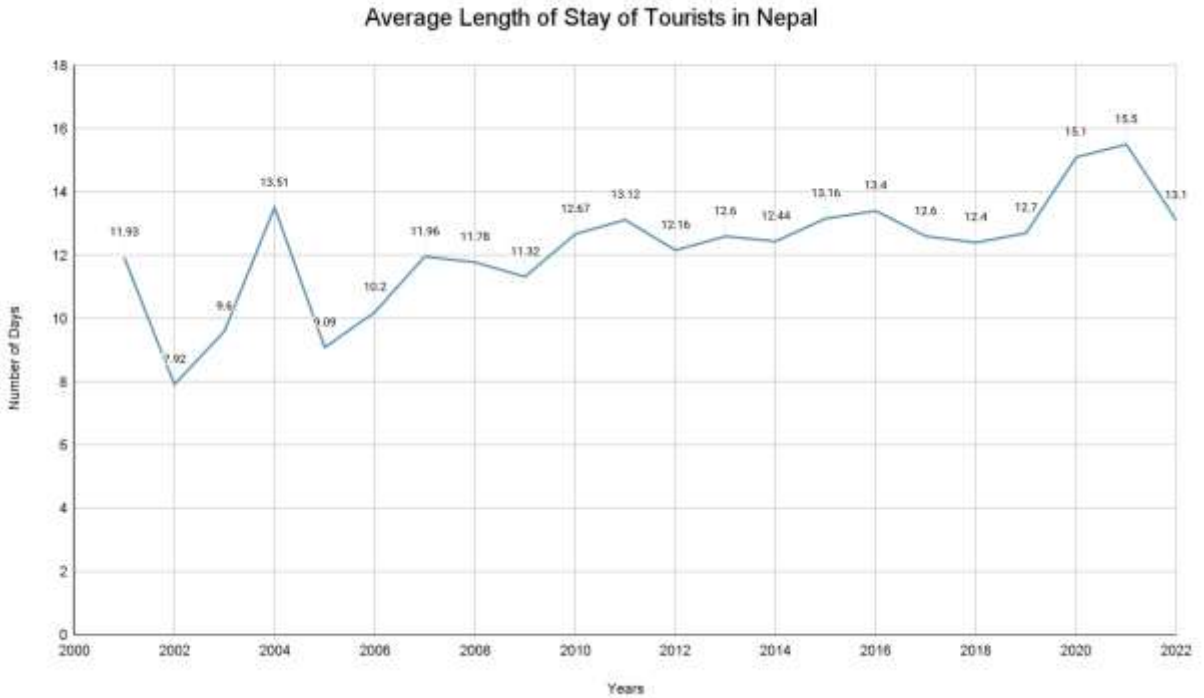


Figure 2. Average Stay of Tourists In Nepal²

1.2 Context of Pokhara

Pokhara Metropolitan City³, expanding over an area of 464.24 sq. kilometers, is the largest local government in the area amidst all the local governments of the three-tier federal government system of Nepal; this is both a challenge and an opportunity. While good governance of the largest local government is challenging, the potential directions that the municipality can afford to take for the prosperity of this region is exciting.

Pokhara Metropolitan city houses a population of 5,93,504 people living in 33 wards. The municipality also saw an increase in gross municipal product from 120 billion and 86 million Rupees in the fiscal year 2078/79 B.S. to 126 billion and 7 million in 2079/80 B.S. This was an increment of 4.61%. The average per capita income was 1888 USD in the fiscal year 2079/80 B.S., according to the national survey of 2078 B.S.

² Nepal Tourism Statistics 2022 (Government of Nepal Ministry of Culture, Tourism & Civil Aviation, 2023)

³ Pokhara Metropolitan City was proclaimed as a metropolitan city on Falgun 27 2073 B.S to include Pokhara sub-metropolitan city, Lekhnath municipality, Mauja, Chapakot, Bhadaure Tamani, Kaskikot, Majhthana, Kalika and Puranchaur rural municipalities.

Pokhara Metropolitan City has identified infrastructure development, health, education, and tourism as crucial components in the current fiscal year 2080/81 B.S. Pokhara, having become synonymous with tourism, has also recognized the tourism industry as one of the major drivers of their economic growth. The metropolitan city is proposing progressive plans like 24-hour open Lakeside, promotion of homestay, rural tourism, MICE tourism, and adventure tourism to help expand the tourism industry. Dragon Boat Race in Phewa Lake and paragliding festivals indicate the direction of expansion Pokhara Metropolitan City, in collaboration with the provincial government, is taking to encourage adventure tourism.⁴

Tourism in Pokhara is a sector of competitive advantage (Government of Nepal Ministry of Culture, Tourism & Civil Aviation, 2023).

1.3 Stakeholders of Tourism in Pokhara

Stakeholders	Characteristics			
	Interest in the Issue, Value Assigned for Interest	Influence / Power, Value Assigned for Influence	Position	Impact on the Actor
Nepal Tourism Board	Low, 3	High, 9	Non-Mobilized	High
Immigration Office	Low, 0	Medium-High, 7.5	Opposed	High
Pokhara Tourist Bookshop Association	Low-Medium, 4	Low-Medium, 5	Non-Mobilized	Low
Pokhara Money Changers Association	Low, 1	Medium, 5	Non-Mobilized	High
Fewa Boat Association, Pokhara	Low, 2	Low, 3	Non-Mobilized	Low-Medium
Nepal Association of Rafting Agents Pokhara	Low, 2	Low, 2	Non-Mobilized	Low-Medium
Tourism Entrepreneur Women Association Nepal	Low-Medium, 5	Low, 1.5	Non-Mobilized	High
Women Tourism Entrepreneur Forum	Medium, 6	Low, 1	Non-Mobilized	Medium-Low
Embroidery And Garment Association	Medium-High, 7	Low, 2	Low-Medium	Medium

⁴ Yearly Policies and Programs for the fiscal year 2080/81 B.S. presented by the mayor of Pokhara Metropolitan City, Mr. Dhanaraj Acharya on Ashad 10 2080 B.S. at Pokhara Sabhagriha.

Village Tourism Promotion Forum Kaski	High, 9	Low-Medium, 5	Medium	High
Tourist Transport Committee	Low, 2	High, 7	Medium-High	High
Pokhara Bus Entrepreneurs Association	High, 9	High, 8	Medium-Low	High
Trekking Equipment Shop Association	High, 9	Low-Medium, 4	Low-Medium	High
Pokhara Chambers of Commerce and Industry	Low, 3	High, 8	Non-Mobilized	Low-Medium
Nepal Air Sport Association	Low-Medium, 4	Low, 2.5	Non-Mobilized	High
Nepal Association of Tour and Travels Pokhara	Low-Medium, 3.5	Medium, 3.5	Non-Mobilized	High
Trekking Agencies Association of Nepal, Pokhara	Medium-High, 8	Low, 3	Low-Medium	High
Paschimanchal Hotel Association, Pokhara	Low, 2	Medium, 5.5	Non-Mobilized	Low-Medium
Pokhara Tourism Council	Low, 1	Low, 1	Non-Mobilized	Low-Medium
Annapurna Conservation Area Project	Medium, 6	High-Medium, 7	Low	High
Taxi Association Pokhara	Low, 2	High, 6	Non-Mobilized	High

Table 1. Stakeholders of Tourism in Pokhara⁵

⁵ The scores of interest and influence were determined according to the scoring profile, i.e. Low =3, Low-Medium =5, Medium =6, Medium-High =7, High =9, Opposed = Value of 0 in “Interest in the Issue”. These scores were based on the KIIs, FGDs and literature reviews.

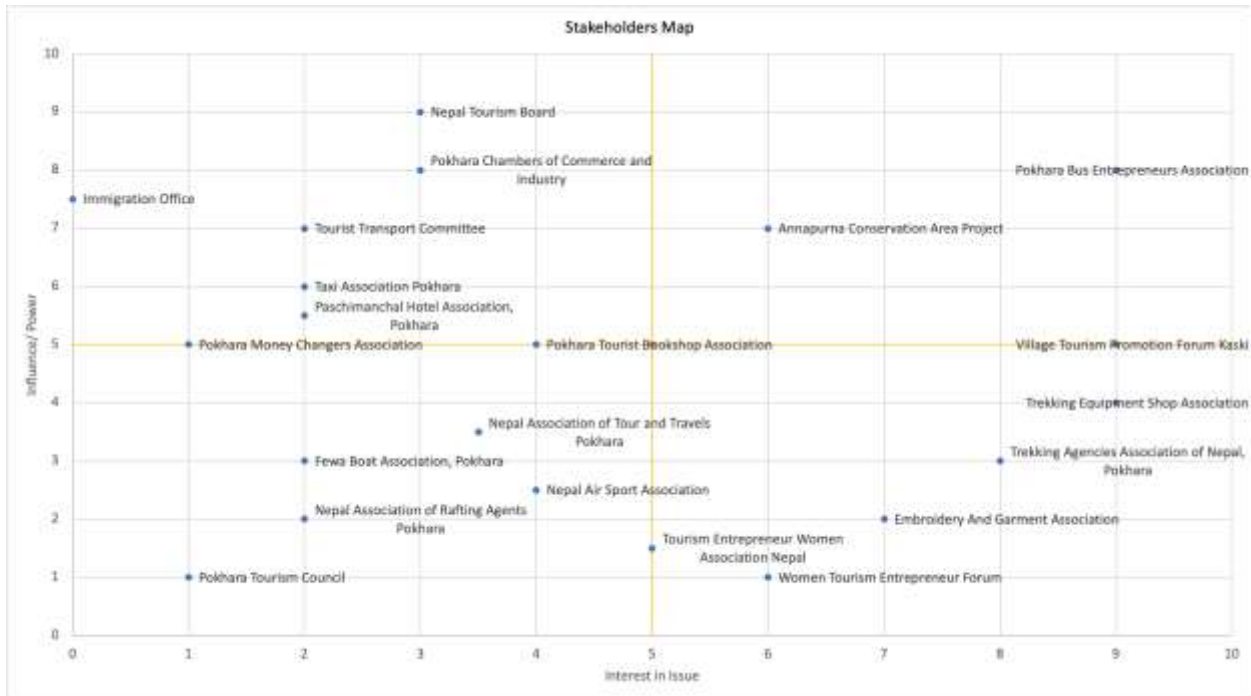


Figure 3. Stakeholders Map⁶

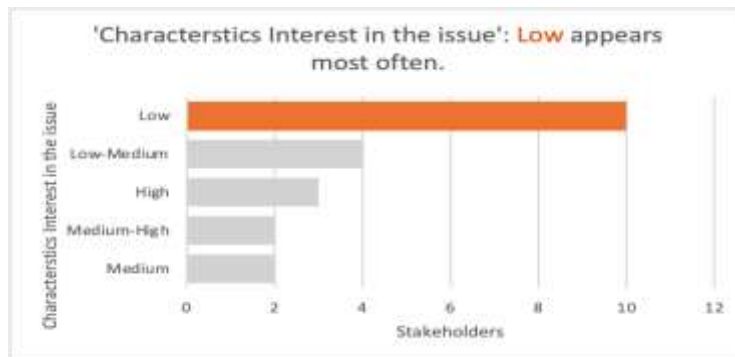


Figure 4. Pivot Chart of Stakeholders Interest in the Issues of Cave Tourism⁷

According to the table of stakeholders, the majority of the stakeholders are “Non-Mobilized”. This presents us with an opportunity to utilize this untapped potential for action. However, the majority of the stakeholders also register low levels of interest in the issues of cave tourism. Even for the stakeholders who have “High” power or influence in the tourism industry, “Low” interest in the issues of cave tourism is registered the most. While the potential is great, the challenges of kindling an interest among the stakeholders is huge.

⁶ Figure 1 is prepared according to Table 1.

⁷ Figure 4 is prepared on the basis of Table 1.

1.4. Caves in Kaski-2

Kaski-2 is one of the parliamentary constituencies of Kaski district of Nepal. It incorporates 11 wards of Pokhara Metropolitan City, namely wards 4, 7, 8, 9, 11, 15, 16, 17, 20, 21 and 33. Among the 12 recorded caves in Kaski-2 (Birendra Cave, Harrihar Cave, Mahendra Cave, Bat Cave, Gupteshwor Cave, Gold Cave, Crystal Cave, Sita Cave, Crazy Cave, Putali Cave, Powerstation Cave and Siddha Cave), only 7 caves (Birendra Cave, Harrihar Cave, Mahendra Cave, Bat Cave, Gupteshwor Cave, Gold Cave, and Siddha Cave) are easily accessible.

S.N.	Name of Cave	GPS Coordinates
1	Mahendra	28°16'17" North and 83° 58' 47" East
2	Bat	28° 16' 03" North and 83° 58' 33" East
3	Gupteshwor	28°11'22'' North and 83°57'28'' East
4	Crazy	28°16'17.3" North and 83°58'52.9" East
5	Peace	28°11'20.3'' North and 83°59'32.6'' East
5	Putali	28°12'36.7'' North and 83°59'34.3'' East
6	Birendra	28°10'44" North 83°59'33" East
7	Powerstation	28°10'43.2" North 84°43'9" East
8	Sita	28°14'50.7" North 84°0'19.2" East
9	Siddha	28°12'57.0" North and 83°59'29.4" East
10	Harrihar	28.21098642745801° and 83.985704326344°
11	Crystal	
12	Gold	28°8'37" North 84°2'43" East

Table 2. Recorded Caves in Kaski District (Koju, Chalise, 2011)

1.4.1. Gupteshwor Cave

Gupteshwor cave (गुप्तेश्वर महादेव गुफा) lies in the southwestern part of Pokhara in Chhorepatan Ward-17 (7.89 sq. km. area housing 26752 individuals) and within 100 meters distance of David's fall. It is located at the coordinates of 28°11'22'' North and 83°57'28'' East. The cave, spanning

over a length of 2950 meters, is the longest cave of Nepal. It lies 772 meters below sea level. The internal cave temperature is moderate and independent of the outside weather. The cave's temperature is mostly in the range of 8° to 10° Celcius. The cave was discovered in the 1950s and the entrance to the cave was made in 1991.

In the cave lies the Lord Shiva's phallic (Shiva Linga), one of the stalagmites, hidden 150 meters below the ground surface. Gupteshwor Mahadev derives its name from Shiva Linga, referring to Lord Shiva or Mahadev, and from Gupteshwor, referring to the Shiva Linga being hidden in secrecy inside the cave.

Gupteshwor cave is divided into two chambers. The first chamber is open throughout the year. Whereas, the second chamber of the cave, which is further down the first chamber, remains closed during the monsoon season. The second chamber is unsafe for tourists in monsoon; the rainwater and the water from David's fall is collected in the second chamber and thus the water level rises during the monsoon season.

In the first chamber, we can see the naturally formed sculptures of Shiva, Parvati, Vishnu, Lakshmi, Saraswati, Sheshnag, Sumeru Parvat, Bhagwati Bahan, Kalash, Kamdhenu, Garuda Devta, Govardhan Parvat, Krishna Leela deities. There is also a mechanical cow, Kamdhenu, which gives milk when a devotee puts in marbles in an interconnected box.

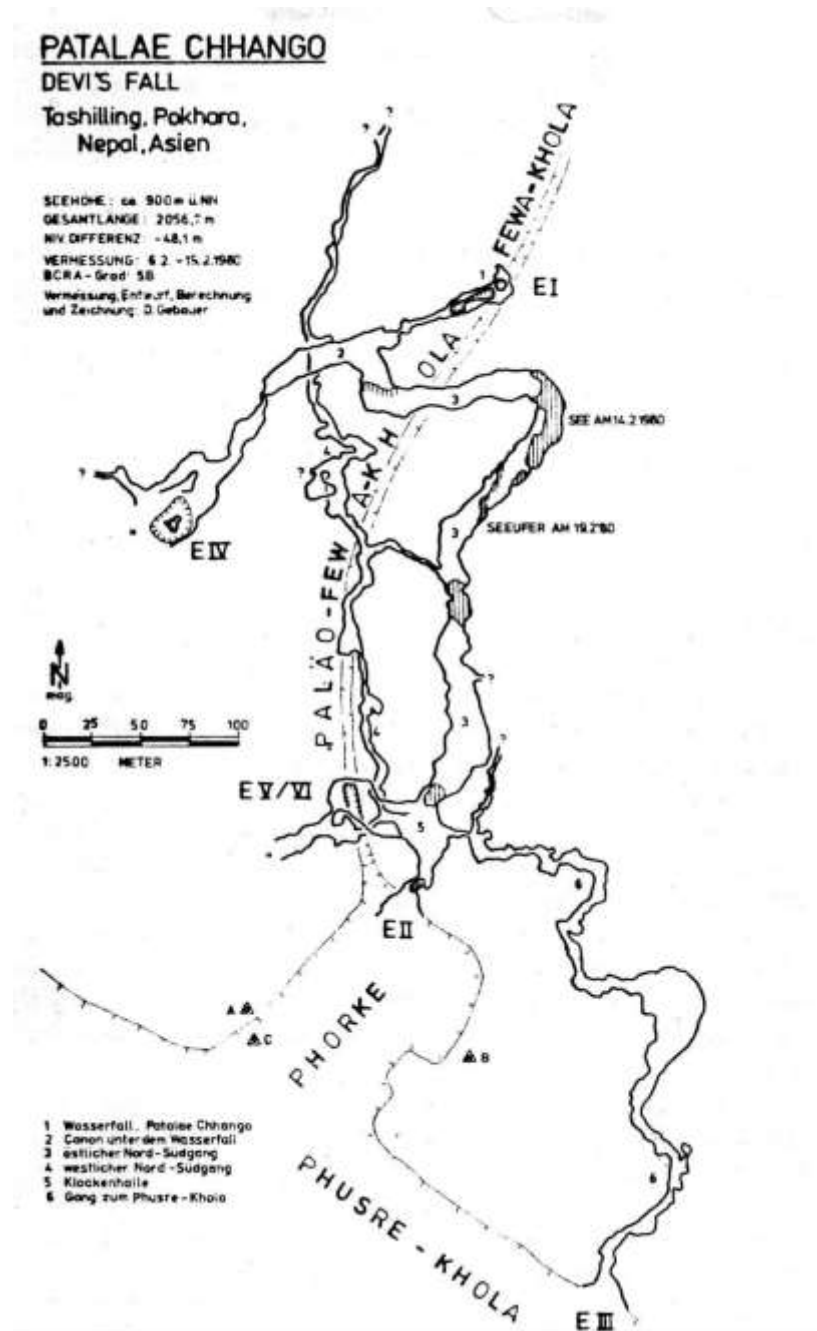


Figure 5. Mapping of Gupteshwor Cave by Gebauer H.D. in 1986

In the second chamber, we can hear the thundering of water as David's fall, locally known as Patalae Chhango, runs right by the cave to seemingly disappear right after.

Gupteshwor cave receives both religious and adventure tourists. It carries religious and historical significance which lures historians and religious devotees. According to the hindu mythology, Lord Shiva during the Satya Yuga hid inside the Gupteshwor cave, also known as Bear's Den (Bhalu Dulo). While the cave mostly hosts religious tourists, some adventure tourists are also lured

to see David's fall from the second chamber of the cave. The cave used to be home for wild bats in the past (Gebauer, 1986). Most of the bats have migrated as lightings were introduced and the flow of tourists increased.

The cave is surrounded by souvenir shops, known to locals and cave management as “something shop”, from the entrance gate up to the cave premises. Right across the street on the north eastern side is David's fall. On the northwestern side, a short 5 minute walk takes tourists to a hiking trail that leads to World Peace Pagoda and Pumdikot. On the southern side of the cave lies the Tibetan Refugee Settlement Camp and further south lies Phusre Khola.

1.4.2. Mahendra Cave and Bat Cave

Mahendra cave (महेन्द्र गुफा) and Bat cave (चमेरो गुफा) lies in the western region of Pokhara in

Batulechaur Ward-16 (34.68 sq. km. housing 20278 individuals). Mahendra cave and Bat cave lie within the distance of 750 meters; Mahendra cave is located at the coordinates of 28°16'17" North and 83° 58' 47" East and Bat cave is located at the coordinates of 28° 16' 03" North and 83° 58' 33" East.

Mahendra cave, named after the Late King Mahendra Bir Bikram Shah Dev who inaugurated the cave as show cave in 1960⁸, is a unique and natural cave. It is the only cave in Nepal that has both stalagmites and stalactites. Stalagmites are structures that grow up from the ground and stalactites are structures that droop down from the ceiling. Both of these structures are present in Mahendra cave. Prior to being named as Mahendra cave, the cave was known to the shepherds as “Adhero Bhawan” (literally translates to dark house in english). The cave is at an altitude of 1100 meters above sea level and is home to wild bats (Wilson, 1982). Mahendra cave is about 200 meters long. In the cave, there is a stalagmite worshiped as the Lord Shiva's phallic (Shiva Linga). Most of the tourists visiting Mahendra cave are adventure seeking tourists and few are religious tourists.

Bat cave (चमेरो गुफा), convincingly named due to the presence of rare species of wild bats like Roundleaf and Horseshoe bats in abundance, was discovered by a local farmer in 1986. The cave was later handed over to Bindhyabasini secondary school, situated right across the street opposite to the Bat cave. The cave is 225 meters long and lies at an altitude of 990 meters above sea level. Similar to Mahendra cave, Bat cave also has both stalagmite and stalactites structures.

⁸ The then culture expert Satya Mohan Joshi had visited Mahendra cave in 1953 and wrote an article on it in a Newari newspaper. Late king Mahendra read the article and was moved to visit Mahendra cave.

The cave is three stories high. The first 125 meters of the cave is easily accessible and opens up to a wide courtyard like opening at the bottom. The latter 100 meters of the cave is an upward hike through tiny corridors to climb up two storeys of about a meter high in total. Over the courtyard-like opening there are wild bats in clusters hanging upside down to the ceiling. On the way up, there are figures of snakes, Ganesh, and a Madal-like instrument⁹. A tiny stream runs through the cave. There are no lights set inside so the tourists arrange for their own torches. The exit is a 5 inch wide walkway where the visitors, feeling adventurous, wiggle their way through it. The visitors could also choose to exit using the same entrance way.

There are few restaurants and souvenir shops around Bat cave and Mahendra Cave.

1.4.3. Birendra Cave and Harrihar Cave

Birendra cave (बिरेन्द्र गुफा) and Harrihar cave (हरीहर गुफा) lie in Bhalam Ward-20 (22.94 sq. km. housing 4022 individuals). The two caves are within 6 kilometers distance. Birendra cave lies at the coordinates of 28°10'44" North 83°59'33" East; Harrihar cave lies at 28.21098642745801°, 83.985704326344°.

Harihar Cave is a revered spiritual destination situated in Bhalam Danda, Kaski district, Nepal. Named after Lord Shiva, referred to as Harihar in Hindu mythology, the cave holds immense significance as a place of meditation and pilgrimage. Nestled amid lush forests at an altitude of 1,395 meters, the cave's natural beauty complements its spiritual aura. It is believed that Lord Shiva used to meditate within its confines, attracting Hindu devotees seeking solitude and enlightenment. The cave houses a modest temple dedicated to Lord Shiva and boasts captivating views of the surrounding mountains.

Harihar Cave is a sanctuary for those pursuing spiritual retreat and connection with nature. Beyond its serene ambiance, the cave offers a unique fusion of natural splendor and religious reverence. Adjacent to the cave lies the Harihar Gufa Sanyas Ashram, extending aid to the elderly and impoverished, while also providing spiritual guidance. The journey to the cave entails a trek through dense forests and steep paths, promising an enriching experience for both spiritual seekers and tourists keen on exploring Nepal's spiritual and scenic grandeur.

1.4.5. Siddha Cave

⁹ Madal is a nepali instrument comparable in sound to African congo. The Madal-like figure seen in Bat cave is not only similar in appearance to the folk instrument but also sounds like the instrument when hit. The structure is breaking down as the increasing number of visitors are striking it to hear the sound of Madal.

Siddha cave (सिद्ध गुफा) lies in the central region of Pokhara in Ward-9 (1.22 sq. km. housing 16626 individuals). Siddha cave is about 20 meters long and lies right next to Ramghat at the coordinates of 28° 12 '57.0" North and 83°59' 29.4" East. The cave was named by Gangaram Pahari and the Pahari family maintains the cave. The cave has religious significance to the Pahari family and there are statues of Ram, Lakshman, Sita, and Hanuman in the cave. A small opening is believed to have led to the banks of Seti river in the past; the opening is now closed.

There are temporary settlements and slums around the cave. There is a small shop near the cave premises. The cave is gated and remains locked until someone reaches the place and asks around to visit the cave.

1.4.6. Gold Cave

Gold cave (सुन गुफा), located in Ward-33 (housing 11670 individuals) of Kaski, previously known as Bharat Pokhari Cave (भरतपोखरी गुफा), is located southeast of the coordinates 28° 8' 37" North and 84° 2' 43" East. The cave was renamed from Tiklang Lime Cave (तिक्लांग चमेरो गुफा) to Rabindra Memorial Lime cave (रबिन्द्र स्मृति चुन गुफा) in the memory of late Honorable Rabindra Adhikari, who had visited the cave on 11th of Falgun 2075 B.S. The cave is at present 100 meters long but can be further caved to be about 250 meters long.

A water stream flows through the cave and the cave has well developed stairs and pathways leading up to the cave's entrance. A hydropower plant lies close by the cave. An off-beat road leads tourists to the cave and their stairs. Manithan, Bhairabsthan, Nilkantheshwar temple, and Rabindra Memorial park are also other tourist attractions that lie within the outskirts of the cave.

1.5. Local Value Chain in Cave Tourism

From the customer's vantage point, tourism is a bundle service which defines their adventure journey. Cave tourism is no different. Stakeholders in tourism, and in cave tourism, can be associated with the customer journey touch points.

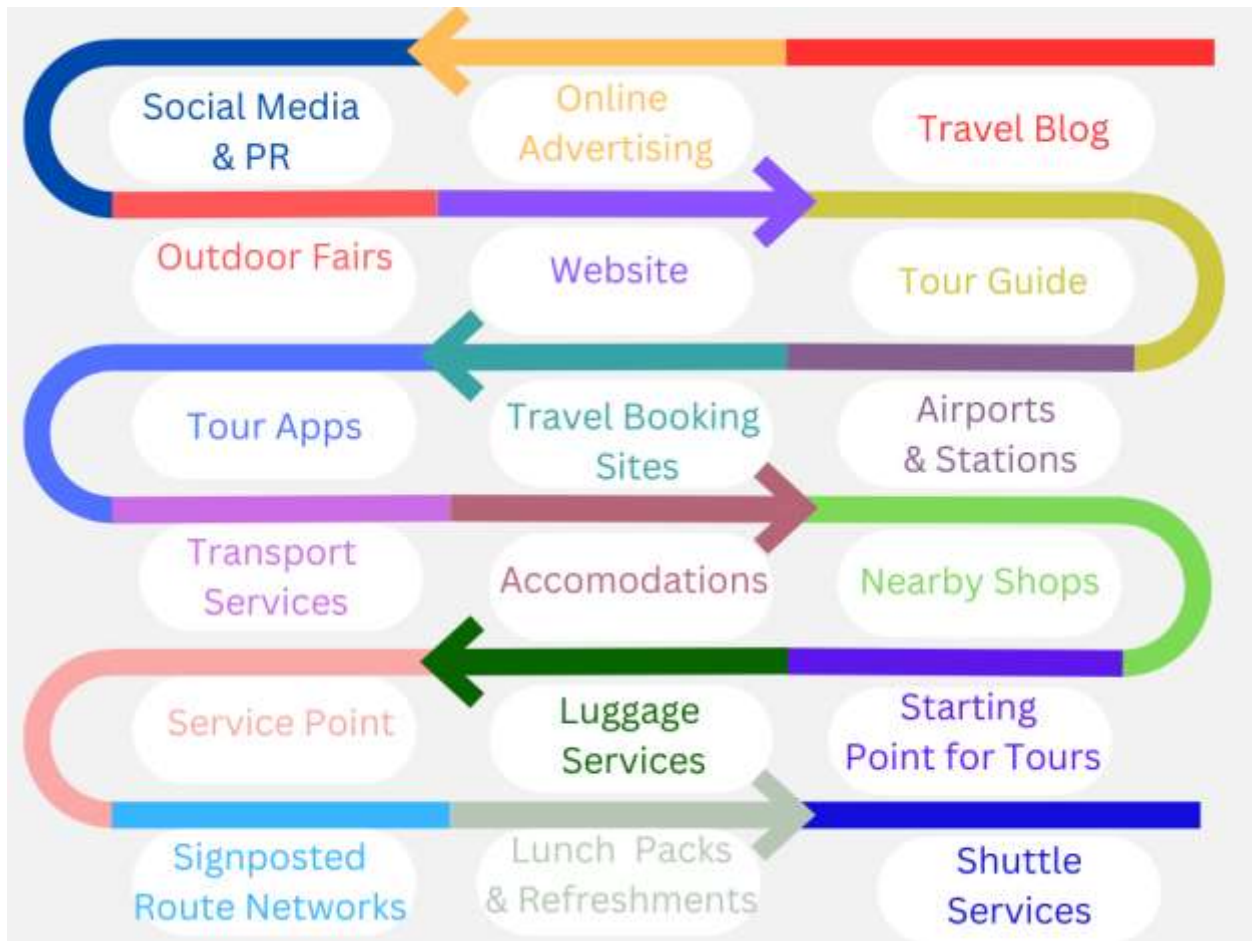


Figure 6. Customer Journey Touchpoints

The customer journey touchpoints are associated with the following customer journey phases: 1. Planning and Booking, 2. Arriving / Departing, 3. Overnight Accommodation, 4. Food and Beverage, 5. Buying Supplies, 6. Getting Around, and 7. Being Active. The customer journey points and the stakeholders associated with the respective touchpoints together represent the local value chain in Cave Tourism.

1.6. Problem Statement and Justification of the Study

The caves have traditionally been used as show caves for tourism. While the show caves do offer value and help in generation of revenue, the prospect of economic prosperity through exploring cave tourism not just for show cave tourism but also for other better alternatives is attractive.

While some caves do already have a functioning local value chain at place, other caves have not even been explored as business ventures.

So, there is a need for studying the caves located in remote areas to understand what prospects they carry and set up a local value chain to help facilitate the local economy. Understanding the caves' present situation will allow the policymakers to make plans to establish these caves as tourism destinations leading to development of the local cave area.

A formalized body for caves is also necessary for the preservation of the caves which are in precarious condition as huge concrete buildings and unmanaged sewage are being introduced to the easily erodible limestone caves.

1.7. Objectives

The specific objectives of the study are:

- Exploring the current situation of the caves and its local value chains
- Identify different prospects of cave tourism and help local producers to develop efficient local value chains, if no local value chains exist.
- Help local producers upgrade local value chains, if local value chains are already in place.

1.8. Research Questions

- I. What are the prospects of cave tourism in constituency 2 of Kaski?
- II. Are there already functioning local value chains in cave tourism in Kaski-2?

1.9. Limitations of the Study

The scope and limitations of the study are defined below:

- I. Since the study was conducted within 3 months time, it was necessary to select a few caves conveniently and purposely. It was not possible to consider all of the caves of Kaski-2 within that study-duration. So, only a few of the caves in Kaski-2 were selected.
- II. Since this study is conducted with limited geographical coverage with a semi-randomly chosen sample and target groups with specific objectives, findings and recommendations cannot be generalized. Nevertheless, similar studies can be replicated.
- III. The selection of caves for study has also been influenced by its ease of access. The very little known caves were difficult to locate and required a longer cave study-duration.
- IV. The stakeholder analysis was not able to adopt an iterative analysis process.

2. LITERATURE REVIEW

Tourism Development Act 2020¹⁰, has provisions for the development of three institutions: the Metropolitan Tourism Development Committee, Ward Tourism Promotion Committee, and Pokhara Municipality Homestay Operation Committee, each with their specific roles and responsibilities. Metropolitan Tourism Development Committee and Ward Tourism Promotion Committee work under the guidance of Pokhara Metropolitan City. Meanwhile, Pokhara Municipality Homestay Operation Committee works under the supervision of Provincial Homestay Management Committee. Through these committees, the Tourism Development Act is to be implemented for the promotion and development of tourism. While some wards and stakeholders were aware of these provisions, most of the stakeholders either lacked the knowledge of its existence or lacked the resources to implement their respective committee's roles and responsibilities.

In a country like Nepal, which is struggling to bring in foreign exchange, tourism is a potential panache that would help us bring in revenues. Not only is tourism benefiting the direct stakeholders and service providers, but it also benefits neighboring sectors like the retail trade, leisure activity service providers, farmers, and crafts people. It benefits the stakeholders that are directly or indirectly connected with the customer journey touchpoints. By creating local jobs and helping people from disadvantaged and diverse backgrounds, tourism helps create a diverse economically active population group. Since it also has low barriers to entry points, new start-ups can easily surface in the market. It also helps in tax generation.

Schedule 6 of the Industrial Enterprise Act 2020 lists 1)tourist housing, motel, hotel, resort, bar and restaurant, 2)travel agency, tour operator, healing center, casino, massage, spa, 3)adventurous tourism, trekking, skiing, paragliding, water rafting, hot air ballooning, cannoning, parasailing, horseback riding, elephant riding, bungee jumping, expedition, zip flier, ultra light, sky walking, skydiving, and similar other adventurous games, 4)cable car construction and operation industries 5)golf course, polo, pony trekking, trekking, cycling, 6)rural tourism, home stay and ecological tourism, agricultural tourism, 7)cultural, religious, assembly, conference and sports tourism, 8)fun park, water park, 9)wildlife reserve, and 10)museum as the relevant stakeholders of tourism.

Since tourism industries are defined as those defined in Schedule 6¹¹, cave tourism has not been identified as a tourism industry yet. It has also been listed under the industries of national priorities

¹⁰ The Pokhara Metropolitan City (PMC) passed the Tourism Development Act 2020 from its eighth municipal assembly on 6 February 2020, exercising the right of article 102(1) of the Local Government Operation Act 2017 and exclusive and concurrent powers disseminated to the local government by the constitution of Nepal.

¹¹ Chapter 3.17.f. states "Tourism industry: Industries mentioned in Schedule 6 related to tourism services".

(Cottage industries, Energy-based industries, Agriculture and forest product-based industries, Infrastructure industries and Export industries). While schedule 9 part 6 of the Industrial Enterprise Act 2020 defines adventurous tourism as one of the industries of national priority, cave tourism industries are not listed under adventurous tourism and hence not identified as an industry of national priority. This is further detrimental to Kaski and Pokhara, a region filled with naturally formed caves, which claims tourism to be one of the seven main factors contributing to the province's economy (Provincial Policy and Planning Commission, Gandaki Province, 2020).

3. LOGICAL FRAMEWORK

A value chain only exists when there is an existing market. Without an existing market, there is no value chain. In the value chain a full range of activities are considered that are required to bring about a product or service from conception to delivery, to final disposal after use (Keane, 2009). Previously popularized as trade theory, the value chain analysis focuses on economical viability or market viability and sustainability.

In a nascent value chain market players delivering and resourcing different functions interact in a viable and sustainable way. There exists an ecosystem for the existing market players and the budding entrepreneurs.

The value chain analysis can be performed with the evaluation of the 7 key pillars: infrastructure, information, related services, informal rules and norms, non-statutory regulations, sector specific regulations and standards, and laws. These pillars are analyzed through the lenses of different market players: government, private sector, business membership organizations, not-for-profit sector, and informal networks. In the nascent value chains, the communication of these 7 pillars is crucial and the efficiency level at which the communication occurs determines whether a value chain has the potential to scale. When the communication is minimal, the value chain stays nascent.

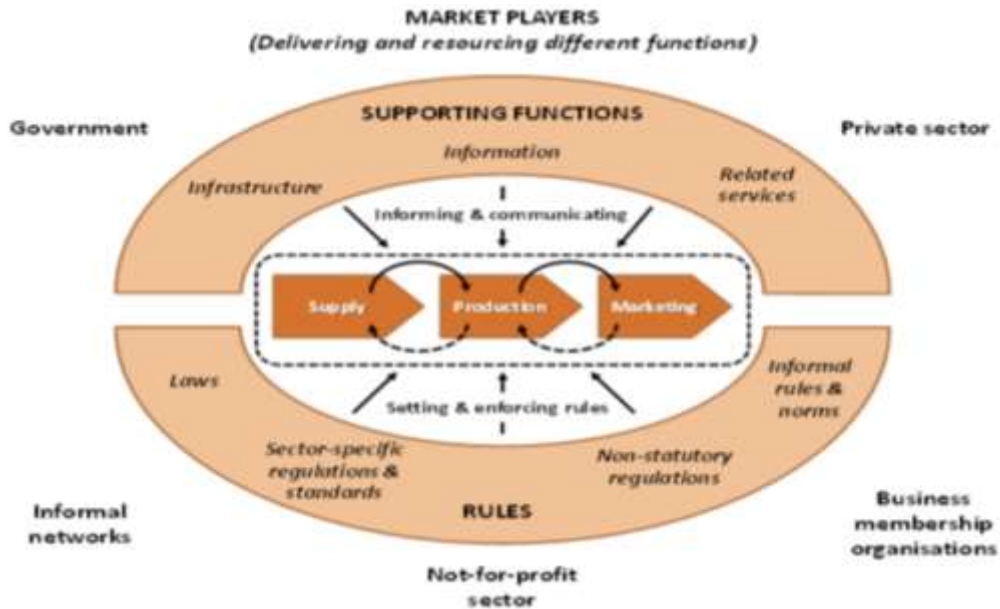


Figure 7. Fundamental Pillars for Value Chain Analysis

A nascent value chain can be upgraded through 1) improved horizontal coordination, 2) improved vertical coordination, 3) functional upgrading, 4) process upgrading, 5) product upgrading, 6) interchain upgrading, and improved enabling environment.

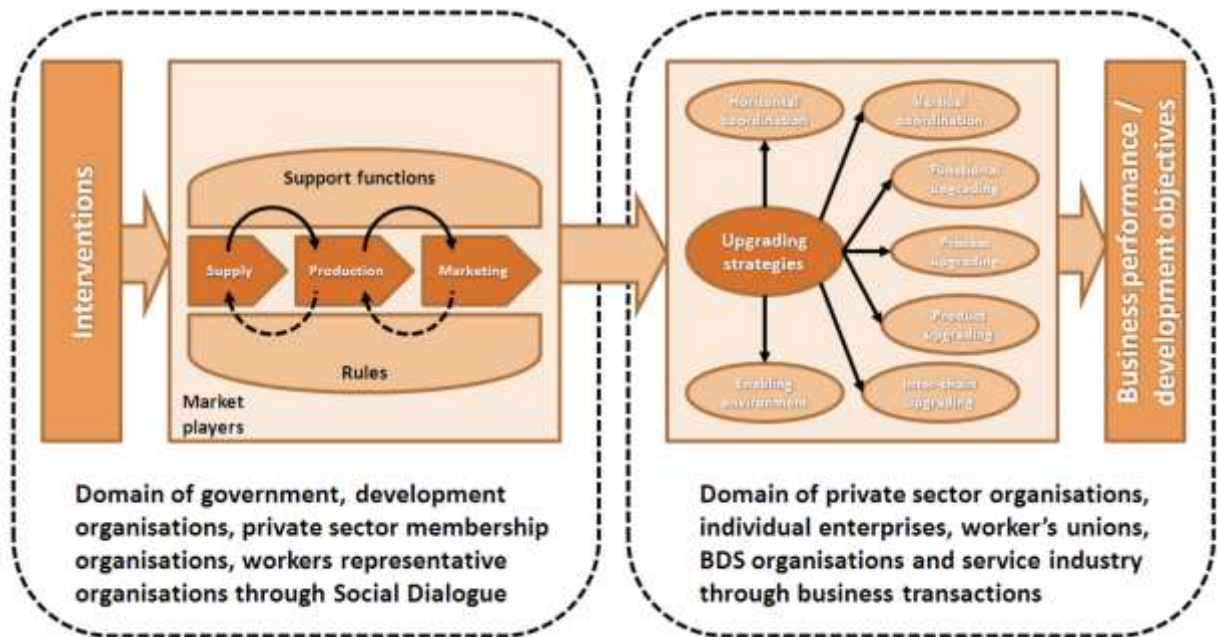


Figure 8. Scaling Up of Nascent Value Chains

4. METHODOLOGY

4.1. Research Methods

The research will be based on qualitative analysis.

4.1.1. Data Sources

The primary data were collected by conducting Key Informant Interviews (KII) with different stakeholders such as the local entrepreneurs of Pokhara, workers of Pokhara Chamber of Commerce and Industries, ward presidents of Kaski district, Nepalese Young Entrepreneurs' Forum Pokhara, KC Group of Companies, Gyan Foods and Beverage Private Limited, Hotel Sarowar, Women Skill Development Organization, Pokhara Tourism Council and policy makers.

Similarly, focus group discussions were also conducted with locals as well as cave management to determine the effectiveness of efficient local value chains in the later part of the study.

4.2. Research Tools and Approaches

4.2.1. Literature Review

The study was conducted after reviewing the relevant literature and articles to gain a broad understanding of the local value chains in Nepal and in Pokhara. The review helped to identify the challenges and areas to focus on while designing the research and conducting data collection.

4.2.2 Key Informant Interview

Different stakeholders, policy makers, and government officials were interviewed to obtain insights on the existing local value chains and the local understanding of its importance.

The purpose of this semi-structured interview was to comprehend the level of knowledge of the stakeholders in cave tourism and prevalent pertinent local value chains. A questionnaire (Annex I) was formulated and used to discuss with 5 KII respondents on the basis of the customer journey phases, which were derived from the customer journey touchpoints.

4.2.3 Focus Group Discussions

While it was not possible to conduct a Key Informant Interview, 6 Focus Group Discussions were conducted. Like Key Informant Interviews, Focus Group Discussions were also semi-structured and were conducted to comprehend the general consensus of the stakeholders in the matters pertaining to cave tourism and local value chains.

A questionnaire (Annex I) was the guide used to discuss and drive conversations with FGD respondents on the basis of the customer journey phases, which were derived from the customer journey touchpoints.

4.2.4. Empirical Study

I. Sampling Techniques

This study used purposive sampling and snowball sampling techniques to conduct the study. Purposive sampling, also known as judgmental, selective, or subjective sampling, is a form of non-probability sampling in which researchers rely on their judgment when choosing members of the population to participate in their surveys. The criteria used to select the sample were: 1. stakeholders were established entrepreneurs or local government officials, 2. stakeholders had interest in tourism and industry, or rural tourism, or cave tourism.

II. Data Collection

The questionnaire (Annex I) for data collection was prepared and pre-tested with 5 non-sample KII participants. Based on the feedback obtained from the pre-testing exercise, minor reforms were done to the questionnaire.

III. Empirical Strategy for Data Analysis

The analysis of KIIs are performed using naturalization transcription (Oliver et al., 2005). This transcription, however, was not possible for analyzing FGDs as it involved multiple participants and a sole researcher was insufficient resource to transcribe non-verbal cues and conversational intimations. So, denaturalization transcription has been adopted for FGDs.

Inductive data coding has been performed on the transcripts to create a code book in MAXQDA Analytics. The 522 initial codes were then iteratively and reflexively transformed into 8 major themes. The tourist journey touchpoints were the basis for reflexive transformation of the initial codes to the major themes.

4.3. Area of Study

Among the 7 easily accessible caves of Kaski, 6 caves were picked, i.e. Mahendra Cave, Bat Cave, Siddha Cave, Gupteshwor Cave, Birendra Cave, and Gold Cave. All of the selected research sites lie under the constituency 2 of Kaski district.

5. FINDINGS

5.1. Infrastructure and Connectivity

5.1. 1. Transportation

Out of 614869 incoming tourists in 2022, 96.38% (592631 tourists) traveled through flights and 3.62% (22238 tourists) through land (Government of Nepal Ministry of Culture, Tourism & Civil Aviation, 2023). While the proportion of tourists traveling by land may seem small, the comparison of the proportion of tourists traveling by land in 2021, which was 0.22% (150625 tourists by air and 337 tourists by land), and 2022 speaks a different story.

At present, Siddhartha and Prithvi highways are the two major roads that connect Pokhara with other neighboring districts and cities.

S.N.	Name of Road	Reference No.	Link Code	Road Length in Kilometers
1	Bhorletar - Bhagawatitar	NH03	NH 3-045	16
2	Bhagawatitar - Badhare	NH03	NH 3-046	27
3	Badhare - Nayapul	NH03	NH 3-047	35.29
4	Kotre - Bijayapur Khola	NH17	NH 17-011	14.04
5	Bijayapur Khola - Prithvi Chowk	NH17	NH 17-012	4.83
6	Kubinde-Chhore Patan	NH47	NH 47-012	12.09
7	Chhorepatan-Prithvi Chowk	NH47	NH 47-013	4.42
Total				113.67

Table 3. Road Length with Category and Pavement (In Kilometer) of Kaski District in 2020 (Government of Nepal Ministry of Physical Infrastructure and Transport, 2020)

Pokhara Regional International Airport is the only airport in Kaski, located hillside and 800 meters above sea level at Chhinne Dada in the city of Pokhara.

All 6 caves picked for the research are well accessible through roads. Among wards 9, 16, 17, 20, and 33, Wards 33 (Gold Cave) and Ward 20 (Birendra Cave and Bat Cave) are the only wards that still require proper infrastructure and road developments.

The Gold Cave of Ward 33 is connected to the local paved road that runs by the ward office via a seasonal road. Nearby tourist attractions in Ward 33 are all accessible but only through seasonal roads.

“ADB along with the local government is working to pave all the seasonal roads in our Ward. All the initial paperworks has been done, what is left is for the ADB surveyors to come study the terrain.” - Ward President, Ward 33

The roads in Ward 33 do have local buses but they are neither frequent nor reliable. All other wards and caves are easily accessible through local buses.

While the Birendra and Harrihar caves in Ward 20 are easily accessible through paved roads, there are no lodging services that offer overnight stay options. Should a tourist wish to stay overnight, they would have to travel to Mauja through a seasonal road. The seasonal road to Mauja is unreliable after rain.

“The road infrastructures are not very well developed here. If it was so, more tourists would be encouraged to come here for trekking. We do not have a proper way to Mauja. We have to find alternative ways when it rains. Visitors can very easily get stuck if they reach Mauja and it rains.” - Ward President, Ward 20

None of the caves have a trekking or hiking trail that connects them with the major cities of Pokhara, villages of different wards, or other tourist attractions.

5.1.2. Lodging and Fooding Facilities

None of the six caves have proper lodging facilities nearby for overnight stays. While it might be easier to find accommodation near Mahendra Cave, Bat Cave, Siddha Cave and Gupteshwor Cave, the lodging facilities are quite a distance away from the caves. Harrihar Cave, being a retreat and meditation center, does however offer fooding and lodging to visitors. It also nevertheless lacks any official lodges nearby for overnight stays.

Food stalls and restaurants are available near most caves. There is a restaurant, Home+, available near Birendra Cave that offers food and services.

“All overnight stays are in Mauja. There is one nearby Birendra Cave, called “Home+”, however it has no provision of overnight stay. It provides food and services. We have no overnight stay provision, neither nearby Birendra cave nor near Harrihar cave.” -Ward President, Ward 20

There are plenty of restaurants around Mahendra and Bat cave which also offer food and services.

“We have been running a Cave City Tourism Cooperatives, after collecting enough funds. We have started running a good restaurant nearby Bat cave as well. It has been about two years. Apart from that, there are still not many things attracting tourists here.” - Cave Activist / Local Business Owner, Ward 20

Siddha cave lies on the outskirts of New Road and Ramghat. There are plenty of restaurants around the cave premises. Gold Cave is, however, farther away from the city of Bagmara. There are restaurants a few kilometers away from the cave in Upallo Pudi.

5.2. Budget Provisions for Tourism

The Ministry of Tourism and Industry of Kaski has been provided with the total budget of NRs. 49931000 (2081000 + 29850000), i.e. 8.06% of the total budget of the Ministry of Industry, Tourism, Forest and Environment of Gandaki Province only including those towards tourism and industry, for the fiscal year of 2080/81(गण्डकी प्रदेश सरकार उद्योग, पर्यटन, बन तथा वातावरण मन्त्रालय , 2080).

“With regards to the provincial government’s tourism board, the tourism ministry has not separated the budget for promotion and has separated the budget for developmental activities. There is a local government, municipality, village development committee, Ministry of Physical Infrastructure and Transport for developmental activities. Tourism budget should not be under these headings. All tourism related budgets must be for promotion and marketing, for exploring new destinations. We have been working for internal tourism promotion using our own fund and resources. That is not sustainable.” - President, Pokhara Tourism Council

Budget of Ministry of Industry, Tourism, Forest and Environment of Gandaki Province (Towards Industry and Tourism only)

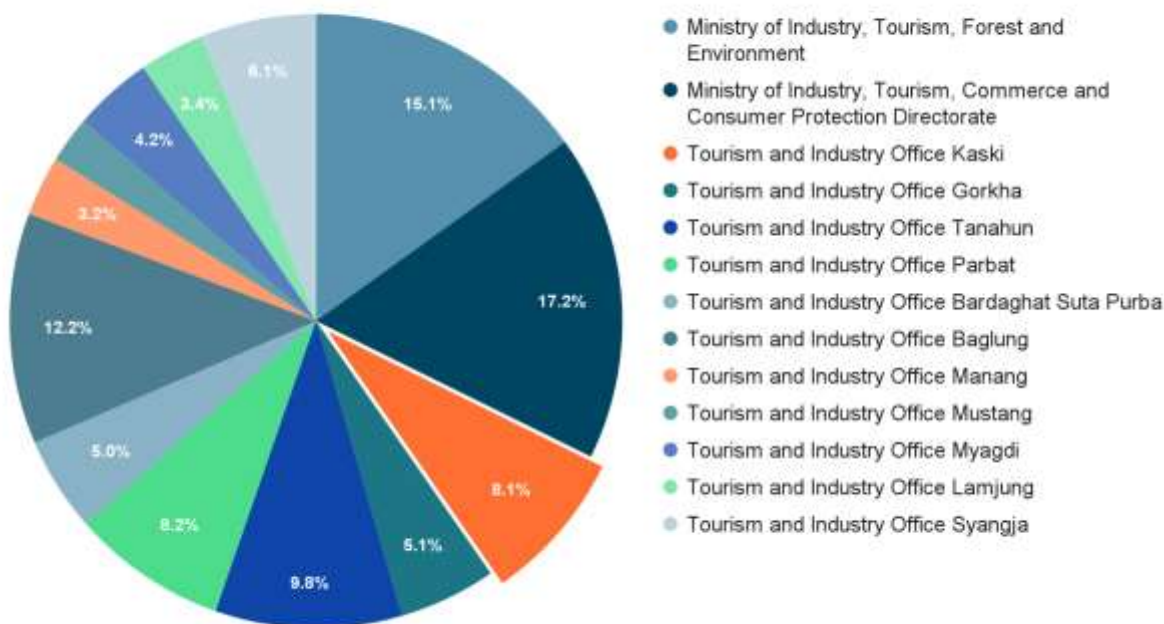


Figure 9. Budget Distribution of Ministry of Industry, Tourism, Forest and Environment, Gandaki Province, Specifically Towards Industry and Tourism¹²

40.22% of total, i.e. Nrs. 20081000, has been appropriated for the current expenditures of Kaski and a 59.78%, i.e. Nrs. 29850000, has been proportioned for capital expenditure of Kaski. Of the capital expenditure a whopping 95.5%, i.e. Nrs. 28500000, has been separated for public construction and a 3.35%, i.e. Nrs. 1000000, for the improvement of the constructed buildings.

S.N.	Expenditure Title	Activity Code	Activity	Expenditure (NRs. in thousands)
1	26423	11.3.22.9	Distribute Relevant Technology to Functioning Industries in Partnership Model for the Promotion of their Industry	500
2	22522	2.7.25.250	Consumer Awareness in Schools	100
Total				600

Table 4. Kaski's Tourism and Industry Expenditure and Corresponding Activities

¹² (गण्डकी प्रदेश सरकार उद्योग, पर्यटन, बन तथा वातावरण मन्त्रालय , 2080, p. 2)

A total expenditure of Nrs. 31770000 has been appropriated for the tourism and industry related activities in Kaski. Of which, only a meager 1.90% is proportioned for promotional and awareness activities; the rest 98.1% has been separated mostly for infrastructural development and development of resting places, parks, and walking trails. Two activities, namely activity code 11.4.19.1084 and 11.4.19.953 are pertaining to caves and cave tourism. The former activity has been assigned expenditure of Nrs. 500000 for the development of tourism infrastructures at Sheetal Cave (सितल गुफा) and Bidhyeshwor Temple area in Annapurna - 5 of Jhowang. The latter activity boasts a double amount than the former, i.e. expenditure of Nrs. 1000000, for the development of a walking trail that runs from Bhumesthan through Siddhasthan to Shita Cave (सित गुफा) in Annapurna - 4 of Kaski.

While the argument for the tourism budget being allocated only for the headings of promotion and marketing seems understandable to Wards 9, 16, and 17, this seems like an unreasonable request for Wards 20 and 33.

“We are the most remote ward after ward 23. We have the least population but have the fourth largest area amongst all 33 wards. The road infrastructures are not very well developed here. If it was so, more tourists would be encouraged to come here for trekking.” - Cave Management, Birendra Cave, Ward 20

5.3. Promotion and Marketing

“Despite being so close to the major cities of Pokhara, very little has been done for the promotion of Birendra cave.” - Cave Management, Birendra Cave, Ward 20

All caves, except Gold Cave, shared similar sentiments of helplessness when the concern was over the promotion of caves. It could just be that the prime reason for their helplessness is entirely financial.

“Our ward alone cannot financially sustain the promotion.” - Cave Management, Gold Cave, Ward 33

Some caves lack the knowledge of Ward Tourism Promotion Center and how they could mobilize them. Some stakeholders are outdated with the notion of promotion and marketing and consider having their caves be “presented in the posters of must visit places in Pokhara” suffices. They do not have social media handles for their caves and some are not even discoverable in maps.

While promotion and marketing is the least developed and least invested of the three foundations of the cave value chain, i.e. between supply, production, and marketing, the most creative responses for the KIIs and FGDs were also for the ways we could promote. Alluding to the way

financial institutions are already mandated by the government to invest some portion of their capital in the sector of agriculture, a hotel manager in Lakeside Pokhara suggested “*Why can we not bring about a plan where all financial institutions have to invest some portion of their expenditure on tourism?*”.

While the problem of brain drain and migration of Nepali population abroad is dire, we could capitalize this situation to turn this problem into an opportunity. The government could promote a policy where each diaspora living abroad would have to bring at least one tourist to visit Nepal.

“Today, we have at least one Nepali from each family of Nepal living abroad. The government has to take an initiative to encourage “one Nepali one Tourist” campaign. This kind of campaign will encourage the tourism business in Nepal. This is how we promote Nepal.” - President, Pokhara Tourism Council

5.4. Tourism Behavior and Patterns

Although the average stay of tourists in Nepal is about 13.1 days, the visiting tourists do not stay near cave premises that long. Most of the caves can be explored within 30 to 45 minutes. Since only a few caves have fooding, lodging services, or other tourist attractions nearby, many tourists do not stay long in and around the cave premises. This has been a huge challenge for cave tourism.

The cave visiting season also aligns with hiking and trekking seasons, i.e. September to November for autumn trekkers and February to April for spring trekkers. The summer monsoon season does not invite many visitors to the cave. Most of the tourists visit the cave post their arduous hike.

“They (tourists visiting the cave) stay about 30 minutes to 45 minutes. They visit the cave, drink some water, eat some snacks, and leave.” - Cave Guide, Bat Cave, Ward-16

“A lot of trekkers also come here. Western trekkers, from Germany, US, Australia, are very interested in coming to Pokhara for trekking. Nepali trekkers are also increasing. Recently, we have also seen a growing number of Bangladeshi in Pokhara.” - Cave Guide, Mahendra Cave, Ward 16

5.5. Cave Features

Except for Harrihar cave, all of the other caves were formed naturally as the flowing water eroded the lime away to leave behind firm structures of stalagmites and stalactites. The cave surfaces were either dry dusty or wet chalky. The stalagmites and stalactites are smooth. The darker caves shone brighter as the sandy particles glittered as we cast light upon it. In the well lit caves like Gupteshwor, this was difficult to notice.

Gupteshwor, Mahendra, and Bat Cave are well managed caves and do charge a ticket for all visitors. They have the waste baskets, toilet, drinking water, and guides available around the cave premises. Siddha, Birendra, and Gold Cave are not yet charging tickets for visitors. Any visitor wishing to visit those caves have to get in touch either with the respective cave management or with the ward-officials to enter those caves. These caves also do not have toilets, drinking water, and waste baskets available around the cave premises.

5.6. Cave Management and Preservations

The community in collaboration with their respective Ward officials have formed functioning cave management and preservation committees.

The cave management committee of Gupteshwor Cave comprises 12 staff in total. The committee is looking after the revenue generated from the cave. With the revenue it is also financing the administration of the cave, its maintenance, administration of Gurukul, and Gupteshwor Multiple Campus. They have also been using the revenues to buy out lands near the cave areas. They understand that the land areas closer to cave premises, if left as private properties, would put the cave structures in danger as individuals construct towering buildings.

“For the sake of saving and preserving the cave, we have been buying out lands in and around the cave structure.” - Cave Management, Gupteshwor Cave, Ward-17

The government has also prohibited the land owners within 200 meters of radius from the cave to build any new structures. The ward president of Ward-17 explains how *“the 200 meters radius regulation was put in place by the Basti Bikash Act 2072 as after the earthquake that area around the cave was labeled as red-zone”*. The president also expresses her discontent on how the cave management committee has too much autonomy and is never mindful of what the local governance has to say.

“They need to formulate a design plan before starting any other projects in and around the cave. I have told them that they need to have a well-defined plan before taking on any construction of infrastructures or designs in and around the cave.” -Ward President, Ward-17

Similar discontent is shared between the cave management committee and ward officials of Ward-16. Mahendra cave, handed over to Bindabasini School for its administration and management, has the power over most of the decisions regarding Mahendra Cave. The school later bought Bat Cave and thus Bat Cave is under complete jurisdiction of the Bindabasini School.

“Bindabasini School, located in our ward, has been using and managing the income from caves... Use and manage in a sense that the school uses the income from caves for smooth running of schools and for preservation of the caves.” - Cave Guide, Bat Cave, Ward-17

The school has also formed a Mahendra Cave Preservation Committee. Since the school has other priorities, along with the cave conservation, a cave activist is concerned of how inefficient the processes around caves have become.

“So many things have fallen astray. Cave Management is being run by the school. They say and prioritize the benefits of the school more than the benefits of the cave. They say we have to care for our teachers and school staff. They are not open to new ideas.” - Cave Activist, Ward 16

Siddha cave is privately managed and is in good condition. It is well gated and is not open to the general public.

Gold Cave and Birendra Cave both have a cave management committee. They both have the preliminary infrastructures ready for opening up the caves for shows. Both Birendra Cave and Gold Cave have a small stream of water flowing through the cave’s structure. They are both one of the most natural and authentic cave experiences one can have amongst the selected caves for research.

5.7. Challenges and Proposed Solutions

The Department of Roads intends to upgrade the Abu Khaireni-Pokhara road section from 8+250 kilometers to 88+583 kilometers to meet the four-lane standard by using the Dense Bituminous Surfacing (DBS). The road upgrading project is starting from Milan-Chowk of Abu Khaireni Municipality to Seti-Bridge of Pokhara Metropolitan City.

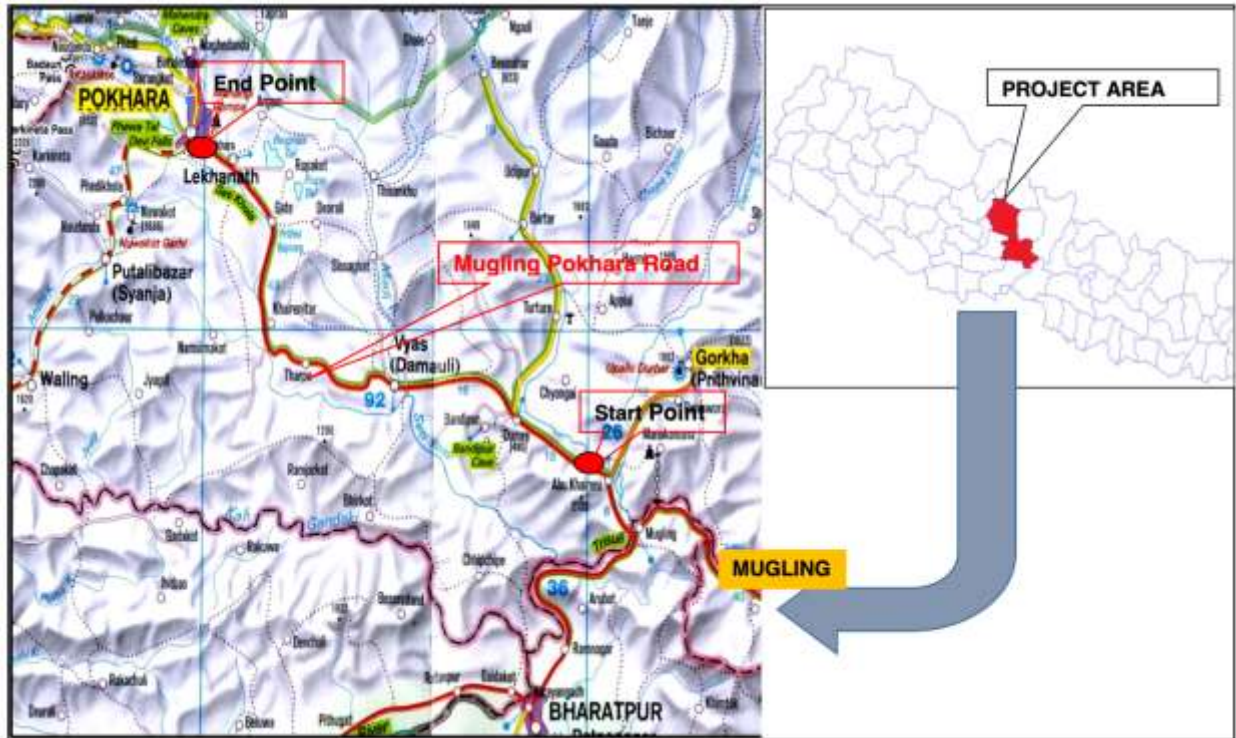


Figure 10. Location Map of Muglin Pokhara Road (Department of Roads, Ministry of Physical Infrastructure and Transport, Government of Nepal, 2019)

While the road expansion effort is commendable and will increase the inflow of tourists, once the road upgrade has been complete, the construction has disturbed the movement of tourists preferring to travel by land, 22238 tourists in 2022, from Kathmandu to Pokhara.

“The Pokhara Kathmandu highway has discouraged so many tourists. The flight rate is also partial. The foreigners must pay more for their flights.” - Hotel Manager, Lakeside

“It is necessary for the government to expand roads and other infrastructures. However, the road expansion and infrastructure construction should be done without disrupting the businesses which depend on it.” - President, Pokhara Tourism Council

While we cannot dismiss either the constructions for road expansion projects or tourism businesses that are dependent on the ease of movement of tourists from Kathmandu to Pokhara, we can offer a compromise. The night tourism business of Pokhara is not as affected as the day business is by the road constructions and delayed movement of tourists. So, the road constructions could be performed overnight and done in such a way that the movement of tourists is although delayed but still possible during the day.

The Madhya Pahadi Lok Marga, while welcomed with open arms by Ward-20 Bhalam, poses a great danger to Bat Cave and Mahendra Cave of Ward-16. The cave management committee and the locals of Ward-16 are terrified of the Madhya Pahadi Lok Marga plan. They believe it will place the caves in danger and will displace the locals who have been relying on cave visitors for income generation.

“There are words in the street that there is going to be a Madhya-Pahadi-Lok-Marga project in the process of implementation. If the roads project is implemented, heavy vehicles will move over and around the cave premises. This will put the cave and the businesses depending on the cave in grave danger. The caves might collapse. Locals are also in fright. We should look for alternatives to the originally sketched road plan.” -Ward Official, Ward 16

5.8. Potential for Innovative Tourism

For there to be innovation in tourism, we have to conjure up ways in which we can integrate different adventures, experiences, and tourist destinations together. The key is connectivity.

First and foremost proper trekking and hiking routes need to be made that connect major tourist attractions.

Mahendra Cave and Bat Cave can take initiative by starting riverside trekking routes to reach the cave. Mirror house and Gandharva community in Ward-16 can be combined with cave tourism to encourage the visitors to stay overnight to observe the traditional Gandharva songs and observe the night sky from Mirror house. The locals there could also sell *Sarangi* making classes which can be taught by the Gandharvas. There is also a Crystal Cave nearby. All of these tourist destinations can be connected via a trekking or a hiking trail.

In Ward-20, we could set up a trail linking Harrihar Cave, “Harrihar Sanyas Ashram”, Bhalam Deurali, Chandi, Birendra Cave, Chachahara (a natural water-fall that has hot water all year round), Kau dharara, Ghari-Ward 20, Bijaypur Kot, Jyamire, Jhuke Pokhari, Aatighar Bhagam, Toye Dhab. Toye Dhab, lying at an altitude of 1750 meters above sea level, is a plain ground in Sabik Mauja Municipality Ward-4. Toye Dhab has great potential for high-altitude sports and it could attract many athletes if marketed right.

Siddha Cave has limited scope for tourism. There used to be an opening in Siddha Cave that led people down to the Seti river. With that opening closed, the cave is now only limited to family visits and local religious ceremonies.

Ward 33 has two major tourist attractions that could be linked: Gold Cave and the natural swimming pool in Upallo Pudi.

Ward 17 could offer visitors with a new place to do canyoning. With a collaboration of David's Fall and Gupteshwor Cave, we could set up canyoning stations from the fall and have the visitor go through the cave and come out of it. With the proposed installation of glass bridges over the fall, the possibility of canyoning and watching others canyoning would be even more luring. Gupteshwor Cave can also be further explored with added support structures to reopen the way to Fushrekhola from the cave.

6. DISCUSSION

6.1. Understanding Tourist Behavior

Since most cave tourists are either trekkers or pilgrims, arranging trekking and hiking routes to connect caves, religious temples, lakes, and rivers would prolong the stay of tourists, if not around the cave premises, around the trekking and hiking routes. This would benefit the rural village tourism and pave the way to decentralize the "Lakeside-tourism". The tourists would also be able to acquire a much more authentic experience of Kaski. This would also create a much larger local value chain with its own mini tributaries.

Aligning cave tourism with the trekking, hiking, and religious seasons is crucial. During off-season, provisions must be made to use the cave premises for research and academic events like book exchange cafes or speakeasy.

6.2. Accessibility and Infrastructure

Some wards, like Ward 20 and Ward 33, still require infrastructure and road developments to make their caves more accessible.

Addressing this infrastructure gap will not only enhance the overall tourist experience but also encourage longer stays, leading to increased economic benefits for the local communities. Additionally, improving road connectivity can create opportunities for integrated tourism packages that link different attractions via trekking and hiking trails.

The significant increase in the proportion of tourists traveling by land in 2022 compared to 2021 is a notable trend. While the majority of tourists still opt for air travel, the rise in land-based tourism suggests that there is growing interest in exploring destinations accessible by road. The accessibility of cave tourism sites and the presence of proper roads and transportation options is essential to attract and retain the visitors. We have to capitalize on this shift towards increasing land-based travel. With the implementation of the Tourism Revitalization Steering Committee's agreement with Budhha and Yeti Air, the tourists' interest in land-travel might gently abate.

The road constructions need to be done during off-peak hours without disrupting the flow of tourists. Proper fooding and lodging services should also be made available for the visitors near the cave premises.

6.3. Budget Allocation

Budget allocation now needs to be unique to cater to the idiosyncratic needs of different localities. Ward-20, and Ward-33 still require a budget for infrastructures and road development, whereas other wards require the same budget allocated for tourism promotion and marketing. Innovative funding models which inspire Nepali diaspora to bring in tourists to visit Nepal should be employed.

6.3. Promotion and Marketing

The lack of effective promotion and marketing efforts for cave tourism is a shared concern among cave management committees. Meanwhile the cave management committee is still dependent on the archaic promotional and marketing methods like paper posters, sign-boards, and word-of-mouth. To attract more visitors, it is imperative to develop comprehensive marketing strategies that include digital presence, social media engagement, and collaboration with tourism promotion centers. Campaigns to inspire and motivate the youth, who are much more adept with digital marketing, need to be included in the conversations of tourism marketing.

The potential of using local cultural experiences, such as traditional Gandharva songs and Sarangi making classes, to enhance the overall tourist experience should be explored. Leveraging the Nepali diaspora to promote tourism and implementing "one Nepali one Tourist" campaigns can also tap into a broader market.

7. RECOMMENDATIONS

1. Local Government:

- a. A panel discussion with locals, cave activists, cave tourism businesses, local government officials, and policy makers on the relevance of Madhya Pahadi Lok Marga and its effect on the structure of natural caves and businesses sustained by those caves should be done in wards 17 and 19 of constituency 2 of Kaski district.
- b. Local governments need to reconsider budget distribution strategy in accordance with their respective local context. Wards that have proper infrastructure in place should not appropriate the tourism and industry budget for infrastructure development, but rather for exploration of new tourist destinations and promotion of the existing tourist destinations. Wards that do not have proper infrastructure in place, however, should appropriate the tourism and industry budget for infrastructure development.
- c. The legal framework of the cave management committee, if there exists one, is nebulous. Neither the local government nor the cave management committee fully understand their roles and responsibilities. A properly regulated cave management committee is necessary for all explored caves in Kaski-2.

2. Provincial Government:

- a. Mid-hill connectivity is an opportunity to develop a hiking trail that connects different villages in Kaski and will promote cave tourism and other rural tourism business.
- b. Policies to encourage the local guides in Kaski to discover and explore new tourist destinations should be a priority for the promotion and development of rural tourism and cave tourism of Kaski district.
- c. A walking trail, with properly labeled signs, needs to be installed which connects all the tourist destinations in Kaski.

3. Federal Government:

- a. The equal airfare for Nepali and foreigners, inked by the Tourism Revitalization Steering Committee, should be implemented.
- b. Korola Border should be open for increasing the flow of tourists, religious tourists traveling to Man Sarowar in particular. The caves with religious importance and other religious tourist destinations can benefit from the increase in flow of tourists.

4. Tourism Stakeholders:

- a. Cave tourism entrepreneurs should identify their respective cave's unique selling point to attract tourists and communicate the message that not all caves are the same. The prospect of night sky observation and astro-photography tourism can be

explored near Bat and Mahendra cave, high-altitude sports near Birendra cave, and canyoning from David's Fall to Gupteshwor cave.

ANNEXES

Annex I. KII Questionnaire

A. Stakeholder: Industry Experts

Introduction:

Date of Interview:

Interviewer's Name:

Organization:

Position:

Name of the Interviewee:

Organization:

Position:

Work experience (in years):

Contact number:

Location (District / Ward):

Infrastructure:

Do visitors have easy access to transportation in/around Pokhara for traveling to tourist sites?
Are the biking trails safe?
Are there integrated hiking trails connecting different tourist sites of Pokhara?
Why do the tourists hesitate visiting the tourist sites that are further away from the major city

Lakeside?
Is there clean drinking water available in or around Pokhara?
Are there trash cans in or around Pokhara?

Visitor Profile:

From where do you get most visitors in your institution?
How long do they stay?
How much do they spend per day on average?
Do you have a brochure?
Do you have a website?
Of the visitors in your institution what percentage of them are referred to by the travel guides?

Related Services:

What major services do you offer?
Do the visitors staying in your institution also seek other services? Who offers it? Do you collaborate with them?

Rules and Norms:

Do the community have informal rules in place that affect your business or the visitors?
What legal provisions do you have in place for the safety of the visitors?
What legal provisions do you have in place for safeguarding your institution?
Tourism Development Act 2020 makes it mandatory for the new businesses to get the recommendation letter from the respective local committee after submitting the application to the responsible institution for the tourism firm's establishment and operation. How has this

affected you or someone you know?

Market Players:

What government bodies are you in constant collaboration with?

Are there any not-for-profit organizations that you are currently working with?

Are there any private businesses that you are connected with?

Do you have any informal networks in place which assists you in activities relating to the cave?

Where do you get your raw materials from?

How are you managing waste and in coordination with whom?

Local Value Addition:

How many people are you employing as of now?

Are any of the employees also wanting to start up a business?

Prospects:

What other services are most promising?

Are any other services complimentary to the services you are currently offering?

How many more locals could be employed by other related services?

What services could flourish during the off-season?

Challenges:

What do you think is holding back the growth of tourism?
What support from which institution would help you grow your business?

B. Stakeholder: Local

Introduction:

Date of Interview:

Interviewer's Name:

Organization:

Position:

Name of the Interviewee:

Organization:

Position:

Work experience (in years):

Contact number:

Location (District / Ward):

Economy:

How many visitors buy services/ products from you daily?
--

Where/ from whom do you get raw materials from?

Do you run a business? How dependent is it on cave tourism? How many people do you employ?
--

Infrastructure:

Is there a hiking trail to the cave from Pokhara city?
--

What is the travel time?

Is clean drinking water available in or around the cave?
--

Is there a trash can in or around the cave?

Is there a toilet/restroom in or around the cave?

Are there places to eat in or around the cave?
--

Are there places for lodging around the cave?

Information:

How do visitors usually find out about the cave?
--

Do the travel guides know of this cave?

Do you have active social media accounts?

Do you have a designated contact information for cave related enquiries?
--

Related Services:

Do the visitors also dine in/around the cave?

Do the visitors stay overnight in/around the cave?
--

Where else do they go after/before they visit the cave?

Rules and Norms:

Do the community have informal rules in place that affect the cave and/or the visitors?
What legal provisions do you have in place for the safety of the visitors?
What legal provisions do you have in place for safeguarding the cave and its environment?
Do you have a management committee or a legally registered entity that looks after the management of the cave?
Will private businesses be allowed to rent out caves for meetings, interviews, meditations, yoga, conferences, and exhibitions?

Market Players:

What government bodies are currently working for cave tourism?
Are there any not-for-profit organizations that you are currently working for cave tourism?
Are there any private businesses that you are connected with?
Do you have any informal networks in place which assists you in your business?

Cave Value Addition:

How many types of visitors do you get?
What kind service do you provide?
How much do you charge for your service?
How long do they stay in the cave?
Do they request for other services? If yes, what are their most frequent requests?

Prospects:

What other services are most promising?
Are any other services complimentary to cave tourism?
How many more locals could be employed by the cave tourism and related services?
What services could flourish during the off-season?
What talents do the community members have that they can capitalize for business in collaboration with cave tourism?

Challenges:

What do you think is holding back the development of your businesses/ progress?

C. Stakeholder: Cave Management

Introduction:

Date of Interview:

Interviewer's Name:

Organization:

Position:

Name of the Interviewee:

Organization:

Position:

Work experience (in years):

Contact number:

Location (District / Ward):

Infrastructure:

How can visitors from Pokhara Bus Parks or Pokhara International Airport get to the cave?
Is there a biking trail to the cave from Pokhara city?
Is there a hiking trail to the cave from Pokhara city?
What is the average travel time?
Is clean drinking water available in or around the cave?
Is there a trash can in or around the cave?
Is there a toilet/restroom in or around the cave?
Are there places to eat in or around the cave?
Are there places for lodging around the cave?
Do you employ any guides?

Information:

How do visitors usually find out about the cave?
Do you have a brochure?
Is your information listed under “Places to see in Pokhara” in the Nepal Tourism Board website?
Do the travel guides know of this cave?
Do you have active social media accounts?
Do you have a designated contact information for cave related enquiries?

Visitor Profile:

Do the visitors also dine in/around the cave?
Do the visitors stay overnight in/around the cave?
Where else do they go after/before they visit the cave?

Rules and Norms:

Do the community have informal rules in place that affect the cave and/or the visitors?
What legal provisions do you have in place for the safety of the visitors?
What legal provisions do you have in place for safeguarding the cave and its environment?
Do you have a management committee or a legally registered entity that looks after the management of the cave?
Will private businesses be allowed to rent out caves for meetings, interviews, meditations, yoga, conferences, and exhibitions?

Market Players:

What government bodies are you in constant collaboration with?
Are there any not-for-profit organizations that you are currently working with?
Are there any private businesses that you are connected with?
Do you have any informal networks in place which assists you in activities relating to the cave?

Cave Value Addition:

How many types of visitors do you get?
--

How much do you charge for the tickets?
How long do they stay in the cave?
Do they request for other services? If yes, what are their most frequent requests?
What is the best selling product in/around the cave?

Prospects:

What other services are most promising?
Are any other services complimentary to cave tourism?
How many more locals could be employed by the cave tourism and related services?
What services could flourish during the off-season?
What talents do the community members have that they can capitalize for business in collaboration with cave tourism?

Challenges:

What do you think is holding back the development of cave tourism?
Do you get enough funding for the preservation of caves in your locality?

Policy:

Which of the following is responsible for the preservation and management of the cave: Metropolitan Tourism Development Committee, Ward Tourism Promotion Committee, and Pokhara Municipality Homestay Operation Committee?
Are there enough policy provisions for funds for managing caves?

Annex II. Consent Form

सहमति पत्र

गुफा पर्यटन प्रवर्द्धनका लागि कास्की-२ मा स्थानीय मूल्य श्रृंखला सुदृढ गर्ने

म यस शोध परियोजनामा सहभागी हुने बारेमा संचार गरेको शोध परियोजना 'गुफा पर्यटन प्रवर्द्धनका लागि कास्की-२ मा स्थानीय मूल्य श्रृंखला सुदृढ गर्ने' लागू गर्ने प्रवेश कोडराला द्वारा गराइएको हो । मैले यस शोध बारेमा प्रश्नहरू पछिनका अवसर प्राप्त गरेको छु र तिनीहरूले तपाईंलाई तस्वीरपूर्वक उत्तर प्रदान गरेका छन् । म शोधको सामान्य उद्देश्यहरू, प्रभावहरू र विधिहरूलाई बुझ्छु । यो सर्वेक्षण/प्रश्नोत्तरको विषयमा अध्ययन गर्ने गरिएको छ भनेर मेरो बुझाइएको छ ।

म शोध परियोजनामा सहभागी हुने विचारमा सहमत छु र तलको विवरणले मलाई समझाइएको छ:

- यो शोध मेरो लागि सीधा लाभदायी हुने छैन
- मेरो सहभागिता पूर्णतः स्वेच्छामूलक र गैर-नगदी हो
- म मनबाट कुनै समयमा परियोजनाबारे असहमत हुन सक्छु र मलाई कुनै पनि प्रभाव बिना कुनै पनि समयमा अध्ययनबाट फिर्ता लिने मेरो अधिकार
- मेरो सहभागिताबारे कुनै पनि सम्भावित कष्ट, असुविधा, वा क्षति भएकोमा जोखिमहरू
- मलाई के गर्नुपर्छ र के गर्नुपर्दछ भनेर यो समझाइएको छ
- यो अध्ययन वा अध्ययनको व्यवहारमा सम्पर्क गर्नुपर्ने व्यक्ति
- म शोध परिणाम र रिपोर्टहरूको प्रतिलिपि अनुरोध गर्न सक्छु
- मेरो व्यक्तिगत जानकारीको सुरक्षा र गोपनीयतामा सहमत छु

सोहीअनुरूप, म मा:

- यदि उपयुक्त भएमा कुनै अनुभागको तस्वीर / अडियो रेकर्ड गरिएमा (यदि लागू हुन्छ)
- यो अध्ययनको परिणामहरूको प्रकाशन गर्न सहमत छु, यसकारण मेरो पहिचान खुल्न नपर्ने शर्तमा।

जोखिमहरू: यो अध्ययनमा सम्मिश्रित सम्बन्धी जोखिमहरू न्यूनतम हुन्छन् र दैनिक जीवनमा साधारणतया भइने जोखिमहरूभन्दा बढी छैनन्। यदि साक्षात्कारमा प्रश्न वा उत्तरहरूले तपाईंको लागि अप्रिय अनुभवहरू सम्मेलन गराउँछ र तपाईंले यी अनुभागहरू सम्मेलन गर्न नपार्नु भने, तपाईंले अनुसन्धानकर्तालाई यसको बाह्यकरण गर्न सक्नुहुन्छ। यस सबै जानकारी र रेकर्डहरू हटाइनेछन्।

गोपनीयता: तपाईंले प्रदान गर्नुभएका सबै जानकारी गोपनीय र केवल अध्ययनका उद्देश्यको लागि मात्र प्रयोग गरिनेछ। तपाईंको नाम कुनै पनि रिपोर्ट वा प्रकाशनमा देखाइनेछ। जानकारी अडियो उपकरणहरू (टेप रेकर्डरहरू) र हस्तलेखित नोटहरूमा फलत ग्राहण गरिनेछ। तपाईंको जानकारी सुरक्षित राखिएको पासवर्ड संरक्षित कम्प्युटरमा सुरक्षित रहनेछ, र केवल अनुसन्धानकर्ता ही सम्म पहुँच हुनेछ। अडियो फाइलहरूले ट्रान्सक्राइब गरिएमा ती सम्म हटाइनेछ। अन्तिम रिपोर्ट अनुरोध गर्न पाइनेछ।

अनुसन्धानको बारेमा प्रश्नहरू: यदि तपाईंलाई यस अनुसन्धान वा तपाईंको योगदान बारे जानकारी वा चिन्हाँको बारेमा कुनै पनि प्रश्न वा चिन्हाँ संबंधमा संदेह छ भने, कृपया प्रवेश कोडराला (prabesh.koirala@daayitwa.org) संग सम्पर्क गर्नुहोस्। तपाईं फोनमा +९७७-१-५४४४९१४ वा ईमेलमा contact@daayitwa.org भनेर संगठन, दायित्वसँग सम्पर्क गर्न सक्नुहुनेछ।

म यो साक्षात्कार रेकर्ड गर्ने सहमति दिँदछु:

□ हो □ होइन

म यस अध्ययन अनुसन्धानकर्ता द्वारा गरिएकोमा सहभागी हुने बारेमा समझ गर्छु। यस अनुसन्धानको स्वरुप बुझ्छु र सहभागी हुनको लागि इच्छा गर्छु। तलको हस्ताक्षरले मेरो सहमतिको प्रतिलिपि देखाउँछ। सहभागीको

नाम: _____ सहभागीको हस्ताक्षर: _____ अनुसन्धानकर्ता द्वारा

हस्ताक्षर: _____ हस्ताक्षर गरेको मिति: _____ उपरोक्त लेखिएर

दिएको छापा/हस्ताक्षरद्वारा, तपाईं १) यस अध्ययनमा सहभागी हुन र २) यस फारममा प्रदान गरिएका सबै जानकारीहरू पढेर र सम्झौतेको अर्थमा सहमत गरेका छन्।

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