

# Review of Major Development Initiatives in Punjab



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Economics, 2024.**

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Designed, composed, and finished at the Publications Division, PIDE.

*PIDE Monograph Series*

**Review of Major Development  
Initiatives in Punjab**

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ISLAMABAD

## CONTENTS

PREFACE.....	v
INTRODUCTION TO MONOGRAPH .....	vi
<i>Chapter 1: An Overview of the Chief Minister's Laptop Scheme in Punjab</i>	
EXECUTIVE SUMMARY .....	1
1. INTRODUCTION .....	5
2. METHODOLOGY .....	6
3. A RETROSPECTIVE ON PUNJAB'S LAPTOP DISTRIBUTION SCHEME.....	7
3.1. Eligibility Criterion: .....	8
3.2. Procurement of the Laptops .....	9
3.3. Distribution of the laptops .....	11
3.4. Laptop Specifications.....	11
3.5. Per Unit Laptop Costs .....	13
3.6. Mechanism for Warranty and Grievances: .....	14
4. WORLDWIDE CASES OF SIMILAR INTERVENTIONS.....	14
4.1. One Laptop per Child – Massachusetts Institute of Technology (MIT).....	14
4.2. Brazil .....	15
4.3. Uruguay.....	15
4.4. Peru .....	15
4.5. India .....	16
5. CRITICAL ANALYSIS OF THE SCHEME .....	16

5.1. Relevance.....	16
5.2. Efficiency .....	17
5.3. Effectiveness.....	19
5.3.1 Skills Transfer.....	20
<b>6. CONCLUSIONS AND WAY FORWARD .....</b>	<b>24</b>
<b><i>Chapter 2: Operational Insights into the Punjab Skills Development Fund</i></b>	
<b>1. INTRODUCTION AND METHODOLOGY .....</b>	<b>27</b>
1.1. Introduction .....	27
1.2. Key Objectives .....	27
1.3. Key Evaluation Criteria and Methodology.....	28
<b>2. OVERVIEW OF THE PUNJAB SKILLS DEVELOPMENT FUND .....</b>	<b>29</b>
2.1. Background .....	29
2.2. Targeting Approach.....	30
2.3. PSDF’s Operating Model.....	30
2.3.1. <i>Unique features of the operating model</i> .....	31
2.4. PSDF Initiatives .....	32
2.5. Skill Development Programme .....	34
2.6. Punjab Skill Development Programme .....	36
2.7. Punjab Employment Opportunities Programme .....	36
<b>3. ANALYSING PSDF PROCESSES AND IMPLEMENTATION .....</b>	<b>37</b>
3.1. Objective.....	37
3.2. Conceptual Framework.....	37
3.3. Key Questions.....	37
3.4. Key Findings.....	38

3.4.1. Q 1: Why establish the PSDF? (relevance).....	38
3.4.2. Q 2: Structure and functioning of the fund (efficiency) .....	41
3.4.3. Q 3: Assessing impact on labour market indicators – NEET, FLFPR, futuristic labour market/foresight (effectiveness).....	44
3.4.4. Q 4: PSDF sustainability (sustainability) .....	45
<b>4. CONCLUSION .....</b>	<b>47</b>
<b>5. MATERIALS CONSULTED.....</b>	<b>48</b>

### ***Chapter 3: Programme Review of the Punjab Tourism for Economic Growth Project***

<b>EXECUTIVE SUMMARY .....</b>	<b>51</b>
<b>1. INTRODUCTION AND METHODOLOGY .....</b>	<b>53</b>
<b>2. PROJECT BRIEF .....</b>	<b>53</b>
2.1. Review of PTEGP’s original site selection plan.....	56
2.2. Assessing the PTEGP’s initial economic evaluation 2016-17.....	59
2.2.1. Critical analysis of the initial evaluation .....	61
2.2.2. PTEGP’s Economic Evaluation 2022-23.....	64
2.3. PTEGP’s Original Project Development Objectives (PDO) and planned Intermediate Outcomes .....	65
<b>3. ASSESSING PROGRESS OF PTEGP FROM 2017 - 2022 .....</b>	<b>66</b>
3.1. Review of project’s PDO and intermediate outcome progress 2017-2022	66
3.2. Assessing the progress of PDO and intermediate outcomes 2017-2022 ....	69
3.3. Review of project’s component-wise fund disbursements 2017-2022.....	70
<b>4. ASSESING PROGRESS OF PTEGP FROM 2022 - 2024.....</b>	<b>74</b>
4.1. Review of project’s PDO and intermediate outcome progress 2022-2024	74
4.2. Assessing the progress of PDO and intermediate outcomes 2022-2024 ...	79
<b>5. TIMELINE OF PTEGP’S IMPLEMENTATION STATUS AND KEY DECISIONS 2017 - 2024.....</b>	<b>81</b>

<b>6. REVIEW OF TRAVEL &amp; TOURISM LANDSCAPE IN PUNJAB .....</b>	<b>83</b>
6.1. Sectoral Distribution of Employed Labour Force in Arts, Entertainment and Recreation .....	84
6.2. Trend Analysis of Inbound Tourists.....	84
6.3. Annual Visitors at Archaeological Museums in Punjab .....	85
6.4. Annual Visitors at Archaeological Museums (Province-wise) .....	86
6.5. Annual Visitors to Lahore Museum and Taxila Museum in Punjab.....	87
6.6. Annual Visitors at Heritage Sites (Province-wise).....	88
6.7. Hotels and Restaurants in Travel & Tourism Industry of Punjab .....	89
6.8. Understanding Business Cycles in Travel & Tourism Industry of Punjab .....	90
<b>7. UNDERSTANDING TOURIST SPENDING IN TRAVEL &amp; TOURISM INDUSTRY OF PUNJAB.....</b>	<b>91</b>
<b>8. INSIGHTS FROM STAKEHOLDERS IN TOURSIM INDUSTRY OF PUNJAB .....</b>	<b>94</b>
<b>9. RECOMMENDATIONS .....</b>	<b>96</b>
<b>10. CONCLUDING REMARKS.....</b>	<b>101</b>
<i>ANNEXURE I.....</i>	<i>102</i>
<i>ANNEXURE II .....</i>	<i>104</i>
<i>ANNEXURE III.....</i>	<i>110</i>
<i>ANNEXURE V.....</i>	<i>135</i>

## PREFACE

This study includes comprehensive reviews of three significant projects: the Chief Minister's Laptop Scheme, and the Punjab Skill Development Fund (PSDF) & the Punjab Tourism for Economic Growth Project (PTEGP). These reviews aim to assess the necessity, scope, approval process, and overall impact of each project, reflecting a broader need for reform in project planning and implementation.

The study originated from the collaborative effort between the Pakistan Institute of Development Economics (PIDE) and the Planning & Development Board, Punjab. The P&D Board requested the evaluation of a total of 16 projects to facilitate informed decision-making regarding their continuity, sustainability, revamping, and exit strategies. The evaluation of these three projects is part of the list of 16 projects provided by the P&D Board.

The studies were completed with support from various institutions within the Government of Punjab, including the Punjab Higher Education Department (HED), Punjab Skills Development Fund (PSDF), TEVTA, Punjab Tourism for Economic Growth Project (PTEGP), and the Punjab Tourism Department. The Planning and Development Board facilitated collaboration between these institutions and PIDE, ensuring the availability of data and project documents for the smooth evaluation of the aforementioned initiatives.

I hope that this monograph will serve as a valuable resource for policymakers, researchers, and practitioners involved in development initiatives. By learning from the successes and challenges of these projects, we can work towards creating more effective and impactful development programs in the future.

Dr. Nadeem ul Haq

Vice Chancellor, PIDE



## INTRODUCTION TO MONOGRAPH

The Government of Punjab allocates a significant proportion of its budget to different development projects managed by the Planning and Development Board (P&D). Analyzing the processes and workings of the projects provides valuable insights that can be used to improve future initiatives, making development efforts more effective over time. Lessons learned from one project can inform the design and implementation of subsequent initiatives, leading to better outcomes and enhanced decision-making for future projects. To achieve these goals the Planning and Development Board of the Government of Punjab requested Pakistan Institute of Development Economics to evaluate its three projects, Chief Ministers' Laptop Scheme, Punjab Skills Development Fund (PSDF), and Punjab Tourism for Economic Growth Project. The evaluation of these projects is given in three chapters respectively.

In chapter 1 a comprehensive review of the Chief Minister's Laptop Scheme is presented, with the primary aim of evaluating its process from initiation to completion. This evaluation offers valuable insights for future similar initiatives, especially in light of the government's recent launch of a major new scheme with a significant budget allocation. The assessment is based on three key criteria: relevance, efficiency, and effectiveness. Relevance is evaluated by analyzing the project's necessity and how well its objectives align with the needs of the beneficiaries. Efficiency is measured considering how economically resources like funds, expertise, and time are converted into results. This analysis focuses on indicators such as the rate and timeliness of actions, procedural issues, product quality, and comparisons with international practices for similar interventions. Scheme's effectiveness is assessed based on digital skills transfer, ICT adoption, access and quality of internet facilities, spatial penetration of ICT, and laptop utilization.

The evaluation of the operational efficiency of the Punjab Skill Development Fund (PSDF) is given in chapter 2 which focuses on its administrative procedures, program benefits, information dissemination, and management practices. The key objectives include assessing the necessity for the fund, understanding its structure and functioning, evaluating trainee selection criteria, and analyzing the relevance and sustainability of various training programs. The study highlights that the PSDF has trained over 500,000 individuals, including a substantial percentage of women, and developed a vast network of over 700 training partners across Punjab. The PSDF's model, based on public-private partnerships, emphasizes employment and income-generation outcomes, results-based payments to training providers, and a competitive bidding process for training partners. This study provides insights into the PSDF's processes and mechanisms, highlighting

the significance of improving transparency, ensuring cost-effectiveness, and developing sustainable funding models. While the PSDF has made notable achievements in skill development and employability, addressing the identified challenges is crucial for its future success and the sustained economic empowerment of the youth in Punjab.

The Punjab Tourism for Economic Growth Project (PTEGP), i.e. a World Bank funded project for the Government of Punjab. The evaluation of this program is discussed in chapter 3. The primary objectives were to assess the progress of PTEGP in facilitating tourism development in Punjab and to analyze the disbursement of funds, while also examining stakeholder perceptions within the tourism industry regarding the project's interventions. The study utilized various methodologies, including a review of pertinent project documents, analysis of surveys conducted by PTEGP, assessments of project component revisions by the steering committee, an examination of the tourism landscape in Punjab, and calculations of tourist footfall and spending patterns at project sites. Insights were also gathered from stakeholders directly or indirectly associated with PTEGP's interventions in the tourism sector.



## *Chapter 1:*

# **An Overview of the Chief Minister's Laptop Scheme in Punjab**

SOBIA ROSE

## **EXECUTIVE SUMMARY**

The Chief Minister's laptop scheme in Punjab is set to be relaunched with a substantial budget. To enhance the effectiveness of the new laptop scheme, the Planning and Development Board (P&D) and the Punjab Higher Education Department (PHED) requested the Pakistan Institute of Development Economics (PIDE) to study previous schemes and provide recommendations that may serve as guideline for the next scheme to be launched.

The first phase of the laptop distribution was started in the year 2011. The laptop distribution idea is an extension of the Punjab IT Labs project which led to the proposal of providing laptops to school students. However, due to several potential challenges, the plan shifted to focus on university students, thereby involving the PHED in the project. The laptops were awarded to students based on merit, specifically to those scoring 60 percent in annual exams or 70 percent in the semester system.

The international experience with similar schemes highlights the importance of integrating technology with educational strategies and infrastructure to maximize the benefits of laptop distribution schemes. The primary motivations behind these schemes in Punjab were to improve digital literacy, enhance learning experiences, and support technology-driven careers. This evaluation focuses on assessing the initiation, execution, and effects of the CM Laptop Scheme. The entire process has been evaluated based on three key parameters: relevance, efficiency, and effectiveness of the scheme.

The relevance section (refer to section 5.1) assesses the need for the project and the extent to which the intervention's objectives align with the beneficiaries' requirements. The need for the project was not assessed through any feasibility study. The feasibility study could have encompassed various aspects, such as evaluating beneficiary criteria through surveys of the target population, exploring different financing approaches, assessing existing digital infrastructure (e.g., connectivity, internet), designing a supervision and support structure for the scheme, determining the scheme's cost-effectiveness, and conducting an expected cost-benefit

analysis. Additionally, beneficiary requirements were not considered when designing the laptop specifications. The scheme aimed to create an IT-enabling environment for students, but laptops with similar specifications were distributed to students across different disciplines such as social sciences, basic sciences, mathematics, and IT-related fields. IT and computer engineering students require laptops with better specifications as compared to other disciplines. For the next scheme, it is crucial to align laptop specifications with the requirements of different disciplines. The study of international practices (as referred to in section 4) revealed that laptops or IT-related gadgets are typically provided to school students or those from lower socio-economic strata. However, this was not followed in defining the beneficiary criteria for this scheme. For the upcoming scheme, the beneficiary criteria must be defined with clear targets i.e. output of the scheme must be defined including the expected improvement in ICT related indicators, expected impact of the scheme on students learning outcomes, expected benefits of the scheme to enhance research output of the universities.

Efficiency generally measures how economically resources (funds, expertise, and time) are converted into results. The efficiency analysis of this scheme (refer to section 5.2) is limited to indicators such as the rate and timeliness of action, procedural issues, procurement process, quality of the delivered product. Recommendations are drawn by comparing these factors with market prices of laptops with the same specifications and international practices for similar interventions.

It is observed that hefty investments were made in procurement procedures. The per-unit cost of the laptop was PKR 37,700 in the first phase, increasing to PKR 38,338 in the second phase, PKR 41,289 in the third phase, and PKR 45,937 in the fourth phase. These costs included manufacturing, airlifting, pre-shipment inspection, warehousing, transportation to universities, and repair services. But, market analysis revealed that similar laptops were available for PKR 18,000-25,000 during all these phases. Buying laptops from market and distributing them among students would have been more cost effective as compared to the procedure followed during all four schemes.

Additionally, the post distribution grievance redressal mechanism was inadequate. Initially, service centers were available at the district level, but in subsequent schemes, they were only established at the divisional level. Students were often unaware of these centers, and those who were aware did not receive satisfactory responses to the technical issues that they were encountering while using laptops.

The scheme started and ended abruptly, with no exit strategy. A good exit strategy could have helped to achieve the desired objectives even if the government was changing or the next scheme was not being launched. No leaflets were printed to guide the academic use of laptops, their care and repair instructions, software

availability, and device compatibility. A student flyer could have been developed containing steps to take if the device was stolen. It could contain the information on how to protect your data, installation of tracking software, securing accounts and reporting procedures. There should have been guidelines for teachers on how to help students best utilize the technology to maximize benefits. Figure 4 in section 5.2 compares the initiation and execution of Punjab Laptop scheme with the international practices and reveals that certain components are missing e.g. defining monitoring and evaluation mechanism of the scheme, students and teachers' trainings for effective use, deployment of a digital ecosystem. During procurement procedure of the mega laptop schemes around the world sea freight is opted for the purpose of transportation, but in case of CM laptop scheme air freight was adopted. Timely planning and execution in case of CM laptop scheme could have minimized the higher cost of air freight.

Key performance indicators (KPIs) provide a base to measure the effectiveness of any scheme. The KPIs of the laptop distribution scheme could include the percentage of students with laptop ownership, ensuring equity and inclusion for target beneficiaries, maintaining and retaining devices after one year of use, enhancing students' ICT skills, the percentage of students with internet connectivity, and the spatial penetration of ICT across various geographical regions. If KPIs were well-defined the intervention's impact on students' careers, socio-economic profiles, and performance based on device utilization, along with the availability of complementary facilities, could have been studied. However, since KPIs were not established during the scheme's planning phase, the evaluation is limited to available data from global competitiveness reports, PSLM, and MICS. Therefore, the scheme's effectiveness is assessed based on digital skills transfer, ICT adoption, access and quality of internet facilities (although it does not directly measure the effectiveness, however, provision of complimentary facilities e.g. internet, compatible software can enhance the outcomes of the scheme), spatial penetration of ICT, and laptop utilization.

In addition to laptops, providing stable and affordable internet connections was crucial to minimizing the digital divide. Although internet usage in Pakistan increased over time, but the country has fallen behind others in terms of the percentage of the population using the internet (Figure 6). This does not directly measure the effectiveness of the laptop scheme, but it suggests that without adequate internet access, merely possessing a laptop does not improve a country's position on the ICT indicators ladder. Data on ICT spatial penetration (Figure 7) shows that districts in southern Punjab are the most deprived. To make the scheme more inclusive, geographically deprived areas should have been targeted first, adopting a more focused laptop distribution strategy for better technology utilization outcomes.

The ICT score for Pakistan indicates that 59 percent of the population aged 10 years and above use computers, laptops, or tablets for entertainment purposes, 45

percent for social media, and only 20 percent for programming (Figure 8). The use of these gadgets for educational and professional purposes is significantly lower compared to entertainment. This raises important questions about the utilization dynamics of the laptops distributed under the CM Laptop Scheme. The statistics suggest that students may also use technology for off-task purposes, resulting in less study time and potential health issues such as eyesight loss.

This also highlights the failure of the academic system to encourage students to use these gadgets for educational purposes. In planning the next phase, a laptop bank could be established at the university level, where students would return the laptops at the end of the day after using them in classrooms and for research work. However, implementing this suggestion requires an assessment of its feasibility to determine its effectiveness.

It was also observed that some students sold their laptops in the market after receiving them. This issue should be taken seriously, and a monitoring mechanism should have been implemented by the relevant university to check such actions. Students should receive ethical training to discourage them from reselling the gifted laptops. Alternatively, the laptops could remain the property of the university, with students borrowing them from the lab for a specific period and then being required to return them.

Once the devices are in place, it is necessary to develop the skills and knowledge required to use them effectively. For this purpose in spite of spending hefty amount of distribution ceremonies that money could have been used to conduct training programs at university level or pamphlets and booklets published to support effective utilization.

The global literature on evaluating technological interventions suggests that schemes such as the distribution of free laptops empower students with essential tools for success in a digital world. Having laptops improves students' access to online educational resources, including e-books, research papers, and educational videos. But since these devices can also lead to off-task usage it may offsets the positive aspects of the intervention. However, based on this argument the positive spillover effect of the scheme cannot be denied.

## 1. INTRODUCTION

The provision of basic digital awareness to the students is the motive behind education related interventions in Punjab. The laptop scheme initiated in 2011 was one of the biggest initiatives in this regard. The rationale behind the provision of laptops was to help students to overcome the obstacles in the way of learning and professional growth in modern times. Moreover, it was also envisioned to create IT skills and awareness among the students and teachers and create an IT-enabled environment. Now the government is planning to initiate another laptop distribution scheme in the year 2024. In this scheme 11000 laptops will be distributed among students registered in the 1<sup>st</sup> / 2<sup>nd</sup> & 5<sup>th</sup> / 6<sup>th</sup> Semester of BS, 4 years programs in public sector universities and graduate colleges. Laptops will be awarded to the students who have secured 80 percent marks in the last examination and the Matriculate students, who secured 90 percent marks in the Matriculation Examination 2022 (Annual) and 2023 (Annual). For this, a budget of Rs.1.5 billion was allocated in the annual budget. The potential benefits of the scheme include improvement of the digital literacy among students by enhancing their learning experience. Access to technology could also help students to pursue their more technology-driven future careers. By getting laptops they could also have an experience of personalized learning that could give them benefit of excelling in the field of research. Recently both government of the Punjab and Federal Governments has announced the laptop scheme with a hefty budget and ambitious targets. Therefore, a need was felt to investigate and review all the previous schemes so that future endeavours can be more viable in terms of technology transfer.

Pakistan Institute of Development Economics (PIDE) on request of the Planning and Development Board (PnD) and Punjab Higher Education Department (PHED) is carrying out a study to overview the CM Punjab Laptop scheme to chalk out the way forward for this kind of future investments.



## 2. METHODOLOGY

The laptop scheme in Punjab was evaluated based on three key parameters: relevance, efficiency, and effectiveness. To accomplish this,

- ❖ All related documents, including PC-1s of the scheme, were thoroughly reviewed. Additionally, available online literature was examined.
- ❖ Key informant interviews (KII) were conducted with key officials involved in the scheme to understand the conceptualization behind this endeavour.
- ❖ Interviews with experts were conducted to incorporate their viewpoints based on the mentioned parameters.
- ❖ A short survey from the major laptop dealing markets in the city of Lahore and Faisalabad was done to get information on the quality, cost, and resale trends of the laptops provided under the CM laptop scheme.

A description of these parameters is provided below.

### Relevance

- *The relevance section assesses the extent to which the objectives of the intervention are consistent with beneficiaries' requirements.*
- *The beneficiary criteria specified was also analyzed under this section.*

### Efficiency

- *Efficiency, in general, is aimed at measuring how economically resources/inputs (funds, expertise and time) are converted into results/outcomes. However, the efficiency analysis in this document is limited to indicators such as the rate and timeliness of action, for which relevant data are available, procedural issues, quality of the product delivered and comparison with the international practices for similar kind of interventions*

### Effectiveness

- *The effectiveness of the development scheme is based on the analysis of the skills transfer as result of the intervention is however limited to the available data. The discussion in this section is incomplete without detailed study on impact of the intervention on the student's careers, socio economic profile, performance based on the utilization of the device and availability of the complimentary facilities to get most out of the funds spent on the intervention*

### 3. A RETROSPECTIVE ON PUNJAB'S LAPTOP DISTRIBUTION SCHEME

This section covers the journey of Punjab's Laptop Distribution Scheme. During this journey, laptops were distributed among students in four phases starting from 2011-12 and then in 2012-13, 2013-14, and 2016-17. The distribution of laptop prizes began in 2011 when government representatives visited the University of Punjab in March 2011 and announced that 300,000 laptops would be given to young students in the coming months (Flamenbaum, 2012). The main objective of the scheme was to create an IT-enabled environment for meritorious students, equipping the future labor force with essential IT skills.

Earlier it was decided that the scheme would be started as part of the Punjab IT Labs project, initiated in 2005-06 and 515 labs were established in 8 districts of the Punjab. After that the IT labs project scheme was updated and 4286 labs were established in secondary and higher secondary schools in Punjab. The scheme was regarded as a success so it was decided that the laptops would be provided to the school students and the project manager of the IT Lab project will manage this initiative.

Initially, the Punjab Higher Education Department (PHED) was not part of this project. IT Lab project personnel were considered experienced in this domain as they already procured computers for the labs so it was considered that they will procure the laptops easily. But, in early 2011 the school education department refused to carry out this initiative. Firstly, the key objective of the IT lab project was the provision of IT access to the students in labs that were developed at schools, not in the form of mobile gadgets. Secondly, the school students are considered minor and it will be difficult for them to carry heavy laptop bags along with school bags. Hence, students from the higher classes were decided to be the target beneficiaries and consequently Higher Education Department was formally made part of this scheme. However, it was still the IT Lab Project team that prepared the first PC-1 for this project.

As per the information collected during KIIs, the technical inspiration of the scheme was from India's scheme, implemented for the first time in Tamil Nadu. It was a five-year program with an estimated cost of \$2 billion (BBC, 2011)<sup>1</sup>. In this scheme 6.8 million free laptops were distributed among secondary school and college students. Then the government of Uttar Pradesh also distributed laptops to students who passed the secondary and higher secondary exams (Yadav & Poddar, 2014)<sup>2</sup>. The primary aim of these schemes was to overcome the digital divide between the students based on the affordability of technology.

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<sup>1</sup> BBC, 2011. <https://www.bbc.com/news/world-south-asia-14925510>

<sup>2</sup> Yadav, B. S., & Poddar, A. ICT AT UNIVERSITY LEVEL MANAGEMENT EDUCATION-ONE STEP FORWARD IN SHAPING RIGHT HUMAN RESOURCE OF TOMORROWS INDIA.

To finalize the selection criteria of the students and institutions, a steering committee was formulated. Initially, in 2011 the chairman of the steering committee was Chairman of P&D as the first PC-I was signed by the Chairman of P&D. However, before any procurement could take place, the Minister for Education was designated as the chairman of the steering committee. The composition of the committee remained the same for all 4 schemes. Here is the detailed composition of the steering committee (as mentioned in project documents).<sup>3</sup>

---

Minister for Education	Chairman/Convener
Minister for Law and Parliamentary Affairs	Co-Convener
Minister for Finance	Member
Secretary Higher Education Department	Member
Secretary School Education Department	Member
Secretary Finance Department	Member
Chairman PITB	Member
Managing Director PPRA	Member
DG (IT) Federal, HEC Islamabad	Member
Technical Experts may be co-opted	Member

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### 3.1. Eligibility Criterion:

Students were considered eligible if they fulfilled the following criteria (Project Documents).<sup>4</sup>

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<sup>3</sup> The information on the steering committee was fetched from the project documents.

<sup>4</sup> Project documents were consulted to get the eligibility criterion that remained almost same throughout 4 schemes

- All first year first semester students of 4-Years BS/ B.Sc. Program enrolled in Medical/Dental Colleges, Engineering Universities, Agriculture Universities, Veterinary and Animal Sciences Universities and Technology Colleges who have secured 60% or above marks in the last annual exam in case of annual examination system or 70% or above marks in the last exam in case of semester system
- All first year / first semester students of 2 Years Master Degree Program who have secured 60% or above marks in the last annual exam in case of annual examination system or 70% or above marks in the last exam in case of semester system
- Last year's remaining eligible evening students will be provided laptops during this phase, only those students will be awarded laptops who are already registered or declared eligible and no new name will be added in the existing lists
- 100 top students of Matriculation Examination from each of the nine Provincial Boards, Technical Boards, and Federal Board of Intermediate and Secondary Education 400 top students each of Matric and Intermediate Exams from other provinces, Azad Jammu and Kashmir, and Gilgit Baltistan
- New MS /M.Phil. / PhD scholars of public sector institutions in the province who have secured 60% or above marks (in the last annual exam) in case of annual examination system or 70% or above marks in the last exam in case of semester system and have not received laptops during the last year's scheme
- Top ten students in each department of the public sector federal universities in Islamabad and their regional campuses in Punjab 4,000 laptops will be awarded to the students of "Deeni Madaris" via Auqaf Department after devising merit criteria subject to the approval by Chief Minister.

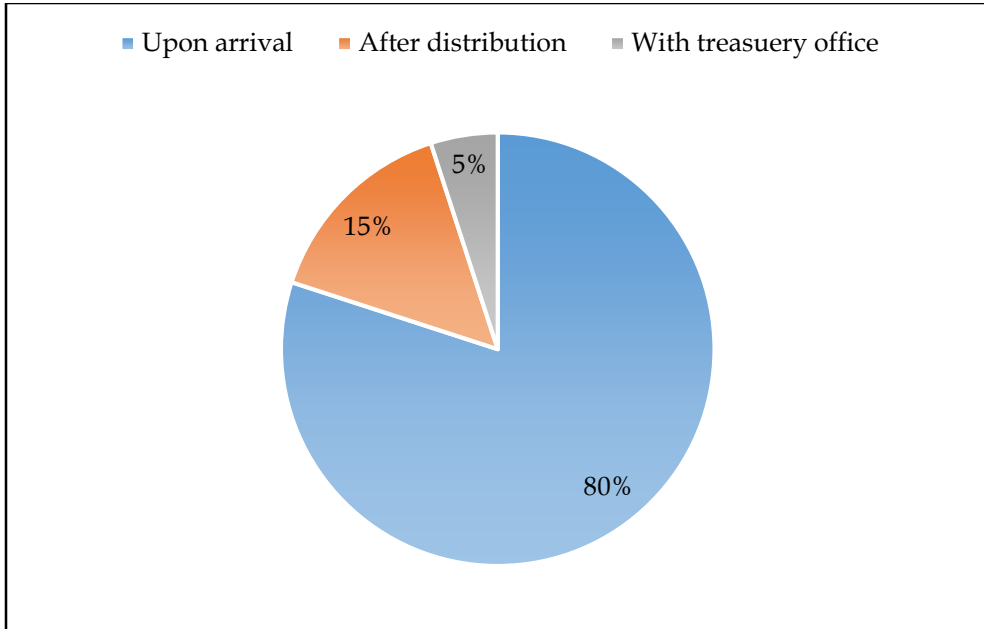
However, the following are not eligible for this initiative:

- MS /M.Phil. /PhD scholars who are recipients of Higher Education Commission Scholarships
- Students who are doing any kind of job (public as well as private)
- Students who have earlier received laptops in the last year's scheme
- Foreign nationals except students from Azad Jammu and Kashmir, and Indian Occupied Kashmir

### **3.2. Procurement of the Laptops**

The information related to the procurement process is extracted from the project documents and the key informant interviews (KIIs) of the key officials involved in the execution of the scheme. For procurement, pre-bid meetings were conducted in which laptop specifications were decided along with the finalization of the allocation of budget within different heads, and the mode of funds transfer.

**Fig. 1. Distribution of the payment to the Company**



The first procurement was done by a company named M/S Inbox. Since the scheme was launched on short notice and due to pressing time constraints, the laptops were airlifted from China to Pakistan and only 25000 laptops were imported through just one shipment. Out of the total, 80 percent payment of these 25000 laptops was due upon their receiving at the airport, 15 percent was due after the distribution while 5 percent was the retained money with the treasury office. Upon the arrival of the laptops at the airport, the pre-shipment inspection was done. For pre-shipment inspection, a third party was hired and upon the clearance certificate, the laptops were taken to the warehouses managed by the company. The companies from which the procurements were made under 4 different phases are provided below in Table 1.

Table 1

Laptops purchased Overtime

<b>Companies from which laptops were purchased in all 4 phases of the Scheme</b>			
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2016-17</b>
M/S Inbox	M/S New Horizon	M/S Mega Plus	M/S Mega Plus

The procurement company in each scheme was responsible for

- ✓ Making the laptop
- ✓ Airlift from China to Lahore
- ✓ Pre-shipment inspection, which was usually done in Dubai or China
- ✓ A third party was hired by the procurement company for pre-shipment inspection, with the certificate planned to be provided upon arrival.
- ✓ Warehousing, Transportation, and Distribution
- ✓ Repair of the laptops under warranty

The tender for the first scheme was advertised in leading newspapers on November 24, 2011. Two firms i.e., M/S Mega Plus, Pakistan and M/S Inbox Business Technologies (Pvt.) were technically qualified (As per project documents). Among these two companies, the contract for the first scheme was signed with M/S Inbox due to their lowest bid. In the next phases, M/S New Horizon and M/S Mega Plus were selected to procure the laptops. The decision to select the procurement company was made by the steering committee with technical assistance from PITB, and the contract was awarded by the Higher Education Department.

### **3.3. Distribution of the laptops**

The laptops were distributed among the students who scored 60 percent marks in the annual examination system or 70 percent in the semester system. The distribution mechanism was mainly headed by the Higher Education Department and the company was also assisting the HED in the distribution phase. As per HED, the transportation of the laptops from the airport to the warehouse and from the warehouse to the respective universities was the responsibility of the company from which the laptops were procured in all four phases. This method was adopted because HEDs had no means of transportation of their own. So, the company rented out the vehicles for this purpose and assisted the department in the process of distribution.

### **3.4. Laptop Specifications**

The specifications of the laptops in all four schemes were formulated by the Punjab Information Technology Board (PITB). In the first phase, the operating system provided was Ubuntu, an open-source OS, while Windows is a paid and licensed operating system. Although Ubuntu is a reliable OS compared to Windows 10, which was available in 2011, however, it was not easy to use. Students were more familiar with Windows, and since many were using a laptop for the first time, they replaced Ubuntu with Windows. The decision to provide Ubuntu was due to the limitations

of the dual-core processors in the 2011 model. The Intel Pentium dual-core processor was the bare minimum required to run Windows 10 smoothly. As a result, students who replaced Ubuntu with Windows experienced slower processing speeds. However, in later phases, Windows OS was provided as the primary operating system. Detailed specifications of the laptops under the four schemes are explained in the table below.

Table 2:

*Detailed Specifications of Laptops in all 4 Phases*

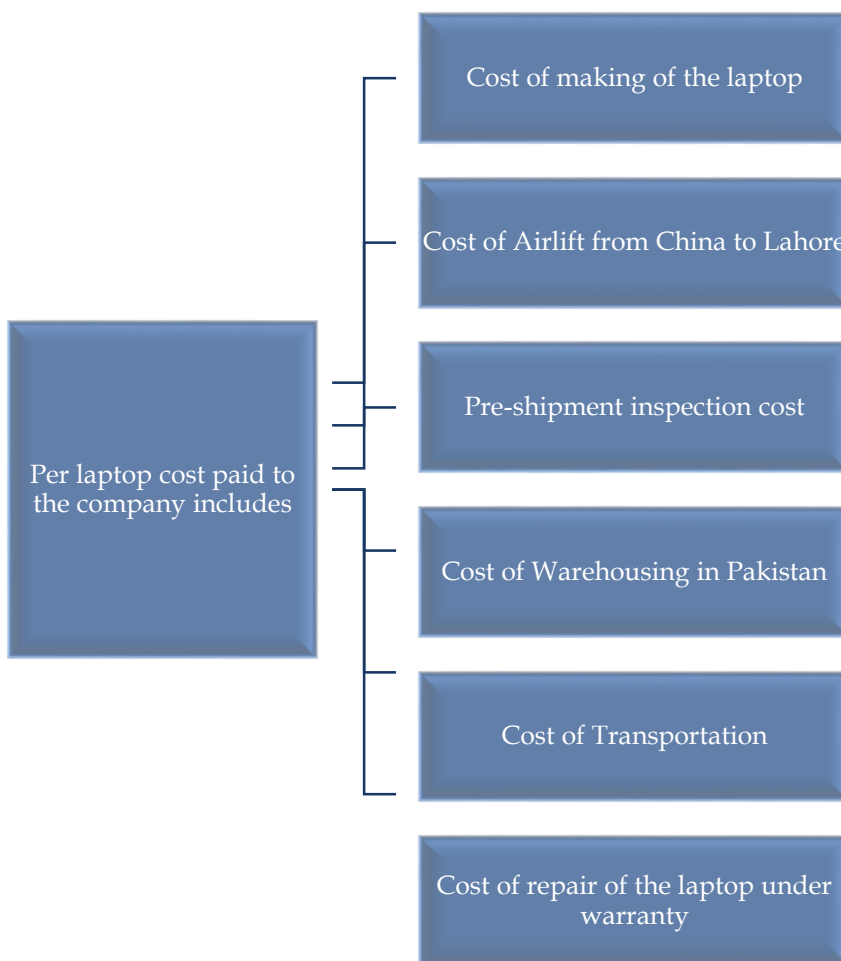
	2011-12	2012-13	2013-14	2016-17
<b>Cost of Operating System</b>	\$8	-	-	\$70
<b>Processor</b>	Intel Pentium Dual Core B950	Intel Core i3 2370M	Intel core i3 4110 M	Intel core i7 m-7y30
<b>Ram</b>	2GB DDR-3	4 GB DDR-3	4GB DDR-3	8 GB DDR-3
<b>Hard Drive</b>	320 GB	500 GB	500 GB	1 TB
<b>Screen Size</b>	14 inch	14 inch	14-inch or higher HD	11.6-inch Touch Control
<b>Graphic Card</b>	Intel HD Graphics 2000	Intel HD Graphics 3000	Intel HD Graphics 4600	Intel HD Graphics 615
<b>WiFi/Ethernet/Speakers</b>	Yes	Yes	Yes	Yes
<b>Super Drive</b>	CD+/-RW	CD+/-RW	CD+/-RW	CD+/-RW

The key informant interviews with the experts and key officials reveal that the specifications of the laptops were not very advance because, in all four schemes, the customized features were decided to keep in view the budget availability.

### 3.5. Per Unit Laptop Costs

A total 426275 laptops were distributed in 4 phases while total cost was PKR 200.96 billion that was acquired from the budget of annual development plan (ADP). In the first phase, the per-unit cost of a laptop was PKR 37,700, while in the second phase, it was PKR 38,338. For the third phase, this cost increased to PKR 41,289, and in the fourth phase, it rose to PKR 45,937. Initially, the cost per laptop was approved at PKR 20,000 in the first PC-I, but in the final approved PC-I, the cost was raised to PKR 37,700 per laptop. The lump sum amount includes all taxes, transportation, insurance, pre-shipment inspection charges, delivery charges, warehouse rent, and vehicle rental for transportation.

**Fig. 2. Per Laptop Cost Distribution**



A market analysis revealed that, based on the specifications, the market resale value of the laptops ranged between PKR 18,000 and PKR 25,000.



### **3.6. Mechanism for Warranty and Grievances:**

A mechanism was developed to address warranty-related grievances and other associated issues. After the distribution of laptops in the first phase, service stations were established in all 36 districts. However, in later phases, these service stations were set up only in divisional headquarters. The service stations were established by the company that supplied the laptops, with an agreement that they would remain operational throughout the warranty period. A website was also launched to handle online complaints, with the data being monitored by PITB and HED. The key components of complaints were outlined as follows

- ✓ If the laptop will not remain operational during the first 60 days of its reception, then the laptop will be replaced.
- ✓ After 60 days the laptop will be repaired and will be given back to the student within 7 days.

A warranty agreement was signed between HED and the company, with PKR 4 million deposited as security. The company was obligated to address software faults immediately upon receiving a complaint from a student, with a penalty of PKR 1,000 per day for each unresolved case. Despite receiving 25 to 35 complaints daily, only a few were resolved. The company received a waiver of the penalty fee after the first scheme. In later schemes, many students were unaware of the complaint redressal mechanism, and those who knew about it often avoided using it due to the complex procedure. Additionally, service centers in the later stages were only established at divisional levels. A market survey conducted in major cities like Lahore and Faisalabad showed that laptop resale also increased during the later phases.

## **4. WORLDWIDE CASES OF SIMILAR INTERVENTIONS**

The concept of providing free laptops to students is not new, and there are numerous examples of similar schemes worldwide. Lessons learned from these cases are valuable and should be incorporated into any future laptop schemes in the province.

### **4.1. One Laptop per Child (OLPC) - Massachusetts Institute of Technology (MIT)**

One Laptop per Child (OLPC) was the first scheme of this nature, which began at the Massachusetts Institute of Technology (MIT) in 2005. Since its inception, OLPC has distributed over 3 million educational laptops to children worldwide. The program targets primary and secondary school students (ages 6-16), with laptops sold to governments and issued to children by schools on a 'one laptop per child' basis. Under this scheme, discussions have taken place with representatives from both governmental and non-governmental organizations in nearly every developing

country. The Government of Pakistan was initially approached in December 2006 but declined the offer. However, in 2008, following a change in government, a minimal intervention was made in Karachi, and an OLPC Regional Office was established. The scheme's objectives include providing primary and secondary students with better access to higher education through information technology tools like laptops. Additionally, it aims to improve learning opportunities for vulnerable students, helping them to advance in their careers.

## **4.2. Brazil**

To integrate technology into education, different initiatives were undertaken in Brazil by providing students with personal computers. The 'One Computer per Student' (UCA-Total) program was launched in late 2006 and implemented in five municipalities between 2010 and 2011. Initially aimed at 4-year-old children, the program later expanded to include public school students, particularly those from low socioeconomic backgrounds. The project was designed by several scholars and overseen by a special secretary for Distance Education under the Ministry of Education. Beneficiary student and teacher portals were established, and training courses were offered to educators to enhance the integration of ICT in education (Lavinias & Veiga, 2013)<sup>5</sup>.

## **4.3. Uruguay**

Uruguay, known for its high school enrollment rates, has recently faced challenges in retaining secondary school students from poorer social backgrounds. The public education system serves 83% of students aged 4 to 15 years. Incorporating digital technologies has been strategic for transforming the pedagogical approach. Initially, the program targeted public schools, later extending to lower secondary schools, and recently, interested private schools can also benefit. Along with providing devices, the initiative also includes internet connectivity to support the effective use of technology in education (Centro Ceibal, 2020).<sup>6</sup>

## **4.4. Peru**

In Peru, a significant initiative distributed 1 million laptops, starting in 2008, with an initial focus on small schools in remote areas. Evaluations of the scheme suggest that combining the provision of laptops with a pedagogical model designed to enhance student achievement is crucial. Simply providing laptops or devices to schools without integrating them into a comprehensive educational strategy is insufficient.

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<sup>5</sup> Lavinias, L., & Veiga, A. (2013). Brazil's one laptop per child program: impact evaluation and implementation assessment. *Cadernos de pesquisa*, 43, 542-569.

<sup>6</sup> <https://www.ceibal.edu.uy/storage/app/media/plan-estrategico-version-digitaltraduccion-ingles.pdf>

## 4.5. India

In India, the State Government procured 18,500 Lenovo-branded laptops in two phases for free distribution to students in Class XI and XII at Government Senior Secondary Schools and all Government Colleges in Sikkim. The primary aim of distributing these free laptops was to bridge the digital divide between students who could afford personal laptops and those in rural areas who could not.

## 5. CRITICAL ANALYSIS OF THE SCHEME

The analysis of the scheme is made on three key parameters: relevance, efficiency, and effectiveness.

### 5.1. Relevance

*The relevance section assesses the need for the project and the extent to which the intervention's objectives align with the beneficiaries' requirements.*

The primary goals of the program were to help students overcome the challenges they face in pursuing education, knowledge, and professional excellence in an increasingly information and technology-driven world, even though these efforts were sometimes overshadowed by political agendas. The shift from institutional to personalized technology was significant. Regardless of any hidden motivations behind the scheme, it was a prudent decision to keep pace with the rest of the world.

However, the CM Laptop Scheme was launched without conducting a feasibility study. Such a study could have addressed several key aspects, including evaluating beneficiary criteria through surveys of the target population, exploring different financing approaches, assessing existing digital infrastructure (e.g., connectivity, internet), designing a supervision and support structure for the scheme, determining its cost-effectiveness, and performing a cost-benefit analysis.

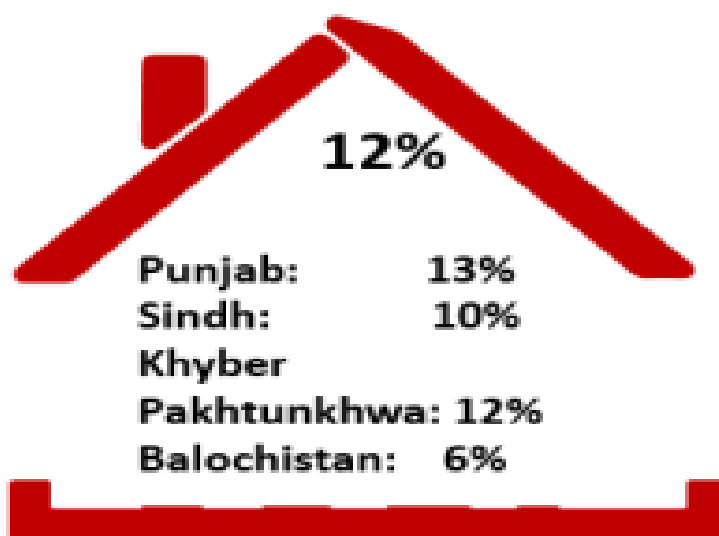
The provision of technology must align with learning goals. Haphazard distribution, as seen in the laptop distribution schemes, will not magically improve our standing on the global competitiveness index. To better equip youth in utilizing technology, it would have been more effective to first develop tech-smart curricula by integrating IT into university-level courses.

The scheme's objective was to create an IT-enabled environment for students. However, students from diverse disciplines such as social sciences, basic sciences, mathematics, and even IT-related fields received laptops with the same specifications. IT and computer engineering students require higher specifications compared to other disciplines. In future schemes, it's important to tailor laptop specifications to the needs of different disciplines, which could also make the scheme more cost-effective.

## 5.2. Efficiency

*Efficiency, in general, is aimed at measuring how economically resources/inputs (funds, expertise, and time) are converted into results. However, the efficiency analysis is limited to indicators such as the rate and timeliness of action, for which relevant data are available, procedural issues, quality of the product delivered, and comparison with the international practices for similar kinds of interventions.*

Despite the significant investment in the laptop scheme in Punjab, the province is only one percentage point ahead of KPK in terms of computer, laptop, or tablet ownership at the household level. Figure 3, while not exclusively depicting laptop ownership, suggests that the purchasing behavior for laptops is higher in KPK, rather than reliance on the CM Laptop Scheme. Given that the PM Laptop Scheme was launched nationwide, including in Punjab, it's reasonable to assume that more laptops were distributed in Punjab due to the higher number of educational institutions in the province. Additionally, the number of internet users is relatively higher in KPK compared to Punjab, which does not reflect a substantial achievement for Punjab in terms of technology adoption.



Source: PSLM, 2019

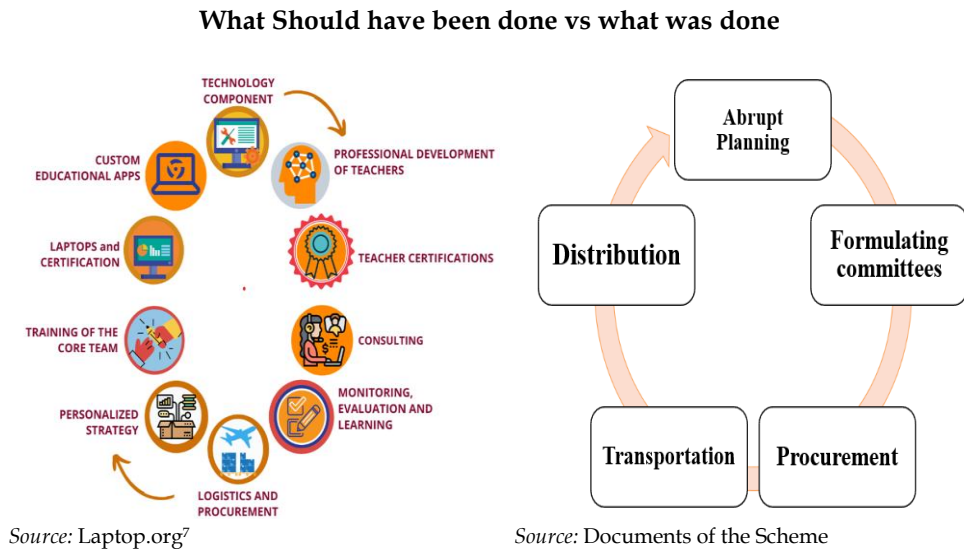
Goods imported by research and educational institutes were exempted from sales tax, and departments dealing with higher education were also exempted from advance tax at the import stage. Additionally, excise duty at the rate of 1 percent was waived. However, the final bid document reveals that Rs. 102 per laptop was included in the final price of Rs. 37,700 per laptop in the first phase as other taxes and duties. Interviews with relevant officials indicated that the per-laptop cost paid to the company in each scheme was a combination of manufacturing, airlifting, warehousing, transportation, and repair costs.

The cost of the extravagant arrangements for the distribution ceremonies was borne by the respective universities and colleges, as no such provisions were included in the scheme's PC-1. Moreover, these events often had strong political undertones. During some of the first-phase distribution ceremonies, students were even urged to raise slogans in favor of the ruling party in the province at the time. However, in later phases, the political motivations were less overt. The funds spent on these ceremonies were taxpayer money, used for political gain rather than purely educational purposes. To avoid politicizing the scheme's objectives, it would have been more appropriate to distribute the laptops through a teacher or scholar in a modest gathering within the institution, considering the cost implications.

In 2011-12, stronger specifications were available in the market compared to the laptops provided under the scheme. The Dual Core processor, a second-generation processor, was offered, while the Intel Core i3, a third-generation processor, provided significantly better processing speed and was more capable of handling heavy software efficiently. For subsequent years, Core i5 processors with more RAM were also available, offering substantial improvements in speed and performance over Core i3 and especially over the Intel Pentium processor. The hard drive capacities in the provided laptops were sufficient and appropriate for the given specifications. While the screen sizes in most models were good, the 2016-17 models featured smaller, detachable screens that could be used as tablets. However, these machines were poorly balanced, with a heavy screen portion that compromised usability.

Ideally, before launching any IT-based initiative in educational institutions, a comprehensive deployment of the digital ecosystem is essential to ensure success. However, when comparing the Chief Minister's Laptop Scheme to standard operating procedures for such initiatives, several critical steps were found to be missing. The approach taken for the CM Laptop Scheme involved abrupt, overnight planning, followed by the formation of committees to handle various tasks such as procurement, transportation, and distribution, all of which were executed in a rush. No feasibility study was conducted, and no official evaluation was carried out after the scheme's completion to establish better procedures for future phases. Internationally, such initiatives involve training students and teachers on the standard operating procedures of the devices and how to use them effectively to maximize benefits. Additionally, ensuring the availability of internet access is crucial to establishing a robust digital ecosystem.

**Fig. 3. Comparison of an Ideal Technology deployment system with the Process adopted in the CM Laptop Scheme**



The scheme began abruptly without proper planning and ended just as suddenly. The project documents do not outline any exit strategy that could have helped in achieving the scheme’s intended objectives. Additionally, timely planning could have reduced costs by opting for sea freight, which is less expensive than air freight.

In the case of the CM Laptop Scheme, not a single brochure was printed to guide students on the academic use of the laptops, care and repair instructions, or software availability and compatibility. A student flyer could have been created, detailing the steps to take if the device was stolen. Furthermore, guidelines for teachers should have been provided on how to help students make the best use of the technology to maximize its benefits.

### 5.3. Effectiveness

*The effectiveness of any development scheme is based on the analysis of the skills transfer as a result of the intervention; however, our argument is limited to the available data. The discussion in this section is incomplete without a detailed study on the impact of the intervention on the student’s careers, socio-economic profile, performance based on the utilization of the device, and availability of the complimentary facilities to get the most out of the funds spent on the intervention.*

<sup>7</sup> <https://laptop.org/ecosystem/>

### 5.3.1 Skills Transfer

The ultimate objective of any development expenditure is to positively impact the overall economy. Information and Communication Technologies (ICT) are among the most powerful indicators of a nation's socio-economic and intellectual progress, as they collectively reflect the level of technological skills and developmental infrastructure within a country. By providing laptops to students, it was anticipated that an IT-enabling environment would be established, leading to increased IT access in the province and a more technologically proficient labor force when these students eventually enter the workforce. But, still with this massive investment the country struggles to integrate ICT into education (DTDA, 2022) <sup>8</sup> and in the labor force.

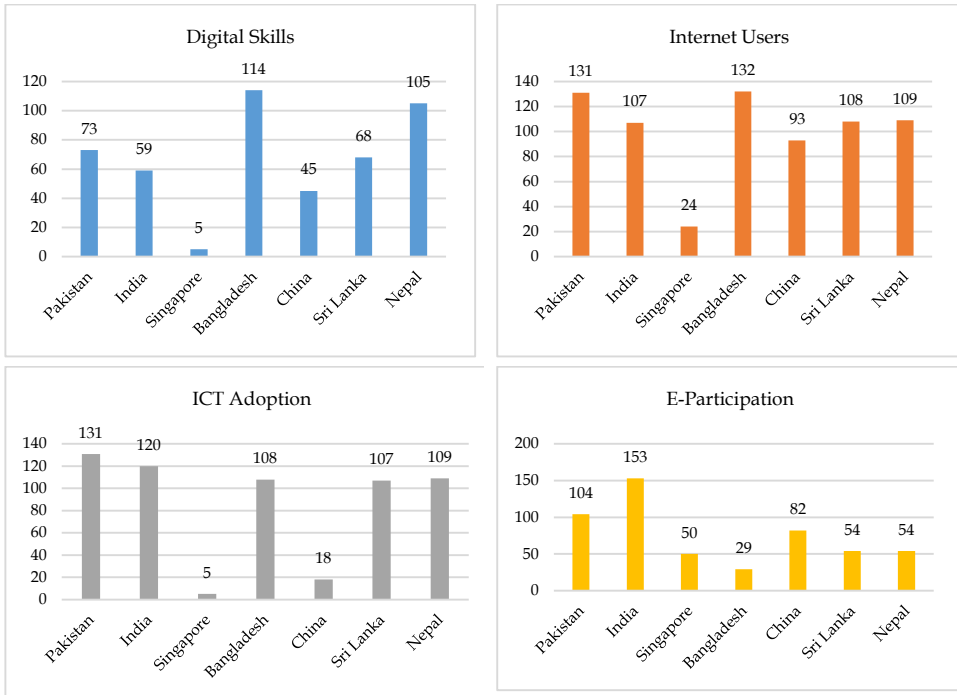
Key Performance Indicators (KPIs) are essential for measuring the effectiveness of any scheme. However, KPIs were not established during the planning phase of the laptop distribution scheme. Potential KPIs for the scheme could have included the percentage of students with laptop ownership, equity and inclusion among target beneficiaries, the retention and maintenance of devices after one year, improvements in students' ICT skills, the percentage of students with internet connectivity, and the spatial distribution of ICT across various regions. Well-defined KPIs would have allowed for a comprehensive evaluation of the scheme's impact on students' careers, socio-economic profiles, and performance based on device utilization, as well as the availability of complementary facilities. Since KPIs were not established, the evaluation is limited to data from global competitiveness reports, PSLM, and MICS.

Indicators from the Global Competitiveness Report 2019 reveal that despite the substantial investment in these schemes (Prime Minister Laptop Scheme and Chief Minister Laptop Scheme), significant improvements were expected. There must have been a significant improvement in the indicators as compared to the other countries. However, the results show that Pakistan is not performing well in most indicators, with the exception of one: 'digital skills among the active population.

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<sup>8</sup> Danish Trade Union Development Agency, 2022, Labor Market Profile Pakistan, Online available at [<https://www.ulandssekretariatet.dk/wp-content/uploads/2021/12/LMP-Pakistan-2021-Final.pdf>]

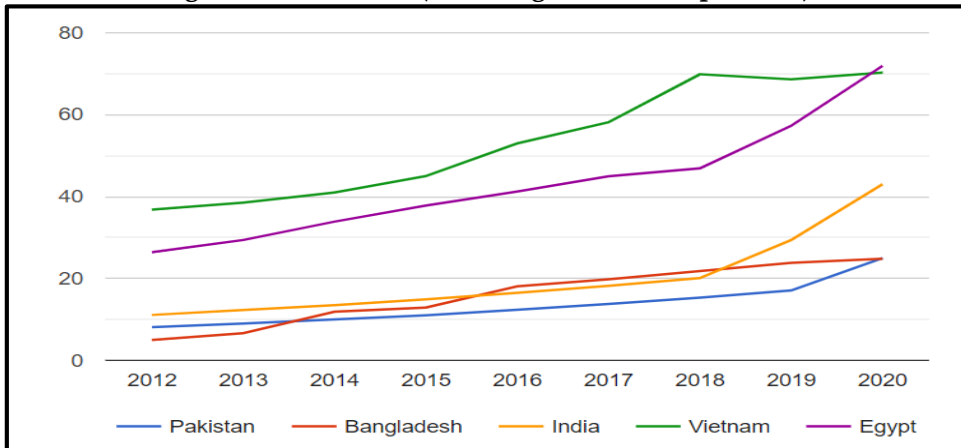
**Fig. 4. Pakistan’s Ranking on the basis of ICT Indicators**



Source: Global Competitiveness Report, 2019.

As previously discussed, the scheme was launched without prior planning. Alongside providing laptops, ensuring stable and affordable internet connectivity is crucial to minimizing the digital divide. However, World Bank data shows that while the number of internet users in Pakistan has increased as a percentage of the total population, we still lag compared to other countries.

**Fig. 5. Internet Users (Percentage of Total Population)**

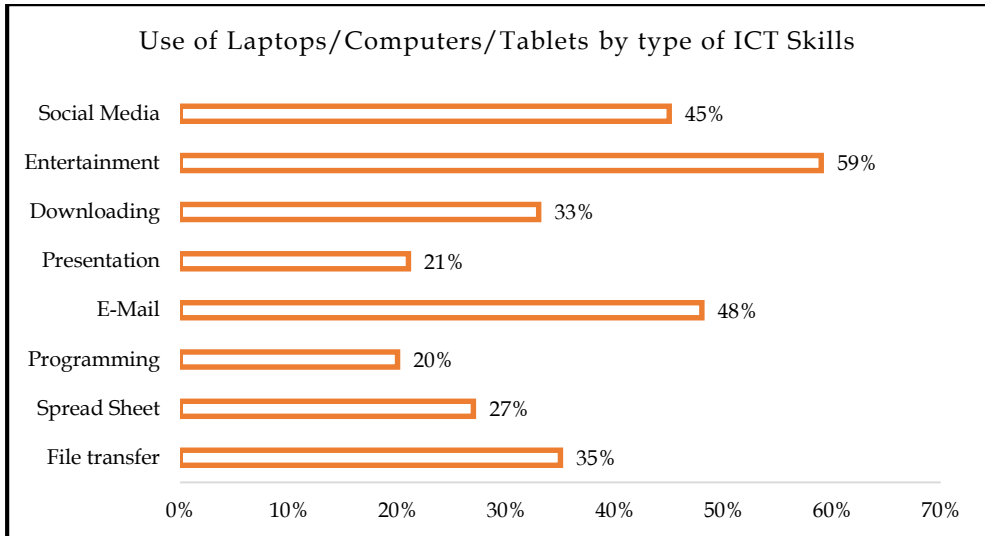


Source: The World Bank.





**Fig. 7. Percentage of Individuals age 10 years and above use of Laptops/Computers/Tablets by type of ICT Skills**



Source: PSLM, 2019.

This raises important questions about the utilization dynamics of the laptops distributed under the CM Laptop Scheme. The statistics suggest that students may use technology for off-task purposes, leading to less time spent on studies and potential health issues, such as loss of eyesight (Fatima et al., 2019)<sup>9</sup>. A detailed study is needed to assess how effectively the laptops distributed under the CM Laptop Scheme were utilized.

Globally, free laptop schemes typically target school students and include teacher training and complementary facilities to create an IT-enabling environment. In contrast, the Chief Minister Laptop Scheme did not base its beneficiary criteria on a baseline study. No Key Performance Indicators (KPIs) were developed, and no need-based survey was conducted to ensure the long-term economic viability of the beneficiary criteria.

Although the eligibility criterion was intended to reward high-performing students, in practice, beneficiaries were selected based on the smaller number of outperforming students, which required fewer laptops. Ideally, a list of beneficiary students should have been prepared first, followed by budget allocation. Instead, the budget was decided first, and then the criteria were adjusted to fit within this budget.

The scheme did not provide complementary facilities in a manner that would maximize benefits. Internet availability remained unchanged, and no training courses were designed to enhance students' digital skills.

<sup>9</sup> Fatima, S., Kayani, A. I., & Kiran, S. (2019). EFFECTIVENESS OF LAPTOP SCHEME ON STUDENTS' ACADEMIC ACHIEVEMENT AT HIGHER EDUCATION LEVEL IN PAKISTAN.

## 6. CONCLUSIONS AND WAY FORWARD

Investigating the impact of previous schemes is crucial for making informed decisions about future investments. Overall, the literature on evaluating technological interventions suggests that schemes such as the distribution of free laptops empower students with essential tools for success in a digital world. Having laptops improves students' access to online educational resources, including e-books, research papers, and educational videos. This access can enhance their learning experience and provide additional support outside the classroom. Students from remote areas also benefit from access to online reading materials, aiding their studies and research. However, it cannot be stated with certainty that providing laptops improves overall academic performance, as these devices can also lead to off-task usage, which sometimes offsets the positive aspects of the intervention. However, based on this argument the positive spillover effect of the scheme cannot be denied.

Based on the critical analysis of the scheme and the literature on evaluating technological interventions, the following recommendations are proposed to enhance the success of future initiatives

### **Conduct Impact Studies before Implementation:**

A thorough impact study was missing before launching the previous schemes as there are no targets to evaluate. Therefore, it is imperative to formulate a proper framework with key parameters to see the immediate and long-term impacts of the initiative on the education, IT skills, and careers of the beneficiary students. Research shows mixed results regarding free access to the Internet and electronic gadgets, with both positive and negative correlations based on various factors. However, defining and analyzing these factors is essential.

### **Specify Key Performance Indicators:**

Key performance indicators (KPIs) should be defined during the planning phase of the scheme. For future schemes, an explicit logical framework must be provided, outlining expected results, clear targets mentioning the schemes' impact on ICT indicators, its spatial penetration, and impact on students' educational outcomes and how much internationally compatible labor force will be produced as a result of this scheme. Measurable output will help in evaluating the effectiveness of the scheme.

### **Ensure Cost-Effectiveness:**

As a cost-heavy project often intertwined with political motives, it is crucial to ensure that programs occupying large fiscal space are well-accounted for. Political motives must be separated from such initiatives to design the scheme cost-effectively. There is no need for extravagant distribution ceremonies and their associated costs,

these should be eliminated. The distribution of laptop can be made more meaningful if it is made through extraordinary scholars, scientists, social workers, or students.

### **Tailoring to the Needs of Different Degree Requirements:**

The requirements of different degree programs were not considered in the previous schemes, resulting in laptops with the same specifications being distributed to all students. This approach minimizes the effectiveness and utility of laptops for students in various fields. For the next scheme, it is crucial to order laptops with varying specifications tailored to the specific needs of different degree programs. This will ensure that each student receives a laptop that best supports their academic and professional development.

### **Adapt to the Evolving Digital Landscape:**

Given the increased reliance on technology post-COVID-19, careful attention must be paid to the specifications of the devices if the scheme is launched in the future. The demand for online classes, virtual connectivity, and emerging technologies such as the Metaverse and artificial intelligence (AI) necessitates that the devices are compatible with the latest technology.

### **Evaluate and Address Off-Task Laptop Use:**

When planning the next scheme a comprehensive plan should be laid down to minimize off-task laptop use. It was also observed that some students sell their laptops in the market after receiving them. This issue should be taken seriously, and a monitoring mechanism should be implemented by the relevant university to prevent such actions.

### **Develop Skills and Knowledge for Effective Use:**

Once the devices are in place, it is necessary to develop the skills and knowledge required to use them effectively. These tools should be transformed into powerful instruments for social and economic development. For this purpose in spite of spending hefty amount of distribution ceremonies that money can be used to conduct training programs at university level or pamphlets and booklets can be published for effective utilization. Sound public policy is essential to ensure maximum benefit from ICT and to facilitate the transition towards and IT-skilled labor force.



## *Chapter 2:*

# **Operational Insights into the Punjab Skills Development Fund**

TEHMINA ASAD

## **1. INTRODUCTION AND METHODOLOGY**

### **1.1. Introduction**

The goal of this study is to evaluate the operational efficiency of the Punjab Skills Development Fund (PSDF), a donor-funded development programme. This evaluation is restricted to a review of the effectiveness of administrative procedures, acceptance of programme benefits, clarity of information dissemination, and the internal dynamics of the implementing organisations, their policy instruments, mechanisms for delivering services, and management practices. The study seeks to understand the relationships and interdependencies between these components. It developed the following objectives as a framework for analysis to achieve this.

### **1.2. Key Objectives**

The key objectives of the study included assessing the need for the establishment of the fund, understanding the intricacies of its structure and functioning, and gaining insights into trainee selection criteria, the process of enrolment, and the duration of training courses. Additionally, the study aimed to evaluate/critically analyse various training types, their relevance to the dynamic labour market in Punjab, and the potential for continuity in alignment with the evolving trends of the region's future labour market. Section 3 provides detailed information on these objectives. However, it is important to note that the analysis and evaluation presented in this study are partial due to limited availability of data and information regarding key questions. The study aims to gain insights into the following key questions.

- What was the need to establish the PSDF?
- How efficient is the structure and functioning of the governance structure?
- How effectively has PSDF achieved its goals?
- How sustainable is the PSDF model?

### 1.3. Key Evaluation Criteria and Methodology

- **Reviewing programme documents:** Initial steps involved reviewing PSDF’s annual reports, project proposals, PC-1 documents, midterm evaluation reports, tracer studies/surveys, presentations, and other relevant materials. This provided insights into the programme’s objectives, target audiences, and strategies.
- **Stakeholder identification and consultation:** Following document review, essential stakeholders such as PSDF officials, training service providers, employers, and trainees were identified. Consultations included discussions with PSDF officials and key informant interviews (KII) with experts from the Trade Technical Board, Punjab Board of Technical Education, and P-TEVTA, as well as with training service providers like CORVIT and My Impact Meter. Furthermore, the study conducted KIIs with the employers of graduates of PSDF’s training programmes on various aspects of skill training, particularly hiring practices. These interactions provided valuable insights into diverse perspectives, participant experiences, and stakeholder roles within the programme, enhancing our understanding across different aspects.
- **Assessing programme processes:** Evaluation included assessing how PSDF selected training providers, developed training programmes, and ensured programme quality. This identified both successful aspects and areas needing improvement.
- **Evaluating programme data:** Programme data, including enrolment figures, completion rates,<sup>10</sup> and employment outcomes, was analysed to gauge goal achievement. This highlighted successful areas and areas for improvement within the programme.
- **Recommendations:** Based on the study’s findings, a number of recommendations have been offered for improving programme processes and transparency.

It is essential to point out at the outset that the study was based on a desk review—documents provided by the PSDF team and evaluations conducted at various points in time by third parties to assess the effectiveness and efficiency of the report. The absence of pertinent information from the PSDF team on beneficiaries, training service providers, and other key stakeholders did not enable a comprehensive assessment of the programme’s impact. This limitation is noteworthy. In section 3, the study presents insights into the processes, mechanisms of impact, and contextual factors affecting PSDF’s performance. However, before we offer an evaluation of the PSDF’s programme, an overview of several of its programmes is in order to set the scene. Section 2 below offers this overview.

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<sup>10</sup> Data on registration of trainees versus completion rate was requested to PBTE (the qualification awarding body for OSDF trainees). But we did not get any response.

## 2. OVERVIEW OF THE PUNJAB SKILLS DEVELOPMENT FUND

### 2.1. Background

The primary goal of creating the PSDF was to support the development of skilled human resources in Punjab by providing funding for technical and vocational training programmes. It seeks to increase the employability of vulnerable youths, including those from the most marginalised segments of society, such as transgender persons and persons with disabilities, by providing them with skill training.

The project was launched in 2010 with the goal of providing skill training to youths aged 18–36 across 36 districts of Punjab. The PSDF's funding was provided by the government of Punjab and international development partners, including the World Bank, the UK's Department for International Development (DFID), and the European Union (EU). The PSDF's grants programme is competitive, ensuring that funding is given to the most cutting-edge and successful training initiatives.

The PSDF model is of skill enhancement – it does not provide skills on its own and does not own a training institute. Rather, it engages private training providers through a competitive bidding process under the guidelines of the Public Procurement Regulatory Authority. The programme involves funding training of youths in more than 600 trades. The PSDF has established an ecosystem of over 700 training partners from the private sector and industry players, who offer training at over 2,500 locations across Punjab to the PSDF trainees. It has successfully trained 300,758 men, 224,271 women, and 28 transgender persons.

The PSDF's thematic areas are: 1) livestock and agriculture; 2) services; 3) textiles; 4) light engineering; and 5) construction. The training sessions are conducted on a quarterly basis, depending on their nature and the length of the training programme. Upon completion of a training programme, 30% of trainees are guaranteed employment. If a training programme fails to meet this target, the trainers are not paid the last 20% of their training fee.

Table 1  
*Overview of the PSDF*

Industry training providers (ITPs)	230
Formal training institutions (FTIs)	430
Community-based programmes (CBPs)	59
Courses offered	250+
Total no. of graduates	513,812
Percentage of females	43%
No. of locations in Punjab	2,500+
Annualised income (PKR)	21 billion
Themes/brands/pillars	6

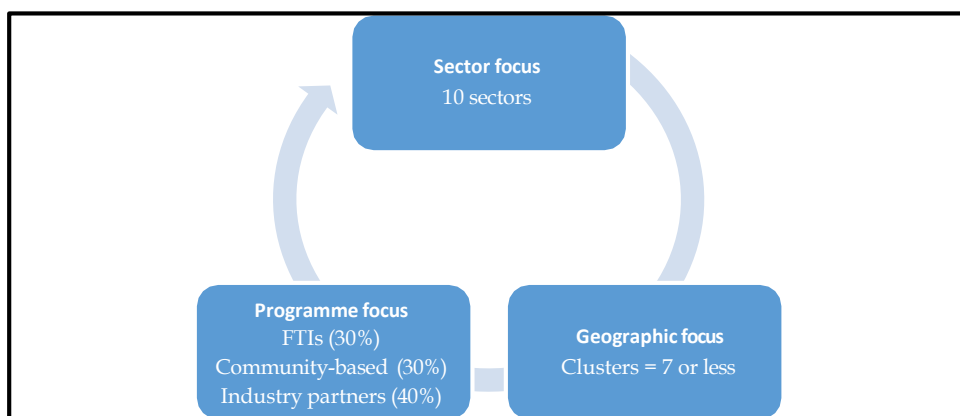


## 2.2. Targeting Approach

The PSDF began operations by creating a programme aimed specifically at increasing skill provision in the economically marginalised districts of South Punjab. It later expanded its operations across 36 districts of Punjab. The initiative segmented the province into six to seven clusters, each comprising four to six districts. This segmentation was based on each region’s economic potential. The PSDF ensures that its training programmes are tailored to the specific needs of each district and cluster, accounting for local economic conditions, workforce needs, and job market trends. The PSDF aims to maximise the chances of participants securing employment opportunities by aligning the training programmes with these elements.

Moreover, the PSDF has set up regional training centres (RTCs) in each district to ensure target populations’ easy access to training programmes. The RTCs provide training facilities to the youth of the region and equip them with the skills and knowledge necessary to enter the workforce. The PSDF targets the population based on geography, sector, and programme (Figure 1).

**Fig. 1. PSDF’s Targeting Approach**



*Source:* PSDF project documents.

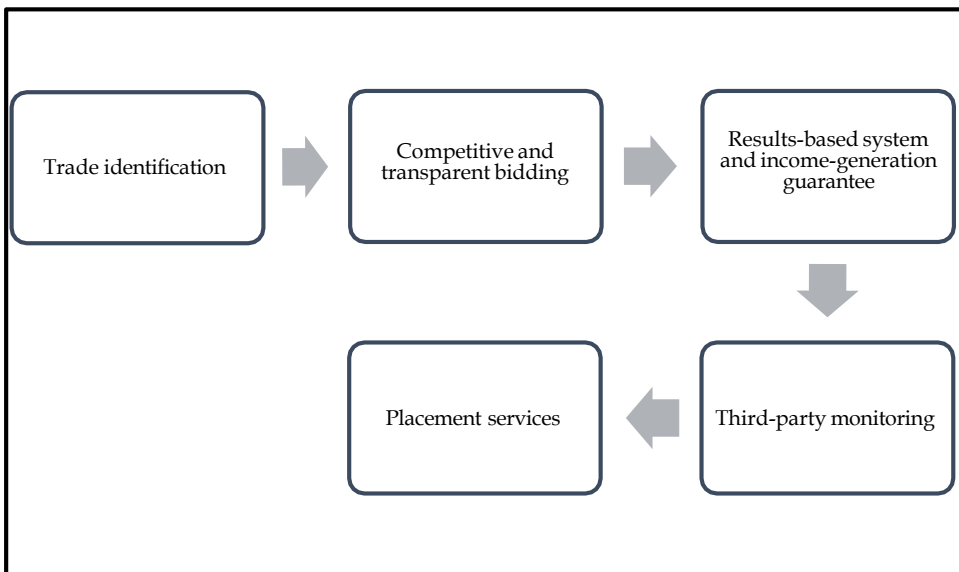
## 2.3. PSDF’s Operating Model

The PSDF claims to have a unique operating model based on public-private partnerships in providing skill training to youth. The project’s uniqueness is based on the following features:

- **Embedded employment and income-generation outcomes**, where every training partner commits to meeting targets for the employment of trainees.
- **Results-based payments to training providers:** The PSDF pays its training providers 80% of their contractual price based on the successful delivery of key performance indicators. These include the contract-to- enrolment ratio, enrolment-to-completion ratio, and completion-to- certification ratio.

- **Return on investment calculated for every training programme:** The PSDF calculates the return on skills investment (ROSI) for every programme it undertakes – programme continuity is based on high ROSI and investment payback.
- **Cost-sharing:** The PSDF is the only skill training organisation that has engaged with industry partners under the cost sharing initiative – the industry was mandated to share the cost of training with the PSDF.
- **Gender equality:** The PSDF focuses strongly on gender equality (40% women’s enrolment) and social inclusion.
- **Competitive bidding process:** The PSDF does not own a training institution. Training partners are recruited through a competitive bidding process (Figure 2).

**Fig. 2. The PSDF Operating Model**



### **2.3.1. Unique features of the operating model**

According to PSDF project documents and PC-1s, the fund’s most unique feature is that it does not own training institutions like other technical and vocational training models in the province, including the Punjab Technical Education and Vocational Training Authority (P-TEVTA).

The model is designed to provide training for the most marginalised segments of the province. It also allows for private sector strengthening by engaging over 700 private training institutions through a competitive bidding process. Training sessions are based on the thematic areas shown in Table 2.

Table 2  
*An Overview of PSDF Training Types*

<b>Training type</b>	<b>Method</b>
FTIs	Under these programmes, FTIs partner with the PSDF to implement their existing training programmes – tailoring, AutoCAD, diploma courses, beautician courses, mechanical work, etc. The PSDF provides funding for these training sessions to make them bigger and better. It assesses them using strict quality assurance standards.
CBPs	CBPs provide access to high-quality skill training in semi-urban and rural communities and allow skill training to be easily accessed by rural communities by taking them to their doorsteps. These programmes target people aged 29–40, particularly rural women and agricultural and livestock farmers. Training focuses on improving farming techniques for better productivity and income improvement.
ITPs	Businesses can design training and teaching materials and conduct courses at their own facilities. When youth are trained by businesses within the industry, their prospects of finding sustainable employment increase significantly.

*Source:* Punjab Skill Development Programme (PSDP) project document.

The PSDF has also partnered with employers across sectors to set a minimum employment commitment of 70% verified employment. It funds the training and cost of trainees’ uniforms and bags and pays a monthly stipend as an incentive to complete training. The PSDF developed training programmes for FTIs so that the latter could access training funds through a transparent and competitive bidding process. These programmes are open to both existing and new institutions, as well as public and private sector entities.

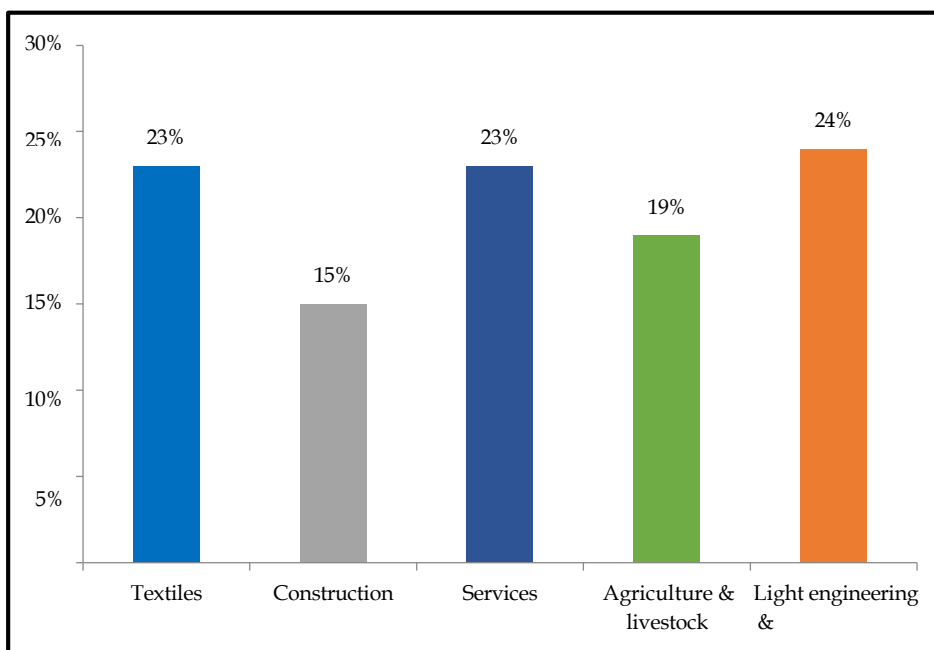
The significance of the PSDF’s training programmes lies in the fact that the PSDF has collaborated with industries to understand their skill demands. Thus, the PSDF has attracted various businesses across sectors by designing training coursework and teaching materials based on actual market demand. It allows businesses to select trainers to teach and conduct courses at their own facilities or in partnership with other training providers. This significantly increases the prospects of trained youths finding sustainable employment.

#### **2.4. PSDF Initiatives**

The PSDF has taken several initiatives since its inception in 2010. These were funded by the UK’s Foreign, Commonwealth and Development Office (FCDO) and

the World Bank. Over 500,000 graduates were trained in various trades through these initiatives (Figure 3).

**Fig. 3. Sectoral Disaggregation of PSDF's Skill Training**



Source: PSDF project document.

To carry out process evaluation, the study examined each of the initiatives and their targets and outcomes—the outcomes were reviewed based on tracer and midterm studies done earlier. Table 3 shows the number of trainees trained under each initiative by gender.

**Table 3**  
*Snapshot of PSDF Projects as of 2021*

No.	Project	Male	Female	Transgender persons	Total
1	Punjab Employment Opportunities Programme (PEOP)	91,837	55,601		147,438
2	Punjab Skill Development Programme (PSDP)	30,962	14,315		45,277
3	Skill Development Programme (SDP)	171,321	148,579	28	319,928
4	Tribal Areas Development Plan	842	198		1,040
<b>Grand total</b>		<b>294,962</b>	<b>218,693</b>	<b>28</b>	<b>513,683</b>

Source: PSDF project document.

Table 3 above shows that the PEO, PSDP, and SDP trained a large proportion of the trainees. This evaluation study reviewed each project’s objectives, goals, and outcomes.

## 2.5. Skill Development Programme

The SDP was launched in 2015 and concluded in 2020. The programme’s objective was to train 330,000 trainees (40% females) in 36 districts of Punjab at a cost of GBP 127.5 million (Table 4).

Table 4  
*Cost of the SDP*

FCDO (million GBP)	38.4
Govt. of Punjab (million PKR)	89.1
Total (million GBP)	127.5
FCDO’s % contribution: Punjab	30:70
<b>Total no. of trainees</b>	<b>330,000</b>

*Source:* FCDO project document.

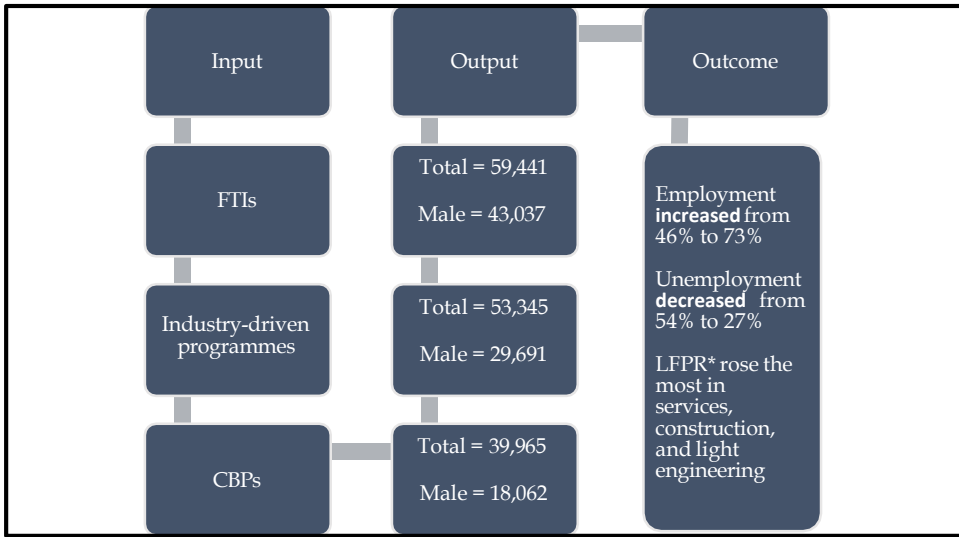
The programme’s key objectives were to improve employment and income opportunities for the poor and vulnerable populations in Punjab through skills provision, facilitation, employment, and improving skill providers’ capacity. Its six strategic areas were:

- Improving public sector efficiency in training delivery.
- Facilitating private training provision.
- Improving access to training for women and the underprivileged.
- Improving training quality.
- Strengthening the relevance of training through improved market linkages.
- Introducing innovations in delivery mechanisms.

Figure 4 sheds light on the SDP’s inputs and outputs. An SDP tracer study (2019) gathered information about employment and labour force participation before the training and six months after the training. The study’s purpose was to trace changes in employment over a longer period. The survey had three parts: 1) gathering employment-related data and SDP graduates’ perception about the programme; 2) gathering feedback from the employers of SDP graduates; and 3) following up on a previous tracer study conducted for the PEO.

The findings of the midterm tracer study suggested that employment increased from 46% to 73%, with a larger share in construction and engineering. However, the report’s unbiasedness is questionable as the survey questionnaires were prepared by the PSDP in coordination with the survey team.

**Fig. 4. SDP Inputs and Outputs**



Source: SDP mid-programme tracer study (2019).

\* LFPR = Labour force participation rate.

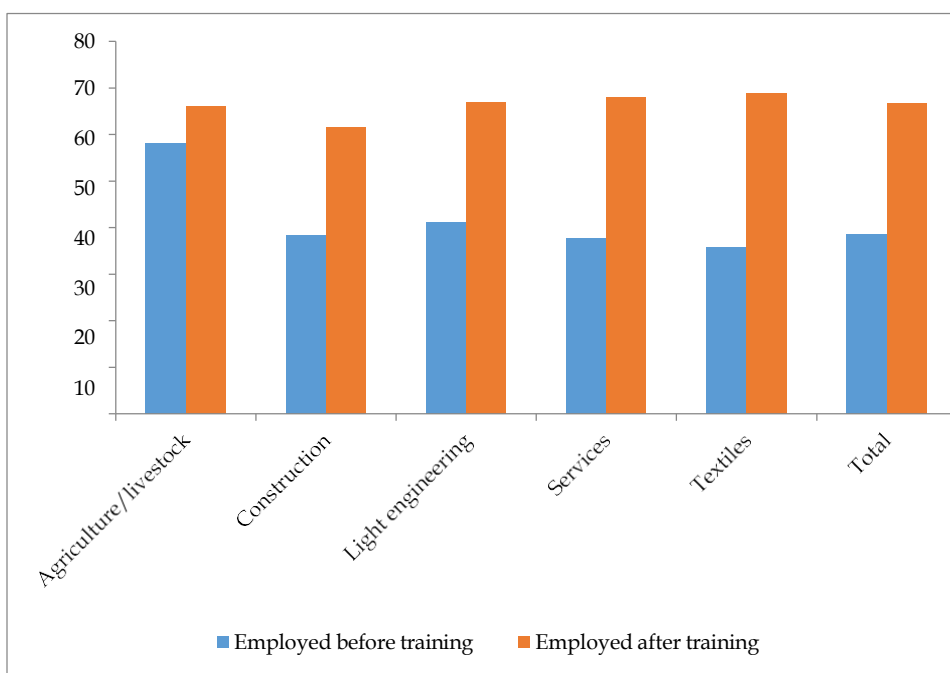
The tracer study outcomes showed that the programme has been implemented effectively, allowing over 150,000 youths to benefit. The largest number of enrolments and completions were observed in services, followed by textiles and light engineering. The labour force participation rate (LFPR) increased in services, construction, and light engineering. Unemployment declined in all sectors. Nearly 60% of graduates trained in textile-related skills were unemployed before the training. Figures 5 and 6 show sector-wise unemployment and employment rates before and after training.

**Fig. 5. Sector-wise Unemployment Status before and after Training (%)**



Source: SDP mid-programme tracer study (2019).

**Fig. 6. Sector-wise Employment Status before and after Training (%)**



Source: SDP mid-programme tracer study (2019).

Tracer studies have deeply examined other aspects of the labour market, such as LFPR, income effect, and social and household effect – improved decision-making power and contribution to household income. The outcomes of the tracer studies underscore the importance of training and trainee performance across all measurable outputs.

## **2.6. Punjab Skill Development Programme**

The Punjab Skill Development Programme (PSDP) was established in 2014 and closed in 2018, funded mainly by the World Bank. The programme was based on the training types of FTIs and CBPs.

## **2.7. Punjab Employment Opportunities Programme**

The Punjab Employment Opportunities Programme (PEOP) was the first initiative of the PSDF and started across four high-poverty districts of South Punjab. Its aim was to generate skills for employability, skills for the market, and skills for jobs. The programme successfully graduated 147,438 trainees (Table 3).

### 3. ANALYSING PSDF PROCESSES AND IMPLEMENTATION

Having provided an overview of the structure and functions of the PSDF in the preceding section, this section delves deeper into the relevance, sustainability, effectiveness, and efficiency of PSDF's processes. It is important to mention that while this section provides valuable insights into these aspects, it is *not* meant to be a comprehensive process evaluation (due to data limitations). Nonetheless, the discussion presents a comprehensive understanding of PSDF's operations and their implications.

#### 3.1. Objective

This study's primary objective is to analyse PSDF processes and their attempt to enhance Punjab's skill development landscape. The analysis conducted in the study focuses on the procedures, activities, and implementation of programmes or interventions. It examines how programmes are delivered, and how effectively they meet their goals and objectives. However, the study could not assess the satisfaction levels of participants and stakeholders regarding programme initiatives due to the non-availability of relevant data.

#### 3.2. Conceptual Framework

The study investigated three interrelated aspects to analyse PSDF's impact on Punjab's skill development landscape.

- (1) **Implementation:** What has been implemented? How has it been implemented? Where has it been implemented? (*relevance*)
- (2) **Mechanisms of impact:** How did the delivered intervention produce change? (*efficiency*)
- (3) **Context:** How did the context affect implementation and outcomes? (*effectiveness*)

This evaluation focused on the first two components listed above. The third required data on current and past graduates, employers, and training service providers, which was not provided by PSDF. Thus, the study relied on previously conducted midterm tracer studies and other end-line programme evaluations.

#### 3.3. Key Questions

Keeping in view the context for the conceptual framework (section 3.2), the study devised the following key questions:

**Q 1: Why establish the PSDF? What was the rationale behind its establishment? (relevance)**

- What factors contributed to the creation of another parallel skill training model?



- What is the research evidence for the PSDF's training model?
- Is there any statistical and evidence-based support for the PSDF's establishment?

**Q 2: Structure and functioning of the fund (governance-based) (efficiency)**

- Was the geographical approach designed accurately based on the province's needs?
- What skillset did the PSDF decide to provide and how was it different from and better than other training institutions already providing skill training?
- Comparison of P-TEVTA and the PSDF – quality assessment must be considered during impact evaluation. *However, this question was not addressed in this study due to the non-availability of data from the PSDF.*

**Q 3: Assessing the impact on labour market indicators – not in education, employment, or training (NEET); female labour force participation rate (FLFPR); and futuristic labour market/foresight (effectiveness)**

- Did the programme achieve its targets and goals?
- Were there efforts to widen the training portfolio?
- Were there any innovations and creativity (training based on emerging sectors)?
- Was there an evidence-based/labour market diagnostic to estimate/foresee futuristic labour demand?
- Were there any efforts to include trainings that upgraded women's status to help close the gender gap?

**Q 4: PSDF sustainability (sustainability)**

- What are the funding sources, and how will the PSDF continue to operate in future? (Fund sustainability without foreign/donor funds/loans).
- If the PSDF is to continue, would it be useful to finance it through annual development plan schemes or merge it with government of Punjab TVET programmes to strengthen existing structures?

### 3.4. Key Findings

**3.4.1. Q 1: Why establish the PSDF? (relevance)**

Punjab's demographic and economic profile in Table 5 shows that in 2012–13, around the time the PSDF was established and then expanded its outreach, the entire province had an educational attainment of around 45% (persons with a minimum of one year of education). In addition, nearly 40 million people of working age were not in the labour force. Therefore, it was important to have as many vocational and skill training institutions as possible to cater to the higher demand of the unskilled population with educational attainment levels as low as one year (42.8%).

Table 5  
*Punjab's Demographic and Economic Outlook (2012–13)*

<b>Punjab</b>	<b>2012–13</b>
Population	101.2 million
LFPR	48.33%
Working-age population	73.9 million
Labour force	37.5 million
Educational attainment (< one year)	45.9%
Not In Education Employment or Training (NEET)	29.4%

Source: Labour Force Survey (LFS), 2012–13.

Table 6  
*Overview of Punjab's TVET sector*

Agency	No. of training institutions	No. of Trades	Total	Male	Female
P-TEVTA	369	170	85,675	62,685	22,675
Punjab Vocational Training Council (PVTC)	175	43	33,662	18,721	14,616
Private	106	243	22,426	17,374	39,800
<b>Total</b>	<b>650</b>	<b>456</b>	<b>141,763</b>	<b>98,780</b>	<b>77,091</b>

Source: P-TEVTA and PVTC (2013–14).

In addition, the major reason, along with increasing the number of skilled and trained persons, was to *establish* an institution because existing ones have poor coordination, a weak evidence base, and poor-quality and outdated curricula.<sup>11</sup> Although, there is strong backing in the literature that private training institutions have a higher probability of increasing employability. Box 1 briefly explains the relevance of establishing the PSDF, but no evidence was provided to support this claim.

<sup>11</sup> A KII conducted for this study contradicted this, as P-TEVTA officials claimed that the curriculums of private sector training institutions were required to be vetted by P-TEVTA, and that the curriculum was the same as that of PSDF (unless the courses offered came under the foreign certification category).

### Box 1. Reasons for Setting up the PSDF

<p><b>Lack of coordination</b> There was a lack of clarity on the roles of national and provincial agencies. Post devolution, P-TEVTA plays both the roles of trainer and regulator, creating a conflict of interest.</p>	<p><b>Lack of access for women and the poor</b> State-provided skill programmes typically require five years of formal education, which often precludes the participation of women and the poor due to their low inclusion in the formal education sector (World Bank, 2015).</p>
<p><b>Lack of evidence-based policy</b> There is no systematic gathering and analysis of data on skill supply and demand by the government of Punjab. The lack of data and indicators on public skill providers makes it difficult to evaluate their performance.</p>	<p><b>Private-sector skill development initiatives in Punjab</b> Several studies, including by Kardar (1997), emphasise the need for private sector engagement in the skill training landscape because private sector training programmes are more likely than government-sponsored schemes to produce workers equipped with the skills that the private sector demands.</p>
<p><b>Lack of relevance and quality</b> As of 2013, 54% of firms in Punjab reported that the existing skill development system was not producing workers with the skills they [employers] required.</p>	<p><b>Private sector skill provision is extremely limited in Punjab</b></p>
<p><b>Outdated curricula</b></p>	<p>With regard to on-the-job training, only eight percent of Pakistani firms offer in-service training.</p>
<p><b>Lack of on-the-job training</b></p>	<p>Corresponding regional figures are 37% for Sri Lanka, 26% for Bangladesh, and 17.5% for India (Hilton, 2018).</p>
<p><b>Lack of competency-based training</b></p>	
<p><b>Absence of qualification frameworks</b></p>	
<p><b>Poor engagement with industry</b></p>	

Source: Review of literature and project documents of PSDF.

- Overhauling and restructuring existing public sector TVET institutions:**  
In providing vocational and technical training in the province, it was important to assess whether it might have been more useful to consider overhauling and restructuring existing public sector institutions prior to establishing a parallel institution. The findings from interviews with officials from P-TEVTA aligned with this view, highlighting that inadequate funding had constrained the capacity of P-TEVTA. Existing institutions require improved laboratories and infrastructure to support longer-duration courses (1-2 years) that can lead to higher-income opportunities (up to PKR 40,000 per month). Additionally, they emphasised the need to conduct surveys to identify future skill demands.

This information would enable the TVET sector to expand its skill portfolio and cater more effectively to the evolving job market.

- **PSDF's superiority claims and collaborative challenges with P-TEVTA:** The project documents of the PSDF suggest/claim that PSDF is superior to P-TEVTA and other public sector training institutions in terms of curriculum and training methods. We are of the opinion that there is inadequate evidence to support this contention.

### *3.4.2. Q 2: Structure and functioning of the fund (efficiency)*

Section 2 (overview of the PSDF) sheds light on the PSDF operating model, targeting approach, training types and sectors, and geographical approach. A thorough review of the operating model allowed us to understand its efficiency, organisational structure, and average cost of training a student – it did not include an economic analysis. The shortcomings of the PSDF model are objectively examined below.

- **Global certification for enhanced PSDF career opportunities:** The certification system of PSDF, while aiming to validate trainees' skills locally, could greatly benefit from integrating global certification standards. By adopting internationally recognised systems such as Microsoft, Cisco, City & Guilds, COTHM, and certifications of other renowned qualification bodies, PSDF could offer trainees the opportunity to earn credentials that are valued and transferable worldwide. These certifications not only enhance the marketability of skills but also open doors to global employment opportunities, ensuring that graduates are equipped to compete on an international scale. Introducing such global certification options would empower trainees to leverage their skills effectively across diverse industries and geographical boundaries, thereby enhancing their career prospects and contributing to a more globally competitive workforce.
- **Targeted surveys and inclusive skills training in communities:** To enhance the effectiveness of PSDF's community training programmes, a better strategy would be to conduct a preliminary survey to gather data on population size, educational levels, and potential training needs. This data will help tailor training programmes to different educational and skill levels, offering blue-collar training for those with lower attainment and diverse skills training for those with higher education. Introducing a training package with a wider skill portfolio of tailored training opportunities would enhance both the depth and breadth of skills imparted, thereby improving the diffusion of skills within the target community. To address women's mobility issues, training service providers may be required to move from available training centres to

villages to enable women to access the offered training. This approach would help ensure that training programmes are well-targeted, inclusive, and accessible, leading to a significant and sustainable impact on the community's skill levels and economic opportunities.

- **Focus on value addition of skills:** The fund may consider establishing a mechanism for follow-up training and stage-wise (basic to medium to advanced) value addition of skills. This would allow trainees to continuously adapt to changing labour market demands. This approach not only enhances employability but also improves productivity and drives innovation, contributing to economic growth.
- **Conditional stipends:** KIIs with sector experts indicated that according to their experience, a large number of students get enrolled in the PSDF training programmes for the stipend and their actual interest in learning the skill is lacking. Therefore, the study suggests would it be more useful to condition the stipend strictly to performance and passing the course.
- **Trainee selection criteria:** The trainee selection criteria set by PSDF require candidates to be between 18 and 35 years old, not previously enrolled in any PSDF-funded training, aligned with the BISP poverty score, and generally not previously enrolled in DAE programmes from PBTE unless required for advanced courses. While comprehensive, these criteria may inadvertently limit equal opportunity. A narrow PMT score range of 20–40 and a strict age-limit may exclude deserving candidates. PSDF should ensure that the trainee selection criteria are fair and provide equal opportunities to all candidates, preventing some from losing out.
- **Enhancing monitoring procedures:** Key stakeholders, including employers and other training service providers, have expressed concerns about private sector training programmes circumventing the adequate provision of training materials and equipment. According to feedback from some respondents who monitored ongoing classes, trainers often lacked sufficient materials and equipment, only providing them during monitoring sessions. The monitoring reports did not clearly indicate whether this oversight was addressed continuously throughout the training or only sporadically, raising questions about the consistency of the monitoring process. Therefore, there is a need for PSDF to enhance its monitoring procedures to ensure more effective oversight and support for training activities.
- **Selective collaboration practices:** Management practices appeared biased, as the criteria for selecting third-party collaborators were not clearly defined, particularly with regard to a continuous partnership with one particular organization. It was unclear why those with international affiliations were selected for the evaluation without a concerted effort to

reach out and develop local talent with better knowledge of local conditions. If there were or are continuing concerns about such capacity at the domestic/local level, the approach could be tailored to develop such a capability by allocating a provision within the projects for local mentoring and capacity building. This can be achieved by the evaluators recruiting local talent providing mentorship and hands on training in evaluation skills. Such capacity building would foster sustainability at the domestic level, benefiting future evaluation efforts, especially through the creation of an environment for a broader diffusion of such skills and mentoring efforts.

- **Cost-saving mechanisms:** The fund could utilise existing infrastructure, such as government training institutions, to reduce costs. Leveraging existing resources would help decrease operational costs and maximise impact.
- **Evidence base on skill foresight:** Skills foresight provides early warnings of emerging skill mismatches, allowing sufficient time for corrective action (Bakule *et al.*, 2016). This process involves predicting future skill demands both locally and globally to ensure that PSDF training programmes align with labour market needs. However, sector experts and training service providers in the IT sector have expressed concerns about Pakistan’s shortcomings in this area. KIIs with IT sector representatives revealed that current trainings are predominantly low-cost and entry-level. The strategic focus and priorities of the PSDF and other training institutes are to provide low to mid-tier skill development. Despite this, the returns on investment and productivity gains from IT training are higher compared to other sectors. Therefore, it is crucial to evaluate skills foresight from this perspective and develop a robust evidence base.
- **Cost/benefit analysis or feasibility of outcomes:** The project documents examined did not provide any feasibility or economic rate of return on graduating skill seekers. Therefore, it was not possible to assess the economic rate of return for PSDF at this stage. However, P-TEVTA shared its valuation during study interviews (Table 7).

Table 7  
*Overview of P-TEVTA’s Average Monthly Income*

<b>Programme duration</b>	<b>Annual passed out</b>	<b>Average monthly income (PKR)</b>
Diploma in advanced engineering	15,000	40,000
1-2 years	12,000	30,000
6 months	30,000	25,000

Source: P-TEVTA.

The project documents claim that PSDF provides skill training at a lower cost, but no evidence was found on the comparison of costs incurred by PSDF and P-TEVTA for the same skills. Alternatively, Cheema et al. (2019) reveal a critical issue regarding the cost-effectiveness of one of the PSDF schemes for the years 2013–14 and 2015–16. The analysis indicates that the 2013–14 scheme, despite its positive impact on earnings, resulted in a modest annual income of PKR 697 for graduates. Given the current delivery costs, it would take an unsustainable 43 years for a graduate to recover the scheme's cost, highlighting its poor cost-effectiveness. Similarly, the 2015–16 scheme, though featuring an improved skill-for-market model, increases annual income to PKR 3063 but still requires 23 years to recover the costs. This duration remains impractical, raising significant concerns about the cost-effectiveness of the 2015–16 scheme as well. Both schemes demonstrate that, at current costs, they do not provide a viable return on the investment, necessitating a reassessment of their design and implementation. The study has drawn a comparison with another market linkage report.

Additionally, the study highlights that PSDF established training centres in villages due to low uptake, which increased the cost. Moreover, the elasticity of the stipend was low. This shows that setting up training centres in the at a higher cost was not a right method for skill training.

### **3.4.3. Q 3: Assessing impact on labour market indicators—NEET, FLFPR, futuristic labour market/foresight (effectiveness)**

It was important to assess the impact of PSDF programmes on the skills and employability of programme beneficiaries, as well as their overall wellbeing and socio-economic status (effectiveness).

- (1) **Market acceptance of PSDF graduates:** One effective way to assess the market acceptance of graduates is by evaluating employer preferences. In this study, we conducted KIIs with employers and found that practical experience holds greater significance than the training institution. Employers expressed a strong preference for candidates with demonstrated hands-on skills and real-world experience, emphasising that while training certificates are valued, they prioritise the practical application of skills in a professional setting.
- (2) **Key labour market indicators not reflecting improvement:** Key labour market indicators did not reflect the gainful impact of training. For instance, the NEET rate has not significantly decreased over time. It was stagnant at 28.5% during 2015–2018 and then increased to 34% in 2020–21 (LFS, various rounds).
- (3) **Lack of evidence on skill market development and long-term sustainability:** As noted above, PSDF's results framework, which was

driven by a DFID log frame, focused largely on training and employment numbers—there is inadequate evidence of market development and sustainability (Hilton,2018). As such, it is difficult to conclude whether PSDF is having the desired impact on the overall private skill development market, which was one of its stated objectives. The DFID-PSDP-SDP Tracer study (2019) highlighted that comprehensive data on the improvement of employment rates post- training but cited concerns about the long-term sustainability of these gains. The tracer study highlighted significant increases in employment rates within six months of training, with overall employment rates for graduates rising from 39% to 58%. However, the evaluation indicated that while these initial results were promising, there was no clear strategy to ensure these employment gains would be maintained over the long term.

- (4) **Enhancing transparency in PSDF systems:** We recommend enhancing transparency in PSDF systems by making data on enrolment rates, completion rates, qualification results, bidding documents, and accepted proposals available on the website for public access. Moreover, essential information on graduated trainees, training service providers involved in trainings, and employers engaged on a 50-50 cost-sharing basis is crucial for assessing the efficiency and long-term impact of PSDF skill training. This kind of transparency would enable independent evaluators to assess the impact of PSDF trainings effectively and impartially. Due to a lack of data, this study relies heavily on external evaluations.

#### 3.4.4. Q 4: PSDF sustainability (sustainability)

**Funding sources:** What are the funding sources, and how will PSDF continue to operate in future? Is the fund sustainable without foreign/donor funds/loans? If the PSDF is to continue, would it be useful to finance it through annual development plan schemes or merge it with government of Punjab TVET programmes to strengthen its existing structure?

**Developing a sustainable funding model:** One of the major findings of the SDP mid-programme study was that: *“Dependence on government project-based (PC-1) financial allocations makes public sector entities such as PSDF...financially vulnerable.”*

Another DFID study Skills for Competitiveness, Lessons from PSDF (2018), suggested the same *“Perhaps the greatest challenge facing PSDF to date is the question of how to ensure the sustainability of the Fund in the long term.”*

The skill development fund’s current funding model is unsustainable and relies on World Bank and FCDO loans. It has also had a recent dependence on a development fund. A sustainable funding model is necessary for the fund’s long-term viability.



Governments across the world are becoming increasingly interested in financing vocational training to meet new and emerging labour market requirements. Well-known mechanisms for financing vocational education and training are shown in Table 8.

Table 8  
*Mechanisms for Financing Vocational Education and Training*

<b>Public financing</b>	<b>Enterprise financing</b>	<b>Public-private-sponsored financing</b>	<b>International donor assistance</b>
<p><b>Finances through tax revenue:</b> Several countries have different ways of using tax revenues to fund vocational education and training. (In Punjab’s case, the major financing is already being done through tax revenue. However, modifications are required to use this scheme to finance the higher demand for skill training and vocational education).</p>	<p>The enterprise/company conducts the vocational training of its labour force directly and bears the entire cost of training.</p> <ol style="list-style-type: none"> <li>1. Single employer financing</li> <li>2. Payroll taxes</li> <li>3. Tax rebates and credit schemes</li> </ol>	<p>Governments faced with a shortage of resources would like individuals, enterprises, and non-government organisations to share the financial responsibility for vocational education and training.</p> <ol style="list-style-type: none"> <li>1. Training fees</li> <li>2. Fellowships and grants</li> <li>3. The sale of training/non-training services</li> <li>4. Co-financing agreements</li> <li>5. The German Dual System</li> <li>6. Apprenticeships</li> </ol>	<p>In many developing countries, a large amount of international aid has contributed to the setting up of a base of training capacity. Infrastructure and facilities have been created, staff have been trained, and instructional systems have been implemented through donor assistance. Mostly, donors provide financial resources for capital costs, and it is limited to short periods (Herschbach, 1993).</p>

*Source:* United Nations Educational, Scientific and Cultural Organisation (1996).

All of the above funding models have strengths and weaknesses. However, applying such schemes in Pakistan would lead to many other challenges. Therefore, one option is to transition the PSDF from relying on government funding to a more sustainable model. This would involve a one-time government fund allocation to create an endowment, with the investment returns used to finance PSDF’s operations. This approach would ensure financial stability and long-term sustainability. Additionally, PSDF can collaborate with the private sector to secure funding through their Corporate Social Responsibility (CSR) initiatives, leveraging private sector expertise and fostering long-term partnerships.

#### 4. CONCLUSION

The study analysed the PSDF model, its approach to skill development, operational insights, and its impact on the skill development landscape in Punjab. The study also tried to underscore the strengths and areas of improvement within PSDF operations.

The PSDF has shown significant progress and has several key strengths. Particularly, it has successfully trained over 513,812 individuals, with a substantial percentage being women. The organisation has developed an ecosystem of over 700 training partners from the private sector, covering more than 2,500 locations across Punjab. This extensive network has enabled PSDF to offer training in over 600 trades, indicating its broad reach and impact. Key initiatives, including the Punjab Employment Opportunities Programme (PEOP), Punjab Skill Development Programme (PSDP), and Skill Development Programme (SDP), have collectively trained a large number of individuals, contributing to increased employability and labour force participation rates.

However, some Key questions concerning the PSDF's relevance, efficiency, effectiveness, and sustainability were explored. Findings revealed insights into the rationale for the establishment, the fund's structure and functioning, its impact on labour market indicators, and the sustainability of its funding model. Efficiency concerns included non-transparent management practices, and the impact assessment underscored the need for skill portfolio diversification and expansion, especially for women.

A critical aspect addressed was PSDF's sustainability, noting a dependence on foreign funds and loans. The study recommends exploring sustainable funding models such as a one-time government fund allocation to create an endowment, with the investment returns used to finance PSDF's operations. Additionally, leveraging public-private partnerships to decrease reliance on foreign loans was suggested. Engaging communities for skill transfer, establishing clear criteria for collaborators, and strengthening vocational training institutions were highlighted as essential strategies for enhancing sustainability.

A focus on skill diffusion by incorporating tailored surveys for community needs would be helpful. Further, value addition of skills is crucial to maintaining trainee interest and enhancing employability. By engaging communities for skill transfer, following successful models such as BRAC, would not only help in enhancing community involvement but also create a multiplier effect, significantly impacting the overall skill training landscape in Punjab.

Lastly, we recommend increased transparency in PSDF's operations by making data on enrolment rates, completion rates, qualification results, bidding documents, and accepted proposals publicly available. Essential information on graduated trainees, training service providers, and employers should also be accessible to enable independent and unbiased evaluations, addressing the study's reliance on external evaluations.

## 5. MATERIALS CONSULTED

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### *Chapter 3:*

## **Programme Review of Punjab Tourism for Economic Growth Project**

YASIR ZADA KHAN

### **EXECUTIVE SUMMARY**

This study conducted a comprehensive review of the "Punjab Tourism for Economic Growth Project - PTEGP," funded by the World Bank for the Government of Punjab. It scrutinised the project's necessity, its scope, and approval process, assessing progress in tourism enhancement and analysing fund disbursements.

The program review employed multiple methodologies to gather a holistic view of the project which include its document reviews, component assessments, and examinations of the tourism landscape in Punjab. Extensive surveys conducted by PTEGP were also used to estimate tourist footfall at both original and additional project sites. Moreover, insights from stakeholders directly or indirectly associated with the project's interventions were also gathered to ensure a comprehensive understanding.

The study questioned the initial need and approval of PTEGP, highlighting significant flaws in its foundational planning and misalignments in the focus and implementation of the project. Originally, project focused predominantly on religious sites (with a primary focus on Gurdwara Darbar Sahib Kartarpur, Narowal for Sikhism; and other religious sites such as a couple of Gurdwaras at Gujranwala and Sheikhpura, Stupa, Toap Mankiala at Rawalpindi etc.) prioritising road construction and infrastructure, as in original PDO, without sufficient evidence of potential economic benefits, such as tourist spending and tourist footfall. Even after the revision of PC-1 in 2020-21 and restructuring of project in April, 2023, the project sustained constructing roads at these originally selected sites.

PTEGP also appeared to function primarily as a procurement drive for various departments within the tourism industry facilitating their needs through allocated funds. Although procurements for these departments were neither a target in the original Project Development Objectives (PDO) nor in the intermediate outcome indicators, significant amounts have been allocated to the Department of Tourism (DoT), the Tourism Development Corporation of Punjab (TDCP), the Walled City of Lahore Authority (WCLA), and others. Additionally,

expenditures such as golf carts for the governor's house Lahore made (as observed in World Bank's report March, 2024) have been questioned for not aligning with the project's core objectives, highlighting issues with procurement practices and budget management. Despite these divergences, the World Bank has accepted these practices, and their reviews continue to classify the project "moderately satisfactory".

The Kartarpur site at Narowal, which was originally a primary project focus with significant tourist inflow chosen for funding under the project, was removed from the project because the government decided to finance its development and improvement from domestic resources. This had complicated the project's trajectory, raising concerns about ongoing World Bank funding as the original and additional sites after project restructuring did not offer the same level of economic benefits anticipated from Kartarpur within the scope of the project. The site selection was poor in terms of tourist footfall, while the selection criteria for the additional sites remained almost similar to the original sites.

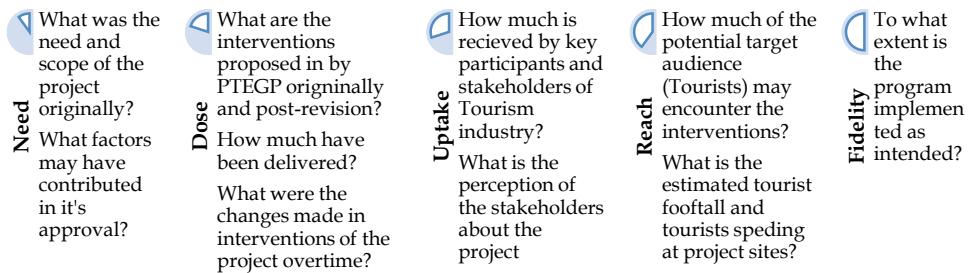
Additionally, the volume of private tourism-related investment target of \$40 million which was to be achieved through Public Private Partnership (PPP) was amended from the original Project Development Objective (PDO) at a stage near completion, due to previous low investment possibilities and unfavourable global economic trends; to be later replaced with tourism related investments during project restructuring. For this purpose, the project introduced Destination Investment and Management Plans (DIMPs) for which more than 30 investment-ready projects at 8 different sites were prepared, but no implementation of project has been observed. Moreover, PTEGP also introduced Integrated Site Management Plans (ISMPs) and Museum Management Plans (MMPs) to attract number tourism investments at the project sites. Resultantly, the project diverged significantly from the original plan, with the matching grants component being dropped and the indicator being amended.

Originally, the initial economic analysis of PTEGP relied on unsound assumptions, which includes attracting international visitors who prefer staying in deluxe hotels at religious sites and private investments in hotels proportional to project disbursements etc., targeting increased private investment in tourism in hotels, increased visa fee revenues, and increased donations to sites as desired output, while increased number of jobs in the travel and tourism sector as desired measurable outcome of the project interventions. This resulted in approval based on an inaccurate NPV and unrealistic expectations about the economic impact of infrastructure, specifically hotels at religious sites. Thus, the initial economic evaluation done in 2016-17, as apparent in the World Bank's Project Appraisal Document, has been criticised in the study.

## 1. INTRODUCTION AND METHODOLOGY

The study reviews the Punjab Tourism for Economic Growth Project (PTEGP), evaluating its need, interventions, and costs. It also examines the project's evolution, stakeholder perceptions, and provides an economic landscape of tourism in Punjab, Pakistan.

**Fig. 1. Questions raised in study**



## 2. PROJECT BRIEF

PTEGP's budget is divided across various components focusing on tourism enhancement, knowledge partnership, infrastructure development, private investments, training programs and capacity enhancement. Following is the breakdown of the fund allocation in PTEGP.

Table 1

*Original and Revised Project Costs*

<b>Total Original Cost</b>	<b>PKR 5,775 million (USD 55 million * 105<sup>12</sup>)</b>
World Bank's Contribution	PKR 5,250 million (USD 50 million * 105)
GoPb Contribution	PKR 525 million (USD 5 million * 155)
<b>Total Revised Cost</b>	<b>PKR 8,525 million (USD 55 million * 155<sup>13</sup>)</b>
World Bank's Contribution	PKR 7,750 million (USD 50 million * 155)
GoPb Contribution	PKR 775 million (USD 5 million * 155)

Source: PMU-PTEGP Revised PC-I, 2020-21

A portion is allocated to tourism enablement, an attempt in establishing a strong foundation for efficient tourism management in Punjab. Funding for knowledge partnership, tourism promotion, and marketing aims to boost Punjab's visibility as a vibrant tourism destination, attracting both domestic and

<sup>12</sup> Exchange Rate i.e., PKR105 per 1 USD

<sup>13</sup> Exchange Rate i.e., PKR155 per 1 USD



international visitors. Moreover, a much larger portion is allocated to investment in road access improvements to enhance tourist footfall at project sites, while allocations have also been made for integrated site management plans, that aim to attract private investments at project sites, emphasising responsible, sustainable tourism practices and preserving heritage sites. The World Bank and the Government of Punjab assumed that these sectors were carefully chosen for their transformative impact on Punjab’s Travel & Tourism industry.

Table 2

*Original and Revised Project Components*

Original Project Components	Amount Allocated	Revised Project Components	Revised amount Allocated
1. Policy, Institutions, and Governance for Tourism	USD: 11 million (Rs: 1,155 million)	1. Tourism Enablement	USD: 8.94 million (Rs: 1,386 million)
2. Private Investment and Entrepreneurship Promotion	USD: 10 million (Rs: 1,050 million)	2. Infrastructure and Destination Development	USD: 42.36 million (Rs: 6,568 million)
3. Public Investment Facility	USD: 30.26 million (Rs: 3,177 million)	3. Project Management and Institutional Capacity Building	USD: 3.70 million (Rs: 571 million)
4. Project Management, Monitoring, and Evaluation	USD: 3.74 million (Rs: 393 million)	4. Contingent Emergency Response Component (CERC)	USD: 0.00 million (Rs: 0.00 million)
<b>TOTAL COST</b>	<b>USD 55 million (Rs 5,775 million)</b>	<b>REVISED TOTAL COST</b>	<b>USD 55 million (Rs 8,525 million)</b>

Source: PMU-PTEGP Revised PC-I, 2020-21.

The revised budget allocations as shown in Table 2. indicate a notable shift in priorities within PTEGP, emphasising tourism enablement, infrastructure, and destination development shifting from religious sites. While the increased funding for these areas planned to improve tourism experiences and infrastructure, the effectiveness of the revisions in achieving sustainable tourism enhancements in Punjab depends on the strategic implementation and efficient utilisation of the allocated resources at destination sites with high footfall. Proper project management, monitoring, and evaluation, as well as the incorporation of contingency measures, may play pivotal roles in ensuring positive outcomes. Overall, the revisions hold the potential to enhance the project’s impact, but success will hinge on careful execution and adaptability to dynamic circumstances, specially investing at sites with higher potential, unlike the ones selected originally. The study carefully examines these revisions and demonstrates that the project continued to implement interventions as originally planned.

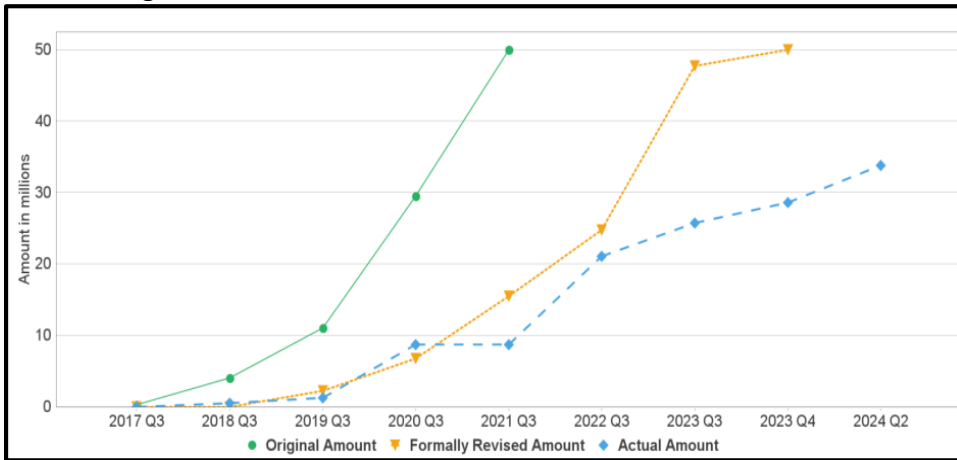
Table 3

*Project's Annual Disbursement / Expenditures*

Fiscal Year	Annual Disbursement (PKR Million)	Cumulative Disbursement (PKR Million)	Annual Expenditure (USD Million)	Cumulative Expenditure (USD Million)
2017-2018	92.106	92.106	0.851	0.851
2018-2019	471.919	564.025	3.384	4.235
2019-2020	777.885	1,341.91	5.048	9.283
2020-2021	1,239.09	2,581	7.99	17.273
2021-2022	2,566.91	5,147.91	16.56	33.833
2022-2023	3,027.809	8,175.719	19.53	53.363
2023-2024	349.281	8,525	1.637	55

Source: PMU-PTEGP Revised PC-I, 2020-21.

**Fig. 2. World Bank's Cumulative Disbursements for PTEGP**



Source: Afzal, Kiran. Disclosable Version of the ISR - PK: Punjab Tourism for Economic Growth Project - P158099 - Sequence No: 13 (English). Washington, D.C.: World Bank Group.

Table 4

*Summary of Project's Disbursement / Expenditures (as of March, 2024)*

Start Date - End Date	Interest Rate	Dist. Till date 02-03-2024 (\$ million)	Dist. Previous 30-06-2022 (\$ million)
13-10-2017 12-10-2024	3.2%	33.90	21.1
Cum. Dist. To date (%)	Commitment Charges (\$ million)	New Ranking by Donor	Previous Ranking by Donor
68%	0.032 (3 Times)	Moderately Satisfactory	Moderately Satisfactory

Source: World Bank Review Report PMU-PTEGP, March, 2024.

PTEGP timeline extends from October 13, 2017, to October 12, 2024 (originally scheduled to close on April 30, 2023), with an interest rate of 3.2%. By June 30, 2022, \$21.1 million had been distributed, increasing to \$33.90 million by March 2, 2024, representing a 68% cumulative distribution. Commitment charges stand at \$0.032 million, reflecting moderate satisfaction from donors.

Despite the figures indicating moderate progress, the project's success centres on effective utilisation of the remaining budget, adherence to timelines, and achieving project objectives. Slow fund utilisation, particularly the 42% disbursed by mid-2022, poses a risk to meeting targets. An extension request seeks to push the closing date to December 2024, acknowledging the need for additional time and an action plan to use remaining funds effectively.

Pending restructuring requests, including transferring project management to the Department of Tourism, were delayed by the Economic Affairs Division (EAD), complicating matters and potentially impacting project restructuring and objective achievement. Nevertheless, the site selection criteria, nature of interventions and focus of the project somehow remained the same even after restructuring the project.

## **2.1. Review of PTEGP's original site selection plan**

The original site selection for the PTEGP included predominantly religious sites and cultural sites, namely:

- (1) Taxilla Museum, Rawalpindi (*Buddhism*)
- (2) Stupa, Toap Mankiala, Rawalpindi (*Buddhism*)
- (3) Tomb of Bibi Jawindi, Uch Sharif, Bahawalpur (*Islam*)
- (4) Katas Raj Temples, Kalar Kahar (*Hinduism*)
- (5) Gurdwara Rohri Sahab, Eminabad, Gujranwala (*Sikhism*)
- (6) Gurdwara Darbar Sahib, Kartarpur, Narowal (*Sikhism*)
- (7) Gurdwara Sacha Sauda Sahib, Sheikhpura (*Sikhism*)
- (8) Shrine of Shah Rukn-e-Alam, Multan (*Islam*)
- (9) Shrine of Hazrat Khwaja Ghulam Farid, Kot Mithan, Rajanpur (*Islam*)

Despite the diverse religious significance of these sites, their selection was problematic. The study revealed that these sites had insignificant (low) tourist footfall and spending.<sup>14</sup> This raises fundamental questions about the rationale behind selecting these sites when the primary objective was to promote economic growth through tourism. Most visitors to these sites were local with low spending, which translated to limited economic impact. The tourism market at these sites lacked the necessary infrastructure and attractions to draw significant numbers of international tourists.

Most importantly, the exclusion of 'Kartarpur' has been a strategic misstep, as it was one of the few sites with substantial potential for international tourist attraction originally included in the project plans.

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<sup>14</sup> Evidence provided in PTEGP Economic Evaluation conducted in 2022-23 in the study. Refer to ANNEXURE III for complete details.

However, during the revision of the project, Kartarpur was inexplicably removed, because the government decided to finance its development and improvement from domestic resources. This decision is particularly puzzling given that the project was initially approved, in part, to support the development and promotion of Kartarpur. The exclusion of Kartarpur deprived the project of a site that had both religious significance and the potential to attract international tourists, thereby enhancing economic benefits.

The question remains: why was Kartarpur excluded? The exclusion of such a critical site suggests either a lack of strategic foresight or external factors influencing the decision. The project's continued funding by the World Bank, despite this significant deviation from the original plans, indicates a possible disconnect between the project's evolving scope and its stated objectives.

### 2.1.1. Project's revised site selection plan

In the PTEGP's revised PC-I 2020-21, several additional sites were introduced whereas the original sites also remained.<sup>15</sup>

Table 5  
*Original and Revised Project Sites*

Sr. #	Site Name	District
<b>Additional Sites</b>		
1	Kotli Sattian (DIMPS)	Rawalpindi
2	Narar (DIMPS)	
3	Katas Raj Temples (Originally approved site later merged in DIMPS)	Jhelum
4	Dharabi Lake (DIMPS)	
5	Rohtas Fort (DIMPS)	Chakwal
6	Khewra Salt Mines (DIMPS)	
7	Lal Suhanra National Park (DIMPS)	Bahawalpur
8	Derawar Fort (DIMPS)	
9	Main City Bahawalpur (Originally approved site as Tomb of Bibi Jawindi, Uch Sharif later merged in DIMPS)	
10	Lahore Museum	Lahore
11	Badshahi Mosque / Lahore Fort	
12	Qila Kohna Qasim Bagh (originally approved as Shrine of Shah Rukn-e-Alam)	Multan
13	National Mariam Shrine	Mariamabad, Sheikhupura

*Continued –*

<sup>15</sup> PTEGP has been steering the selection of the project sites from the basis of religious/cultural aspects to destination sites for which DIMPS field survey was conducted in 2021 to get informed about the characteristics of the tourists at the respective destinations.

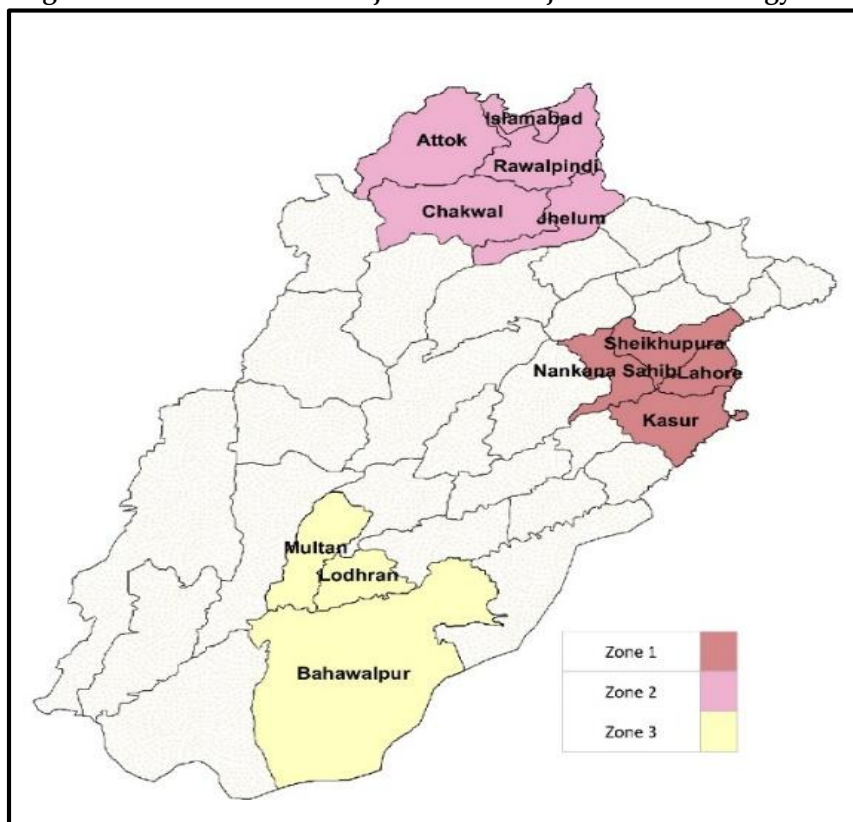
Table 5 – (Continued)

Originally approved sites - unchanged		
14	Gurdwara Rori Sahib	Eminabad, Gujranwala
15	Gurdwara Sacha Sauda	Farooqabad, Sheikhupura
16	Stupa, Toap Mankiala	Rawalpindi
17	Taxila Sites	Taxila
18	Taxila Museum	
19	Darbar Khuwaja Ghulam Farid	Mithan Kot, Rajanpur
Sites Excluded		
-1	Gurdwara Darbar Sahib, Kartarpur,	Narawal

Source: PMU-PTEGP Revised PC-I, 2020-21

The new selection plan was apparent in the Punjab Growth Strategy 2023<sup>16</sup> where the government of Punjab has prioritised the development of three tourism zones to leverage existing urbanisation, connectivity, infrastructure, and proximity to major assets with significant tourism potential.

Fig. 3. Selected Zones in Punjab under Punjab Growth Strategy 2023



Source: Author, based on PGS 2023

<sup>16</sup> Punjab Growth Strategy 2023, Report by Planning & Development Board, Government of Punjab. Page 72-73. Retrieved from [https://pnd.punjab.gov.pk/system/files/PGS\\_2023%2019-21-145.pdf](https://pnd.punjab.gov.pk/system/files/PGS_2023%2019-21-145.pdf)

- (1) The first zone would develop tourist locations in the Lahore division. More specifically, in sites identified in Lahore, Sheikhpura, Gujranwala, Nankana, and Kasur. This zone would cater to promoting urban, religious (Sikh), and historic (Mughal) aspects of tourism.
- (2) The second zone would develop tourist locations in the Rawalpindi division. More specifically, in sites identified in Rawalpindi, Islamabad, Attock, Jhelum, and Chakwal. This zone would cater to promoting religious (Sikh and Buddhist), historic (Ghandhara), and adventurous aspects of tourism.
- (3) The third zone would develop tourist locations in the southern part of the province. More specifically, in sites identified in Multan, Bahawalpur, and Lodhran.

The revised site selection plan raises concerns by retaining low-tourist footfall religious sites, such as Katas Raj Temples and Taxila, indicating a lack of a demand-driven approach. Despite shifting focus to high-potential DIMPS sites like Kotli Sattian and Khewra Salt Mines, the project continues prioritizing the original locations, especially for road rehabilitation. The selection process also lacks a detailed market analysis, essential for identifying sites with the highest tourist potential.

## **2.2. Assessing the PTEGP's initial economic evaluation 2016-17**

Originally, an economic analysis of PTEGP was conducted in 2016-17.<sup>17</sup> This evaluation assessed the potential economic benefits of investing US\$55 million in the tourism sector through PTEGP, with a focus to increase jobs and private investment at hotels at the selected religious sites. Consequently, the results taken from the initial economic evaluation was considered as a feasibility study on which the World Bank project was officially proposed, approved and implemented.

The summary of the key assumptions and inputs used in the initial economic evaluation has been provided in Box 1 followed by the tables representing the data used in assumptions and the results from the evaluation based on which PTEGP was officially approved.

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<sup>17</sup> The Economic Analysis can be accessed from Annex 4: Economic Analysis ISLAMIC REPUBLIC OF PAKISTAN: Punjab Tourism for Economic Growth Project, Project Appraisal Document of PTEGP. Retrieved from <https://documents1.worldbank.org/curated/en/991531679595355183/pdf/Pakistan-Punjab-Tourism-for-Economic-Growth-Project.pdf>

### **Box 1 Key Assumptions and Inputs used in initial Economic Evaluation**

**Inputs:** *Infrastructure rehabilitation, strengthened site governance, tourism promotion, and skills formation.*

**Desired Outputs:** *Increased private investment in tourism, particularly in hotels only.*

**Desired Measurable Outcome:** *Increased number of jobs in the travel and tourism sector.*

**Three scenarios were evaluated:** *(i) boosting international tourism, (ii) domestic tourism, and (iii) regional tourism. Each scenario compares outcomes with and without the project.*

#### **Assumptions in Scenario 1: Boosting International Tourism**

- Attract international visitors to historical and cultural sites.
- Visitors prefer staying in deluxe hotels in metropolitan cities (Assumed on Gallup Surveys)
- Average stay of international tourists: 10-12 days at religious sites.
- Average spending: US\$200/day by international tourists at religious sites. (Baseless assumption)
- Hotel investments proportional to project disbursements. (Baseless assumption)
- Room investment: US\$200,000 per room. (Assumed on the basis of similar rate in Madagascar)
- Hotel occupancy rate: 50%. (Baseless Assumption – there are seasonal variations)
- Room price: US\$100/night of hotels at religious sites. (Baseless assumption)

*Expected Benefits:*

- Increased visa fee revenues (No identified number of inbound tourists in Pakistan used)
- Increased hotel tax revenue (16% tax rate) \*Based on estimates from Hotels in Madagascar
- Additional fiscal revenues from local businesses and hotels (25% corporate tax rate).
- Increased donations to sites. (How much donations will be increased, baseless assumption)
- Additional entrance fee revenues.
- Job creation in new and existing hotels, leading to increased wages.

*Economic Returns:*

- (i) Moderate case: 10% return.
- (ii) Base case: 15% return.

#### **Assumptions in Scenario 2: Boosting Domestic Tourism**

- Local tourists made 47,000 visits to sites in 2013.
- Local visitors stay in free accommodation or do day trips.
- Project attracts hotel investments for local tourists
- Benefits from additional hotel and corporate income taxes.
- Job creation in hotels.
- Increased local visits and spending.

*Economic Returns:*

- (i) Moderate case: 17% return.
- (ii) Base case: 22% return.

#### **Assumptions in Scenario 3: Boosting Regional Tourism**

- Attract regional tourists with modestly priced hotels.
- Average stay: 5 days.
- Average spending: US\$35/day.
- Increased hotel investments and positive returns.

*Economic Returns:*

- (i) Moderate case: 24% return.
- (ii) Base case: 30% return.

*Source:* Annex 4: Economic Analysis ISLAMIC REPUBLIC OF PAKISTAN: Punjab Tourism for Economic Growth Project, Project Appraisal Document of PTEGP

Table 6

*Initial Economic Evaluation of PTEGP - Results*

Scenario	NPV	ERR	NPV	ERR
	(Base Case)	(Base Case)	(Moderate Case)	(Moderate Case)
Scenario 1: <i>International visitors</i>	\$13,335,404	15%	\$715,525	10%
Scenario 2: <i>International and local visitors</i>	\$34,499,013	22%	\$18,020,393	17%
Scenario 3: <i>International, local, and regional visitors</i>	\$64,542,958	30%	\$41,832,210	24%

Source: PTEGP, Project Appraisal Document

Table 7

*Summary of Assumptions used in initial Economic Evaluation of PTEGP (by type of tourists)*

Type of Tourist	No. of Additional Tourists	Hotel Room Price (US\$)	Length of Stay (# of days)	Daily Expenditure (US\$)	No. of Jobs per Tourist	Entrance Fees to Sites (US\$)	Visa Fees (US\$)	Donation (US \$ per Tourist)
International ( <i>Base</i> )	25,550	50-100	3-12	35-200	0.04-0.2	7.5-10	~60	0-200
Local ( <i>Base</i> )	1,164	50	3	35*	0.04**	0	0	0
Regional ( <i>Base</i> )	38,933	50	3-5	35	0.04	5-7.5	~55	0
International ( <i>Moderate</i> )	20,696	45-90	2.7-10.8	31.5-180	0.036-0.18	6.75-9	~60	0-180
Local ( <i>Moderate</i> )	1,025	45	2.7	32	0.036	0	0	0
Regional ( <i>Moderate</i> )	31,536	45	2.7	32	0.036	0	0	0

Source: PTEGP, Project Appraisal Document

Table 8

*Summary of Assumptions used in initial Economic Evaluation of PTEGP (by overall tourists)*

Variable	Base Case	Moderate Case
Number of Guests per Room	2	1.8
Hotel Occupancy Rate	50%	45%
Firms' Rate of Return	20%	18%
Hotel Tax	16%	16%
Corporate Tax	25%	25%
Wages (US\$/month)	150	150
Number of Visits to Sites per Tourist	3	2.7

Source: PTEGP, Project Appraisal Document

**2.2.1. Critical analysis of the initial evaluation**

The initial economic evaluation suggested that the project's interventions at religious sites would attract private investment and create jobs, showing positive returns in all scenarios. However, given the low tourist footfall, these results relied on superficial assumptions, such as using Madagascar's data for Pakistan, despite vast differences between the economies.



Firstly, the evaluation relied on weak and outdated tourism statistics. The baseline data on tourism inflows, spending patterns, and preferences were not supported by comprehensive or recent surveys. For example, assumptions<sup>18</sup> included:

- (1) According to surveys conducted by Gallup on behalf of the GoPb, there is interest in visiting various historical and cultural sites (including religious ones) in Punjab, even among those who have already visited Pakistan. Potential international visitors surveyed expressed a preference for staying in deluxe hotels in metropolitan cities close to these sites, primarily cities like Islamabad/Rawalpindi and Lahore. The original selected sites of the projects are entirely at a different location and are not metropolitan cities. In reality, according to the Pakistan Statistical Yearbook, inbound tourists in Pakistan fell from 285,875 in 2011 to 8,352 in 2016.<sup>19</sup>
- (2) A similar analysis in Madagascar estimates IRRs between 15 and 20 percent for new hotels. However, applying these estimates to Punjab, Pakistan, is problematic. Madagascar and Pakistan differ significantly in terms of tourism nature; Madagascar is an island country with a different tourism profile. Assuming the same IRR for Punjab is not justified.
- (3) The evaluation assumed a 16 percent tax rate based on the investment required for establishing a hotel room in Madagascar, estimated at \$200,000 per room. This assumption is flawed, as Madagascar and Pakistan have vastly different tourism environments and economic conditions. Using investment figures from Madagascar to estimate costs in Pakistan is not appropriate. A comparison with a South Asian country like India would have been more relevant.
- (4) Assumptions were also based on a review of hotels in Lahore on popular travel websites such as Trip Advisor.
- (5) The evaluation assumed that visitors would donate cash to the sites, citing an average of \$200 per visitor according to the Gallup Survey. However, the basis for this assumption is unclear, and it is uncertain if the donations collected would be sufficient to achieve significant economic growth at these sites.
- (6) Increased tourist activity leading to job creation was based on several assumptions. According to an assessment in Punjab, the province receives 3.2 million visitors per year, of which 2.3 million are day trippers. The evaluation assumed that most jobs are created by non-day trippers and that there are 31,704 people directly employed in travel and tourism in Punjab, yielding a ratio of 0.04 jobs per visitor. It further

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<sup>18</sup> These assumptions are obtained from the Annex 4: Economic Analysis ISLAMIC REPUBLIC OF PAKISTAN: Punjab Tourism for Economic Growth Project, Project Appraisal Document of PTEGP, World Bank. Page 34-36.

<sup>19</sup> Refer to Figure 5 Tourists' Arrivals in Pakistan by mode of Transport

assumed that international tourists spend at least five times as much per day as local tourists, leading to a ratio of 0.2 jobs per international tourist. However, these assumptions lack clear justification.

- (7) An initial assessment during project preparation indicated that half of those directly employed in tourism in Punjab were employed in hospitality services. It was assumed that 60 percent of these jobs earn the minimum wage, 30 percent earn 1.5 times the minimum wage, and the remaining 10 percent earn higher wages. However, the basis for these assumptions is not provided.
- (8) Hotel occupancy was assumed to be 50 percent, which is another baseless assumption.<sup>20</sup>

Additionally, the assumption that hotel investments would be proportional to project disbursements lacked concrete evidence or historical trends, with no data on investor interest or commitment to support this claim.

Secondly, the evaluation projected overly optimistic outcomes. The projected number of additional tourists (*20,000 international visitors*) appeared unrealistic given the security situation and the state of tourism infrastructure. The analysis did not adequately account for external factors such as political instability or global travel trends that could affect these numbers. Similarly, the expected returns (*10% in the moderate case and 15% in the base case*) were based on ambitious scenarios that did not fully consider the risks involved.

Thirdly, the evaluation lacked a comprehensive sensitivity analysis. While the study acknowledged security concerns, it did not comprehensively address how these concerns would impact tourist inflows, hotel investments, and overall project viability. The impact of potential unrest or political instability on tourism was not fully integrated into the risk assessment. Additionally, the analysis did not adequately consider the impact of economic fluctuations, such as changes in exchange rates, inflation, or shifts in global tourism trends, which could significantly affect the project's outcomes.

Lastly, the evaluation inadequately considered the local context. The assumptions regarding local tourists' willingness to pay for accommodation and their spending patterns were not backed by empirical data specific to Punjab. Local cultural and economic factors influencing tourism were not sufficiently analysed. Additionally, the evaluation assumed that infrastructure improvements and governance strengthening would automatically lead to increased tourism without a detailed implementation plan. The readiness and capacity of local authorities to manage and sustain these improvements were not addressed.

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<sup>20</sup> This study has estimated hotel occupancy rates, Figure 11, which shows the distribution of hotel/restaurant/shop/transporter occupancy rates at tourist sites in Punjab on a month-by-month basis.

Therefore, the initial evaluation is assumed to be critically flawed due to weak data foundations, unrealistic assumptions, and a lack of comprehensive sensitivity analysis. For a more accurate and reliable economic assessment, the study should have incorporated robust statistics, realistic assumptions grounded in the local context, and a thorough analysis of potential risks and market conditions, via needs assessment.

### **2.2.2. PTEGP's Economic Evaluation 2022-23**

As an alternate to the initial economic evaluation, a study was conducted in year 2022-23, aimed to determine the economic and financial viability of the project. The study utilized data from an extensive survey conducted by PTEGP titled as "Field survey and stakeholder consultation report 2021" steered under the Destination Investment and Management Plans (DIMPS) in December 2021, and other various data sources. Complete details of the study can be found in ANNEXURE III, which includes multiple assumptions and calculations, while summary of the evaluation is provided in Box 2 followed by the results of the evaluation.

#### **Box 2 Summary of the PTEGP's Economic Evaluation 2022-23**

The study focused on several key components. Visitors were categorised into three groups: those from within the district, between districts (including other provinces), and international tourists. The assumed distribution of these visitors was 60% local, 35% regional, and 5% international. The DIMPS sites examined included Kotli Sattian, Narar, Katas Raj, Dharabi Lake, Rohtas Fort, Khewra Salt Mines, Lal Suhanra, Derawar Fort, and Main City Bahawalpur (Bibi Jawindi). Other notable sites included Gurdwara Rori Sahib, Gurdwara Sacha Sauda, Lahore Museum, Badshahi Mosque/Lahore Fort, Toap Mankiala, Taxila Sites, Taxila Museum, Darbar Khuwaja Ghulam Farid, and Qila Kohna Qasim Bagh.

The study calculated annual visitors by aggregating monthly tourist data for both in-season (5 months) and off-season (7 months) periods. Direct spending was categorised into accommodation, food, local transport, and shopping, considering both individual and group spending per day. The revenue from this spending was assumed to include a general sales tax (GST) of 16%. The modes of transport considered were own car, rented vehicles (including small cars, luxury cars, vans, jeeps, and coasters/buses), and public transport. The average rent per vehicle per day was also considered, with specific carrying capacities: small car (4 people), luxury car (4 people), van (10 people), jeep (5 people), and coaster bus (35 people) based on DIMPS field survey 2021.

Visitor willingness to pay for accommodation, food, local transport, and shopping was also analysed, noting variations across different sites. The findings indicated that the majority of tourists were local, with significant numbers from within and between districts. Only a very small percentage of visitors were international.

In terms of direct spending patterns, the study found significant variation across different tourist sites, influenced by the type of site and the available facilities. Group spending was generally higher than individual spending. Regarding revenue implications, the study estimated potential tax revenue from direct spending by tourists at the project sites, highlighting the fiscal impact of tourism on the local economy.

Table 9

*Summary of Cost-Benefit Analysis*

	Rational Case	Conservative Case
Net Present Value (NPV)	\$ 42,890,283.58	\$ 8,719,960.75
Net Present Value (NPV) with Horizon Value	\$ 150,219,700.39	\$ 30,540,947.32
Benefit Cost Ratio (BCR)	1.80	1.16
Economic Internal Rate of Return (EIRR)	7.630%	1.748%

Source: Author's calculations.

The values are based on the projected revenue potential the government could generate from the project sites at full capacity through tourist spending (*direct, indirect, and induced*). However, the current PTEGP interventions are not aligned with the necessary conditions to realize these benefits. In other words, the likelihood of achieving success with the current project structure and deliverables is very low.

### 2.3. PTEGP's Original Project Development Objectives (PDO) and planned Intermediate Outcomes

PTEGP originally focuses on revitalizing tourism in Punjab, aiming to boost tourism by increasing visits to religious sites, implementing industry reforms, encouraging private sector investments, improving road infrastructure, and providing training to enhance human capital in the sector.

Table 10

*Original Project Development Outcomes (PDO)*

Indicator	Baseline	Actual (Previous)	Actual (Current)	End Target	Comments by Review Committee
Increase in the number of visitors to the targeted sites (Percentage, Custom)	82,000	--	82,000	100	No updates were provided prior to the December 2022 report.
Number of reforms implemented and associated with the Punjab Tourism Policy (Number, Custom)	0	0	0	7	Initial lack of progress noted until reforms started being implemented.
Amount of private, tourism-related investment facilitated (Amount USD, Custom)	0	0	0	40,000,000	No progress was noted initially; amendments in the indicator during restructuring.
Direct project beneficiaries (Number, Custom)	0	--	0	275,000	Initial lack of progress; substantial gains later on.
Female beneficiaries (Percentage, Custom Supplement)	0	0	0	50	Initial lack of progress; as reported by December 2022.

Source: PTEGP, Project Appraisal Document

Table 11

*Original Intermediate Outcomes*

Indicator	Baseline	Actual 30-11-2016	Actual 16-6-2017	End Target 30-6-2022
<b>Component 1: Policy, Institutions, and Governance for Tourism Development</b>				
Number of Institutional reforms (Number, Custom)	0	-	0	4
Number of Holistic site management plans adopted (Number, Custom)	0	0	0	7
Regular Data collection mechanism for tourism implemented (Yes/No, Custom)	No	-	No	Yes
Festivals/Fairs/Workshops supported at home or abroad (Number, Custom)	0	0	0	32
<b>Component 2: Private Investment and Entrepreneurship Promotion</b>				
Private Enterprises benefiting from grant-funded activities (Number, Custom)	0	0	0	110
Number of tourism-related investment leads recorded and responded to by relevant authority (Number, Custom)	0	-	0	150
Number of trainers trained (Number, Custom)	0	-	0	500
Number of higher institutes of learning with improved curricula (Number, Custom)	0	-	0	5
Number of people receiving training (Number, Custom)	0	-	0	14,000
Of which women (Percentage, Custom Supplement)	0	0	0	50
Number of apprenticeships/internships for women supported (Number, Custom)	0	-	0	400
<b>Component 3: Public Investment Facility</b>				
Roads rehabilitated (Kilometres, Custom)	0	0	0	50
Number of new or upgraded public convenience facilities (Number, Custom)	0	0	0	24
<b>Component 4: Project Management, Monitoring, and Evaluation</b>				
Citizens or communities involved in planning/implementation/evaluation of program (Number, Custom)	0	0	0	80
%age of complaints and grievances received by the project that are recorded, addressed satisfactorily, and the actions documented through the established grievance redressal mechanism (% , Custom)	0	0	0	75

Source: PTEGP, Project Appraisal Document

### 3. ASSESSING PROGRESS OF PTEGP FROM 2017 - 2022

#### 3.1. Review of project's PDO and intermediate outcome progress 2017-2022

After reviewing the Project Development Objectives (PDO) and the intermediate outcomes results component-wise from the World Bank's Report released on 22-December, 2022,<sup>21</sup> this study compiles the key indicators, their baseline, actual values at previous and current dates, end targets, and relevant comments by the World Bank review team as stated within the report.

<sup>21</sup> Afzal, Kiran. Disclosable Version of the ISR - PK: Punjab Tourism for Economic Growth Project - P158099 - Sequence No: 13 (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/099200012222250165/P1580990ece8970830b7b603fa9c99dc823>

Table 12

*Review of Project Development Objectives as of December 2022*

Indicator	Baseline	Actual (Previous)	Actual (Current)	End Target	Comments (As of World Banks' Review in December 2022)
<b>PDO: Strengthen Institutional Capacity of the Tourism Sector in Punjab</b>					
Number of reforms implemented and associated with the Punjab Tourism Policy <i>(Number, Custom)</i>	0	2	6	7	Six reforms have been implemented, with contributions from Punjab Tourism Policy 2019, including better management of TDCP properties, institutional capacity improvement, rules for PTCHA, zoning laws, drafting of Punjab Museum Boards Act, establishing Departmental Delivery Unit.
<b>PDO: Increase Private Sector Participation in the Tourism Sector in Punjab</b>					
Amount of private, tourism-related investment facilitated <i>(Amount USD, Custom)</i>	0	0	0	40,000,000	This indicator is to be amended to 'identify tourism related investments' during project restructuring. Final drafts of DIMPs for four sites have been submitted, highlighting investment potential. <sup>22</sup>
<b>PDO: Improve Infrastructure Services in Support of the Tourism Sector in Punjab</b>					
Direct project beneficiaries <i>(Number, Custom)</i>	0	48	43,000	275,000	Various roads accessed daily by numerous people are included in this count. The target will be rationalised during project restructuring.
Female beneficiaries <i>(Percentage, Custom Supplement)</i>	0	16	16	50	The number of female beneficiaries remains at 16%. This indicator includes the number of individuals trained through the project.
Increase in the number of visitors to the targeted sites <i>(Percentage, Custom)</i>	82,000	0	0	100	This will be updated following a beneficiary survey near the project closing date.

Source: World Bank's Implementation Status & Results Report of PTEGP, December 2022

<sup>22</sup> The target amount of investment was later replaced with the number of investments in later stages. The decision can be considered inappropriate as the number of investments may not be able to determine the value of investments achieved by the interventions

Table 13

*Intermediate Outcome Results as of December, 2022*

Indicator	Baseline 30-11-2016	Actual 28-4-2023	Actual 31-10-2022	End Target 28-4-2023	Comments (As of World Bank's Review in December 2022)
<b>Component 1</b>					
Festivals/Fairs/Workshops supported at home or abroad <i>(Number, Custom)</i>	0	9	19	32	Details of supported activities provided.
Regular Data collection mechanism for tourism implemented <i>(Yes/No, Custom)</i>	No	Yes	Yes	Yes	Data collection initially by contracted firm, then by international firm developing DIMPS, now by DDU under DoT.
Number of Holistic site management plans adopted <i>(Number, Custom)</i>	0	7	8	7	Two Museum Management Plans and six site management plans developed by UNESCO. Details provided.
Number of Institutional reforms <i>(Number, Custom)</i>	0	2	3	4	Details of institutional reforms provided.
<b>Component 2</b>					
Number of higher institutes of learning with improved curricula <i>(Number, Custom)</i>	0	0	0	5	This indicator will be dropped during project restructuring
Number of people receiving training <i>(Number, Custom)</i>	0	32	34	14,000	Details on individuals trained provided. End target will be rationalised to 10,000 during project restructuring.
Of which women <i>(Percentage, Custom Supplement)</i>	0	7	7	50	
Number of apprenticeships/internships for women supported <i>(Number, Custom)</i>	0	48	71	400	A total of 48 interns were inducted in 2018-19 and 155 placed during 2022. This indicator will be updated to include apprenticeships/internships for men and women.
<b>Component 3</b>					
Roads rehabilitated <i>(Kilometres, Custom)</i>	0	8	35	50	Details of road rehabilitation projects provided.
Number of new or upgraded public convenience facilities <i>(Number, Custom)</i>	0	4	10	24	Details of facilities and equipment installed provided.
<b>Component 4</b>					
Percentage of complaints and grievances received by the project that are recorded, addressed satisfactorily and the actions documented through the established grievance redressal mechanism <i>(Percentage, Custom)</i>	0	80	80	75	Details of complaints handling provided.
Citizens or communities involved in planning, implementation, evaluation of program <i>(Number, Custom)</i>	0	58	87	80	Community consultations were conducted before implementation of rehabilitation activities.

Source: World Bank's Implementation Status & Results Report of PTEGP, December 2022

### **3.2. Assessing the progress of PDO and intermediate outcomes 2017-2022**

According to a comparative analysis of the Project Development Objectives (PDO) as originally planned and the results reported in December 2022 by the World Bank, several key observations can be made about the Punjab Tourism for Economic Growth Project (PTEGP).

For the component aimed at strengthening the institutional capacity of the tourism sector in Punjab, the original plan set a target of implementing seven reforms. By December 2022, six of these reforms had been achieved. While this represents a minor shortfall, it still indicates significant progress in enhancing institutional capacity and regulatory frameworks within the tourism sector.

In terms of increasing private sector participation in Punjab's tourism sector, the original plan aimed to facilitate \$40 million in private, tourism-related investment. However, no such investments have been facilitated to date. It was decided to amend this indicator with the number of identified tourism related investments. This significant divergence from the original plan is primarily due to the project's failure to achieve the targeted volume of investments at project sites.

Regarding the improvement of infrastructure services to support the tourism sector, the original plan targeted 275,000 direct beneficiaries, with 50% being female beneficiaries, and a 100% increase in visitors. According to the statistics in the report, there are 43,000 direct beneficiaries, with only 16% female participation, and no updated visitor numbers available. This reflects a significant shortfall in both the number of direct beneficiaries and female participation.

The intermediate outcomes reported in December 2022 also reveal several key points regarding the performance and progress of PTEGP.

In terms of private investment and entrepreneurship promotion, there were several significant deviations from the original plan. The indicator for private enterprises benefiting from grant-funded activities was dropped due to overlap with other programs. Conversely, the target for the number of trainers trained was surpassed, with 661 trainers trained compared to the initial target of 500. The indicator for tourism-related investment leads was merged. However, the indicator for improved curricula in higher institutes was dropped, suggesting a shift in focus or priorities. Additionally, the number of people receiving training fell significantly short of the original target, with only 34 individuals trained against an initial goal of 14,000. This substantial shortfall led to a revised target of 10,000 to be achieved by the project's end. The number of apprenticeships and internships for women also fell short, with only 71 placements compared to a target of 400. To address this, the indicator was updated to include both genders, aiming for a more inclusive approach.

Regarding the public investment facility, the project did not fully achieve its target for roads rehabilitated, with 35 km completed against a goal of 50 km. Similarly, the number of new or upgraded public convenience facilities fell short, with only 10 completed compared to a target of 24.



In terms of project management, monitoring, and evaluation, the project performed well. The percentage of complaints and grievances addressed satisfactorily exceeded the target, achieving an 80% resolution rate compared to the target of 75%. Community involvement also surpassed expectations, with 87 communities engaged compared to a target of 80, indicating effective community engagement and participation in the project.

Finally, in terms of policy, institutions, and governance for tourism development, the project showed mixed results. The number of festivals, fairs, and workshops supported was below target, with 19 events compared to a goal of 32. This shortfall indicates challenges in event support and promotion. However, the number of holistic site management plans adopted exceeded the target, with 8 plans implemented compared to a target of 7, reflecting progress in site management and planning. On the other hand, the number of institutional reforms was below target, with only 3 reforms achieved against a goal of 4, suggesting slower progress in institutional changes.

### 3.3. Review of project’s component-wise fund disbursements 2017-2022

The detailed analysis of fund disbursements under PTEGP reveals varying levels of progress across its four components till December 2022.

Table 14

*Detailed Analysis of Fund Disbursements under Component 1, 2017-2022*

Sub-Component Description/Status	Linked Amount (\$million)	Amount Disbursed (\$million)	Completion Year (Target)	Completion Year (Expected)	Remarks by Review committee
<b>Component 1.1: Institution and Governance (USD 1.81M)</b>					
Legal and Regulatory Review: Antiquities Act 1975 • Punjab Waqf Properties Ordinance 1979 • The Punjab Special Premises (Preservation) Ordinance, 1985; and • Walled City Bill (2011) and any other tourism related law.	0.32	0.02	2024	2024	Punjab Tourism Policy approved from Cabinet in 2019
Restructuring of regulatory structures and amendments to the legal structure Institutional Review: Capacity Strengthening Support Government to address issues regarding visa, international openness, and tax incentives through provincial regulatory reforms Establishment of investor facilitation desk Improve PPP regime	0.65	0.00	2024	2024	No updates
Survey / Data Collection: Establishment of Department Delivery Unit (DDU) established within Tourism Department Hiring of HR for the unit Collect Tourism Related Data	0.32	0.07	2024	2024	No updates

*Continued –*

Table 14 – (Continued)

Restructuring of TDCP	0.32	0.00	2024	2024	Restructuring of TDCP on hold as per Tourism Department's request Reported
Capacity building of Department's UNESCO activities	0.19	0.05	2024	2024	
<b>Total</b>	<b>1.81</b>	<b>0.14</b>			
<b>Component 1.2: Knowledge Partnership, Tourism Promotion and Marketing (USD 3.55M)</b>					
Development of Punjab Tourism Brand,	0.32	0.00	2024		No updates
Design and upgradation of Tourism Department's including interactive tourist site maps and production of Informational material. Execution of social media strategy					
Design of National and Regional outreach campaigns	0.13	0.00			No updates
Stakeholder Engagement & Consensus building	0.06	0.06			No updates
Development of Communication Plan for dissemination of SMPs, MMPs and DIMPs	0.03	0.00			No updates
Dissemination of National and Regional outreach campaign through cultural fairs, festivals, roadshows, workshops, seminars, conferences and print & digital media	0.97	0.57			No updates
Dissemination of communication plan for SMPs, MMPs and DIMPs and their implementation on ground	0.65	0.00			No updates
Communication training of PTEGP staff and implementing partners	0.10	0.00			No updates
Media Advocacy and Engagement	0.11	0.00			No updates
Advertisement	0.19	0.00			No updates
Seminars and Workshops	0.19	0.09			No updates
Consultative Meetings with Stakeholders	0.10	0.00			No updates
Study Tours / Visits	0.32	0.00			No updates
Community Outreach to promote pluralism and respect for diversity through engaging local schools and community (UNESCO)	0.37	0.11			No updates
<b>Total</b>	<b>3.55</b>	<b>0.83</b>			
<b>Component 1.3: Improving Skills Formation and Training (USD 3.39M)</b>					
PTEGP will train 10,000 individuals in Tourism and Hospitality sector under its Skill Development Initiative	3.39	0.00	2024	2024	MOU with PSDF signed on 1 <sup>st</sup> of August 2022
<b>Component 1.4: Internship and Apprenticeship Program (USD 0.20M)</b>					
Internships: Total target: 500 internships Completed: 36 Internship Program 2022:	0.20	0.01	2024	2024	Program started on July 4 <sup>th</sup> , 2022
Number of interns: 155					
<b>Total Component 1</b>	<b>8.94</b>	<b>0.97</b>			

Source: World Bank Review, PMU-PTEGP, 2022.

Table 15

*Detailed Analysis of Fund Disbursements under Component 2, 2017-2022*

Sub-Component Description/Status	Linked Amount (\$million)	Amount Disbursed (\$million)	Completion Year (Target)	Completion Year (Expected)	Remarks by WB Review Committee
<b>Component 2.1: Secondary and Tertiary Road Access (USD 17.58M)</b>					
1.15 KM of Road from Sucha Soda Manawala Road to Gurdwara, District Sheikhpura					
4.1 KM of Road from Lahore-Sheikhpura Road to Mariumabad District Sheikhpura					
4.71 KM of Road Ghulam Farid Mithan Kot Rajanpur Dist. Rajanpur					
22.5 KM Sucha Soda to Manawala Road, Dist. Sheikhpura					
Works commenced on December 31, 2021 (24 km)					
Rehabilitation of 7KM of main road leading to UCH Sharif (44% completed)					
Rehabilitation of 17 KM of road from Adda Mukdi to Channan Pir (38% completed)					
Future Roads:					
Rohtas Fort Bypass Road - 3.21 KM					
Improvement of Secondary and Tertiary Road Access to Tourist Sites:	17.58	5.40	2024	2024	PC-1 of Rohtas Bypass Road and Kalar Kahar to Manara Road submitted to P&DB on 23 <sup>rd</sup> of August 2022
PTEGP will finance rehabilitation of Roads leading to sites of tourism, particularly religious tourism, significance to facilitate site access. PDO is 100 KMs					
Roads approved to be rehabilitated under PTEGP (34.86 km): (95% work completed)					
2.1 KM road from G.T Road to Toap Mankiala, District Rawalpindi					
0.3 KM of the Taxila Museum Mohra Muradu Road, District Rawalpindi.					
<b>Component 2.2: Integrated Site Management Plans (ISMPs), MMPs and DIMPs (USD 4.65M)</b>					
Site Management Plan/Integrated Site Management Plan (ISMP):	0.55	0.58	2019	2021	Agreement with AKCSP in process; Agreement with IDAP in process
A plan for the long-term maintenance, management, preservation and enhancement of the site.					
Museum Management Plan (MMP):	0.24	0.38	2019	2020	All 7 SMPs and 2 MMPs have been completed and approved.
A specialised planning document intended to assist in the administration and management of park museum collections and the programs associated with them.					
All 7 SMPs and 2 MMPs have been completed and approved.					
Destination Investment and Management Plans (DIMPs):	2.9	0.18	2022	2023	Field survey is well executed. Implementations of plans in progress/incomplete
An Investment Plan together with est. cost of identified investments in destinations will be prepared with visitor management plans for traffic management and standards in Hotels, F&B etc. at each DIMPS Site					

Continued –

Table 15 – (Continued)

Mapping of Crafts and Creative Industries around sites + UNESCO Admin Cost	0.96	0.94	2019	2022	No updates
<b>Total</b>	<b>4.65</b>	<b>2.08</b>			
<b>Component 2.3: Public Convenience Facilities (USD 13.81M)</b>					
Facilities and Amenities upgradation at sites	11.2	0.38	2024	2024	RFB for Washrooms to be re-advertised; Revised PC-1 submitted to P&DB for cost clearance
Land Acquisition	0.06	0.00	2024	2024	No updates
Management Cost @10 % and International Experts	1.05	0.00	2024	2024	No updates
Detailed Architecture Planning	0.65	0.17	2024	2024	No updates
HSE / EMP implementation	0.40	0.03	2024	2024	No updates
Heritage Expert	0.45	0.00	2024	2024	No updates
<b>Total</b>	<b>13.81</b>	<b>0.58</b>			
<b>Component 2.4: Other Public Convenience Facilities (USD 6.23M)</b>					
Installation of Sign Boards	1.0	0.14	2022	2023	MoU was signed with IDAP for Hiran Minar, Taxila Museum and Rohtas Fort. During the pre-PDWP, IDAP was asked to revise / justify the costing plan and present it again. Solid Waste Management Equipment & movable tuck shops, bathrooms provided to TDCP as per their demand. Standstill period for 09 Double Decker Buses in process.
Implementation of Taxila Museum Plan	1.86	0.00	2024	2024	No updates
Solid Waste Mgmt. Equipment	0.32	0.14	2022	2023	No updates – In-progress
Golf Cart / Rickshaws	0.19	0.19	2022	2022	Procurements for Badshahi Mosque – Lahore Fort – Greater Iqbal Park
Implementation of Lahore Museum Mgmt. Plan	1.03	0.00	2024	2024	No updates
Provision of Glamping Pods	1.0	0.00	2022	2023	No updates
Implementation of Rohtas Fort Improvement plan	0.83	0.00	2024	2024	No updates
<b>Total</b>	<b>6.23</b>	<b>0.47</b>			
<b>Total Component 2</b>	<b>42.58</b>	<b>8.52</b>			

Source: WB Review PMU-PTEGP, 2022.

Table 16

*Detailed Analysis of Fund Disbursements under Component 3, 2017-2022*

Sub-Component Description/Status	Linked Amount (\$million)	Amount Disbursed (\$million)	Completion Year (Target)	Completion Year (Expected)	Remarks by WB Review Committee
<b>Component 3.1: Project Management - PMU-PTEGP (USD 3.23M)</b>					
Human Resource (HR)	1.60	0.92			
Demand Driven Consultancies	0.38	0.28			
Equipment	0.11	0.05			
Occupancy Cost	0.22	0.13			
Vehicles	0.14	0.00			
R&M of Equipment	0.05	0.02			
Operating Expenses	0.57	0.39			
Miscellaneous contingencies	0.23	0.00			
<b>Total</b>	<b>3.23</b>	<b>1.97</b>			
<b>Component 3.2: Institutional Capacity Building (USD 0.45M)</b>					
Vehicle for C&W	0.05	0.00			
Vehicle for Tourism Dept	0.13	0.00			
IT Equipment for C&W	0.02	0.02			
IT Equipment for Tourism Dept	0.04	0.04			
Furniture (C&W)	0.01	0.00			

Continued –

Table 15 – (Continued)

Furniture (Tourism)	0.02	0.00
POL C&W	0.01	0.00
POL Tourism	0.09	0.00
R&M Vehicles C&W	0.00	0.00
R&M Vehicles Tourism	0.02	0.00
Driver C&W	0.02	0.00
Driver Tourism Dept	0.05	0.00
<b>Total</b>	<b>0.45</b>	<b>0.06</b>

Source: WB Review PMU-PTEGP, 2022.

Table 17

*Detailed Analysis of Fund Disbursements under Component 4, 2017-2022*

Sub-Component Description	Linked Amount (\$million)	Amount Disbursed (\$million)	Completion Year (Target)	Completion Year (Expected)	Remarks by WB Review Committee
<b>Component 4: Contingent Emergency Response Component</b>					
CERC (Contingent Emergency Response Unit)	0.00	0.00	2024	2024	Zero Cost Notional Component shall facilitate the immediate release of funds in case of emergencies or crises at any project site.

Source: WB Review PMU-PTEGP, 2022.

The review of fund disbursements from 2017-2022 shows that while some progress has been made in areas like policy approval, legal reviews, and developing site management plans, there are still significant gaps. Key initiatives, such as restructuring efforts, capacity building, and skills training, lack clear updates and measurable outcomes. The absence of detailed information on the impact of programs like media advocacy, community outreach, and training suggests that more work is needed to ensure these efforts achieve their intended goals. Overall, while there are positive steps forward, further clarity, updates, and concrete results are necessary for a more comprehensive assessment of the project's success.

#### 4. ASSESSING PROGRESS OF PTEGP FROM 2022 - 2024

##### 4.1. Review of project's PDO and intermediate outcome progress 2022-2024

After reviewing the Project Development Outcomes (PDO) and Intermediate Outcome Results from the World Bank's Report released on 02-March, 2024 report,<sup>23</sup> this study compiles the key indicators, their baseline, actual values at previous and current dates, end targets, and relevant comments by the World Bank review team as stated within the report.

<sup>23</sup> Afzal, Kiran. Disclosable Version of the ISR - PK: Punjab Tourism for Economic Growth Project - P158099 - Sequence No: 15 (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/099030224115036088/P15809919c96b50e11b5a51bad5396fd37e>

Table 18

*Project Development Objectives (PDO) as of March, 2024*

PDO Indicator	Baseline 30-6-2016	Previous 31-5-2023	Current 31-1- 2024	End Target 31- 10-2024	Comments (As of World Bank's Review in March 2024)
Tourism Sector Reforms Identified and/or Informed by the Project Activities (Number, Custom)	0	6	6	5	Following reforms supported by the 'Punjab Tourism Policy 2019' have been implemented by the Department of Tourism (DoT). Better management and utilisation of TDCP properties, including outsourcing to private sector. Institutional capacity and improvement in the regulation regime PTCHA's Rules of business developed Zoning Laws for Kotli Sattiyian developed Legal services for Punjab Museum Boards Act 2021. Establishment of Departmental Delivery Unit (DDU). Digitisation of more than 100,000 manual records of Department of Tourist Services
Tourism Sector Investment Opportunities for Private Sector Identified through the Project (Number, Custom)	0	4	30	10	Indicator revised to reflect the number of investments instead of PKR amount due to previous low investment possibilities and unfavourable global economic trends. DIMPs developed for four sites in Punjab were disseminated. More than 30 investment-ready projects at 8 different sites have been prepared.
Direct project beneficiaries (Number, Custom)	0	43,000	62,665	125,000	Indicator revised to reduce the number of project beneficiaries given initially stalled progress. Specific roads and training numbers provide. GT road to Mankiala Road (5,000 daily users) Mohra Maradu Road (500 daily users) Sucha Sauda Manawala road to Gurdwara (6,500 daily users) Mariamabad Road (3,000 daily users) Sucha Sauda to Manawala Road (15,000 daily users) Ghulam Farid Mitthan Kot road (13,000 daily users). Uch Sharif Road (6,500 daily users) Adda Mukdi to Channan Pir Road (8,000 daily users). 4,800 individuals trained through PSDF. 365 students provided internships/ apprenticeships
Female beneficiaries (Number, Custom Supplement)	0	15,000	30,000	62,500	
Visitors to the Tourist Sites (Number, Custom)	82,000	5,000	313,000	131,200	Indicator revised to reduce the number of project beneficiaries due to initially stalled progress and COVID-19 pandemic reduction in tourist numbers. Target value to be updated following a beneficiary survey near project closing date.

Source: World Bank's Implementation Status & Results Report of PTEGP, 2-March-2024.

Table 19

*Intermediate Outcome Results as of March, 2024*

Indicator	Baseline	Actual	Actual	End	Comments
	30-6-2016	31-5-2023	31-1-2024	31-10-2024	
<b>Component 1</b>					
Digital Data Collection Mechanism for Tourism Developed (Yes/No, Custom)	NO	YES	YES	YES	The indicator is being revised to update the data collection mechanism i.e. through digital means. The data collection was initially being undertaken by a contracted firm, which was then conducted through the international firm developing DIMPS. The responsibility was then handed over to the DDU established under the DoT. The project is also in the process of digitizing more than 100,000 records for the Department of Tourist Services (DTS).
Site/Destination Management Plans Developed (Number, Custom)	0	8	8	7	This indicator has been updated. The indicator is being updated to include the destination planning element of the Project through restructuring. Two Museum Management Plans and six site management plans (SMPs) developed by UNESCO. Details of the SMPs are listed: 1. Museums Management Plan (MMP) for Lahore Museum 2. MMP for Taxila Museum 3. SMP for Gudwara Sucha Sauda & Rohri Sahib SMP for Katas Raj Temple 5. SMP for Toap Mankiala Stupa 6. SMP for Taxila Sites (Dhirmound & Dharmarajika Stupa) 6. SMP for Bibi Jawindi, Uch Sharif 8. SMP for Qila Kohna Qasim Bagh developed and approved. Note: Activity target overachieved.
International, Domestic Festivals/Fairs/Workshops Organized and Supported (Number, Custom)	0	23	27	25	This indicator has been revised. The indicator is being reworded and targets revised downward to reflect the business continuity issues due to COVID-19, which negatively impacted the organizing of these events for almost one and a half years. The following activities were supported by the project: 1. Launch of the road's rehabilitation activity was organized in December, 20. 2. A Heritage Education workshop was organized in February 2021 at the Taxila Museum. Buddhist Potential Circuit Tour Workshop on Grievance Redressal Mech. – March 2021 5. Private Sector Facilitation/Engagement Knowledge sharing event – September, 20 6. Workshop on development of Craft sector, UNESCO 7. Road Launch event at CM House Punjab – Dec 2020 8. LIFT Pakistan – September, 19 9. Media Awareness Session on Destination Investment & Management Plans – 24 Aug 2020 10. Gurdwara Capacity Building Workshops – Oct 2020 11. Consultative Workshop to Develop Heritage Communication Strategy for Sustainable Tourism and Economic Growth – 25th Nov and 2nd Dec 2020 12. Workshop on Educational Role of Museums in Punjab – 24th Feb 2021

*Continued –*

Table 19 – (Continued)

					<p>13. Capacity building program of Culture and Creative Industries training workshop – 28 Aug- 2 Sep</p> <p>14. Gandhara Exhibition at Taxila Museum, 5th Oct 2021 for the Cholistan desert rally PTEG provided a documentary and PR coverage for the event.</p> <p>15. PTEG also prepared a Documentary on Nandana Fort which was shared with PM office and CM Office.</p> <p>16. Highlights of Development initiatives at Rohtas Fort, stakeholder visit to Noor Jehan Tomb, and Kalar Kahar Museum Inauguration</p> <p>17. Punjab week during the Dubai Expo was supported by the project in January, 22.</p> <p>18. ICE 2022 was supported in May, 22 which included a dedicated session on Eco-Tourism.</p> <p>19. World Tourism Day 2022. Stakeholder dialogue conducted in September 2022.</p> <p>20. DIMPS dissemination workshop, Lahore March, 23</p> <p>21. DIMPS dissemination workshop, Islamabad April, 23</p> <p>22. Two Heritage education teacher training workshops (Uch Sharif and Taxila) conducted in April, 23</p> <p>23. Pak Iran Tourism Conference in August, 23</p> <p>24. Pak Turkey Stakeholder Engagement, August, 23</p> <p>25. World Tourism Day 2023 events</p> <p>26. Graduation Ceremony with PSDF in November, 23</p> <p>27. Knowledge Sharing Workshop with KITE, June, 23</p>
<b>Component 2</b>					
Travel and Tourism-related investment leads recorded and responded to by relevant authority (Number, Custom)	0	0	0	4	<p>This indicator is new. This indicator captures the efforts of the Project supported activities to; (i) directly mobilize private investments in collaboration with PBIT and PPP Authority of Punjab; and/or (ii) strengthen the capacity of PBIT, DoT and PPP Authority to mobilize investors and establish/enhance the investor handling mechanism. This indicator has been merged with the PDO indicator “Tourism related investments identified” during project restructuring, in an effort to streamline the components and consolidate project activities.</p>
Training, Apprenticeship and Internship Beneficiaries (Number, Custom)	0	1,010	6,000	5,000	<p>This indicator has been revised. The indicators related to internships, trainings, and skills development have been integrated into one, and revised upward to encourage the project to contribute towards the relevant skill building in the sector.</p> <p>Individuals received training on the cultural tourism and heritage preservation during preparation of SMPs. 60 trainings were conducted by UNESCO to train trainers in culture and creative industries, heritage education, and through museum workshops. Officials of DoT were trained by the Serena Hotels and ECL of Switzerland in November 2021, May 2022, and September 2022</p> <p>The project is also supporting internships/apprenticeships by placing individuals across coordinating line departments and authorities of the GoPb. 365 individuals have been placed with employers so far.</p> <p>4,800 out of 10,000 have been trained through PSDF, which commenced in April 2023. The remaining training number will be added to the target when the trainings are completed.</p>



Table 19 – (Continued)

Roads Rehabilitated and/or Upgraded (Kilometres, Custom)	0	35	35	50	<p>Rehabilitation of Six roads are complete or near completion by the project:</p> <p>GT Road to Top Mankiala (2.1 km -100% complete)</p> <p>Taxila Museum to Mohra Muradu (0.3 km – 100% complete)</p> <p>Sucha Sauda Manawala Road to Gurdwara Lahore Sheikhpura Road to Mariamabad (4.1 km – 100% complete, main road operational)</p> <p>Sucha Sauda to Manawala Road (22.5 km – 100% complete, main road operational)</p> <p>Widening of Ghulam Farid Mitthan Kot Road (4.71 km – 100% complete)</p> <p>The work on the following roads is underway:</p> <p>Uch Sharif Road (7 km - 100% complete)</p> <p>Adda Mukdi to Channan Pir Road (17 km - 100% complete)</p> <p>Kallar Kahar to Munara Road (28 km; contract signing completed in May 2023)</p> <p>Sucha Sauda Gurdwara Road (1 km; contract signing completed in May 2023)</p> <p>Mariamabad right bank Road (4.1 km; contract signing completed in July 2023)</p> <p>Rohtas Fort bypass Road (3.21 km; contract signing completed in November 2023)</p>
New or Upgraded Tourist Spots and Facilities (Number, Custom)	0	17	17	24	<p>This indicator has been revised. Indicator being reworded to make it relevant to the tourism sector.</p> <p>425 Tourist Facilitation Signboards have been installed at various Archaeological sites and roadsides</p> <p>Following facilities procured and delivered to DoT in May 2022:</p> <p>(i) 1 tourist coach</p> <p>(ii) 11 Golf Carts</p> <p>(iii) 11 Heritage Rickshaws</p> <p>Following Waste management and Landscaping Equipment handed over to Tourism Department in June 2022:</p> <p>(i) 10 Mini Tippers</p> <p>(ii) 05 Mechanical Sweeper (tractor driven)</p> <p>(iii) 72 Dustbins</p> <p>Following equipment was also installed at Takht-i-Babri:</p> <p>(i) 2 prefabricated washrooms</p> <p>(ii) Installation of light poles and illumination</p> <p>(iii) 6 Benches installed</p> <p>(iv) 1 prefabricated Tuck shop</p> <p>(v) 30 Waste Bins</p> <p>Installation of a new gate for Taxila Museum is complete</p> <p>Project supported to equip “Punjab Tourism Squad”</p> <p>Installation of Solar Panels at Heritage Sites</p> <p>Furniture and Air conditioning for Lahore Museum</p> <p>Illumination of Lahore Museum</p> <p>Installation of reversible tuck shops and washrooms at various tourist sites</p> <p>Golf carts for Changa Manga, Kallar Kahar, and Governor House Lahore.</p> <p>Vans and Coasters for TDCP and WCLA (2023)</p> <p>Audio visual lab at Lahore Museum (2023)</p> <p>Upgradation of Lahore Museum Auditorium (2023)</p>

Table 19 – (Continued)

<b>Component 3</b>					
Relevant grievances recorded, satisfactorily addressed and relevant actions documented in project's grievance redress system <i>(Percentage, Custom)</i>	0	80	80	80	The indicator has been revised. Indicator reworded to make it clearer. Target being revised upwards to 80 percent. During the FY20-22, four complaints were received on issues related to project staffing and project management. All of those were referred to the relevant committee within the P&D Board constituted for complaint handling. The clients have confirmed that relevant complaints were addressed. Bank also responded to the complaints which were addressed to it directly.
Citizens and/or Communities Members involved in planning/implementation/evaluation of the activities <i>(Number, Custom)</i>	0	4	10	24	This indicator has been revised. Community consultations were conducted by the project before the implementation of rehabilitation activities.
<b>Component 4</b>					
CERC	0	0	0	0	NO UPDATE - Not Utilized

Source: World Bank's Implementation Status & Results Report of PTEGP, December 2022

#### 4.2. Assessing the progress of PDO and intermediate outcomes 2022-2024

The activities undertaken as part of the tourism enablement and infrastructure development components of the project can be critically analysed on several fronts. Festivals, fairs, and workshops are among the primary initiatives aimed at promoting local culture, heritage, and traditions. These events have the potential to attract both domestic and international tourists, providing a platform for local artisans and businesses to showcase their products and boost local economies. However, the impact of such events is often short-lived, with benefits primarily during the event period. Without sustained follow-up activities and robust infrastructure, the long-term tourism potential remains limited.

The implementation of a digital data collection mechanism represents another significant positive aspect of the project. Digitalisation can streamline data collection, offering accurate and real-time insights into tourism trends, which can aid in better planning and management of tourism resources. Nevertheless, the implementation and maintenance of digital systems require substantial investment and technical expertise. There are also concerns regarding data privacy and security, especially if not managed properly. Furthermore, the lack of advanced technology, such as blockchain, for data security raises additional questions about the robustness of the system.

Comprehensive site and destination management plans are crucial for sustainable tourism development. These plans can help preserve cultural heritage while promoting tourism. However, while developing these plans is an essential first step, effective implementation is crucial and often lacking. There may be a

disconnect between plan development and on-ground realities, leading to ineffective outcomes. This gap highlights the need for continuous monitoring and adaptation to ensure the plans are practical and beneficial.

Training, apprenticeship, and internship programs are vital for improving the quality of tourism services. These programs can empower local communities, leading to increased employment opportunities. However, the reach and effectiveness of these programs depend on the quality of training and the opportunities available post-training. There is a need for continuous monitoring and evaluation to ensure that the skills imparted are relevant and up-to-date.

Improved road connectivity is another positive aspect, as it can enhance access to tourist sites, making them more attractive to visitors. Nonetheless, focusing heavily on road rehabilitation, particularly towards religious sites with low tourist footfall, may not yield significant returns on investment. Infrastructure development should be balanced with other tourism-enhancing activities, such as marketing and service improvement. Ideally, local governments should handle such infrastructure projects, raising questions about the effectiveness of using project funds for this purpose. For instance, procurements like golf carts for the governor's house in Lahore, which is neither a project site nor open to the general public, raise concerns about procurement practices and resource allocation.

In April 2023, the project was restructured, yet it continues to follow its original patterns with no significant changes in practice, as evident from the contract signings after the restructuring. Most of the sites involved are religious and were part of the original project focus. The Stupa at Toap Mankiala, a religious site, had no recorded tourist footfall, no opportunities for tourists to spend, and no significant businesses at the location. Despite this, the widening and development of a 2.1 km road from G.T Road to Toap Mankiala in District Rawalpindi has been completed. Similarly, Gurdwara Sacha Sauda at Farooqabad, also a religious site, did not attract a significant number of tourists. The number of Sikhs visiting in-season and the number of domestic visitors were not substantial, and there were limited spending opportunities at the site. Nonetheless, a 1.15 km road from Sucha Sauda Manawala Road to Gurdwara in District Sheikhpura has been fully constructed, with the contract for this road signed in May 2023. For the National Mariam Shrine, another religious site, a 4.1 km road from Lahore-Sheikhpura to Mariumabad in District Sheikhpura has been completely built, despite of there is no data on tourists' footfall. The contract for this road was signed in July 2023. The Channan Pir Shrine in District Bahawalpur, which is also a religious site, had a 17 km road from Adda Mukdi to Channan Pir rehabilitated and improved. Despite the lack of footfall records and significant spending opportunities at this site, which is far from Bahawalpur city, the road project has been fully completed. Lastly, a 4.71 km widening of the Ghulam Farid Mitthan Kot Road was completed despite low tourist spending, few foreign visitors, and minimal spending opportunities.

These developments underscore that the project, despite restructuring, remains committed to its initial approach, focusing on road construction to religious sites with low tourist activity and spending opportunities.

The interventions, while well-intentioned, seem to be heavily inclined towards infrastructure development, particularly road rehabilitation. This focus might not address the core issues of low tourist footfall and limited opportunities for tourism spending. Many of the interventions, particularly infrastructure development, are typically the responsibility of local governments. Using project funds to deliver what should be taxpayer-funded raises several concerns. For instance, project funds could be better utilised for activities that directly promote tourism and generate economic benefits, such as marketing campaigns, capacity building, and developing tourist attractions. Reliance on project funds for local government responsibilities indicates potential gaps in the administrative and financial management of local authorities. Long-term sustainability of the interventions is questionable if local governments do not take ownership and continue the maintenance and development work post-project.

## 5. TIMELINE OF PTEGP'S IMPLEMENTATION STATUS AND KEY DECISIONS 2017 - 2024

Here's the timeline of the compiled implementation status and key decisions of the PTEGP.<sup>24</sup>

Table 20

### *Timeline of PTEGP's Implementation Status and Key Decisions 2017-2024*

<b>Published Date</b>	<b>Implementation Status and Key Decisions</b>
<b>21-Jun-2017</b>	The World Bank Board of Directors approved the project, with PDWP and CDWP also giving their approvals. However, the signing of the project still awaited ECNEC endorsement, and PRMP was in the process of hiring the project management team.
<b>22-Dec-2017</b>	The project had become effective, and key positions, including the Project Director, Procurement, and FM Specialist, were filled, while offers for other positions were issued. The Communication Specialist position was re-advertised, and PRMP was in the process of securing a separate building for the PMU. The draft tourism policy was also submitted to the cabinet for approval.
<b>29-Jun-2018</b>	The project remained effective, with all key positions filled except for the Communication Specialist. UNESCO began supporting the Punjab Government in implementation, initiating its activities, and working on finalizing its inception report by July 2018. Additionally, Site Management Plans (SMPs) were being developed, focusing on key sites like Uch Sharif and Ketas Raj.

*Continued –*

<sup>24</sup> PTEGP's Implementation Status and Key Decisions Reports for each of the date can be accessed from World Bank's website <https://projects.worldbank.org/en/projects-operations/document-detail/P158099?type=projects>

Table 20 – (Continued)

<b>23-Dec-2018</b>	The project had initiated various activities, including hiring a firm for the reform and restructuring of the Tourism Development Corporation of Punjab (TDCP). UNESCO was also engaged in developing Site Management Plans (SMPs) for key sites, prioritizing Taxila, Lahore Museums, and the Ketas Raj Complex.
<b>06-May-2019</b>	The processes to fill key positions were ongoing but faced delays, while procurement for restructuring TDCP and DTS was nearly finalized. Despite this progress, the hiring of a technical supervision firm was delayed again. UNESCO continued work on SMPs, with plans for Museums and Ketas Raj expected by July 2019.
<b>12-Sep-2019</b>	The project had disbursed less than 8% of its finances, with key PMU positions still vacant. Civil works, which constitute 60% of the project's finances, had not begun due to delays. A Mid-Term Review (MTR) identified key challenges, and a roadmap was agreed upon with the Provincial Government to address these issues.
<b>03-Apr-2020</b>	The disbursements had increased to US\$8.8 million (17% of allocated financing) since the MTR. The Planning and Development (P&D) Board's oversight helped bring activities back on track, ensuring adequate staffing of the PMU and regular PSC meetings.
<b>26-Aug-2020</b>	Since the Mid-Term Review (MTR) in September 2019, the project disbursed US\$5 million by August 26, 2020. The Planning and Development Board (Punjab), along with the Departments of Tourism and Communication and Works, provided oversight and guidance, helping to bring activities back on track. On August 24, a media awareness session was held in Lahore to promote the Destination Investment and Management Plans (DIMPs) for four tourist sites.
<b>03-March-2021</b>	A virtual project implementation support mission (ISM) had been conducted in February 2021. The mission reviewed the performance of the project components and held consultations with the Planning and Development (P&D) Board, Communication and Works Department (C&W), Department of Tourism (DoT), and Project Management Unit (PMU). The mission's findings were then debriefed to the Economic Affairs Division (EAD) and documented in the Management Letter (ML).
<b>19-October-2021</b>	The project activities were progressing as planned, with expectations for increased implementation speed during the fiscal year. Road rehabilitation projects were underway, improving access to tourist and heritage sites. Additionally, 200 tourist information and directional signboards were installed across various locations. The DIMPs for four sites – Bahawalpur, Rohtas Fort, Kotli Sattian, and Chakwal – were expected to be completed and disseminated within the fiscal year.
<b>23-May-2022</b>	The project was on track, with an expected increase in implementation speed during the fiscal year. Road rehabilitation leading to tourist and heritage sites had been completed, improving access for visitors. Additionally, 200 tourist information and directional signboards were installed across various sites. The Destination Management and Investment Plans (DIMPs) for four locations – Bahawalpur, Rohtas Fort, Kotli Sattian, and Chakwal – were nearing completion and set to be shared with stakeholders by July 2022.

*Continued –*

Table 20 – (Continued)

<b>22- December- 2022</b>	The project continued to progress well. Road rehabilitation was fully completed, and 300 tourist information and directional signboards were installed throughout the province. The DIMPs for Bahawalpur, Rohtas Fort, Kotli Sattiyar/Narr, and Chakwal were finalized and scheduled to be disseminated to stakeholders by the end of December 2022.
<b>02- August- 2023</b>	The project remained on track, having completed the rehabilitation and construction of six roads (34.5 km) to improve access to tourist destinations, with two more roads (24 km) nearing completion and work on four additional roads about to start. A total of 425 tourist facilitation and informational signboards were installed across the province. Various tourist amenities, such as waste management equipment, transportation, prefabricated toilets, tuck shops, benches, and lighting, were provided to upgrade destinations. Two museum management plans and six site management plans were developed to attract investment and promote public-private partnerships. Additionally, the training of 10,000 individuals in tourism and hospitality skills was underway. A project restructuring in April 2023 included changes to project components, costs, activities, and timelines, with the closing date extended to October 31, 2024. These efforts aimed to enhance tourist access and upgrade facilities at key destinations.
<b>02-March- 2024</b>	Rehabilitation and construction of eight roads, totalling around 58 kilometres, have been completed, with work on two more roads still ongoing. Across the province, 425 tourist facilitation and informational signboards have been installed. To enhance visitor experiences, various amenities have been added, including waste management systems, transportation for tourists, prefabricated toilets, tuck shops, benches, and improved lighting. Efforts to attract investment and encourage public-private partnerships have seen the launch of two museum management plans and six site management plans. The project also aims to equip 10,000 individuals with tourism and hospitality skills through ongoing training programs. Additionally, the digital archiving of Lahore and Taxila museums is underway. As these activities continue, visitors to tourist and heritage sites will benefit from better access and upgraded facilities.

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Source: World Bank's Implementation Status and Key Decisions on PTEGP, various reports

It's evident that PTEGP has faced several challenges and delays since its inception, as reflected in the timeline of key decisions and implementation status updates. While there has been some progress in terms of infrastructure development, particularly road rehabilitation, the installation of tourist information signboards, and procurements for the relevant departments/ authorities within tourism industry, the project's overall effectiveness and alignment with international best practices for tourism development appear to be lacking.

## 6. REVIEW OF TRAVEL & TOURISM LANDSCAPE IN PUNJAB

In this section, the study will review the Travel and Tourism landscape of Punjab, focusing on its potential. This examination is essential to understand the region's current capabilities, opportunities for growth, and areas requiring strategic interventions.

**Fig. 4. Travel & Tourism Potential in Punjab**

<b>Estimated Domestic Tourist Potential</b>	Contribution to GDP	USD 1 billion
	Contribution to Employment	243,000 jobs
<b>Estimated Sikh Tourism Potential</b>	Contribution to GDP	USD 0.35 billion
	Contribution to Employment	82,000 jobs
<b>Estimated Buddhist Tourism Potential</b>	Contribution to GDP	USD 0.15 billion
	Contribution to Employment	30,000 jobs

Source: Punjab Growth Strategy 2023, Planning & Development Board, Government of Punjab

### 6.1. Sectoral Distribution of Employed Labour Force in Arts, Entertainment and Recreation

The percentage of the employed labour force in the arts, entertainment, and recreation sectors is considerably low in Punjab. It is evident that more efforts are required to strengthen the development of the recreation industry in the province. Over the past decade, there has been a lack of awareness and attention to this issue in development policies, which calls for renewed focus and action. Furthermore, Pakistan has experienced a significant decline in its potential within the Travel & Tourism industry, leading to a discouraging environment for potential investors in this sector. Addressing these challenges is crucial to revitalise the Travel & Tourism industry and create opportunities for growth and investment in Punjab and Pakistan as a whole. According to Labour Force Survey 2018-2019, the share of the employed labour force in arts, entertainment, and recreation in Punjab had been just around 0.21% in 2018-2019 compared to 0.24% in the total employed in 2017-2018. In the case of Pakistan, the value is lower at 0.18% in 2018-2019 compared to 0.18% of the total employed in 2017-2018.<sup>25</sup> Moreover, in the latest report, the percentage of the employed labour force in arts, entertainment, and recreation in Punjab is 0.22% with an average salary of 18,697 PKR per month per employee in the arts, entertainment, and recreation sector (i.e., even lower than the minimum wage rate).<sup>26</sup>

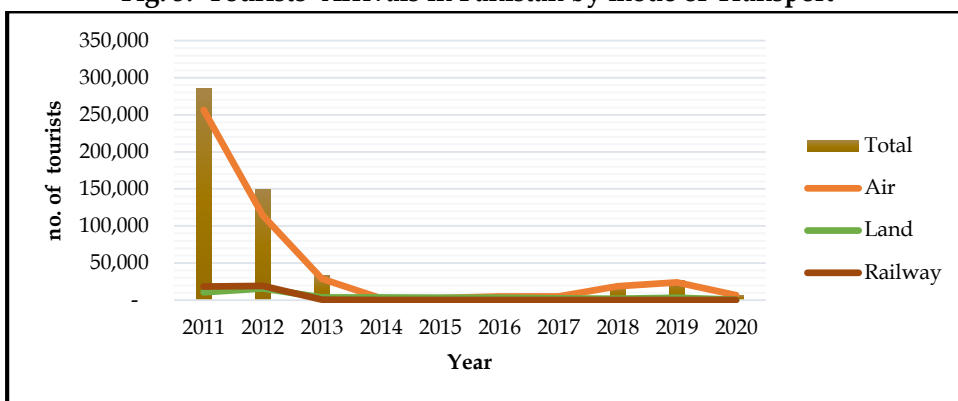
### 6.2. Trend Analysis of Inbound Tourists

The following graph shows a concerning downward trend in tourist arrivals to Pakistan across all modes of transportation. This decline is likely indicative of several issues that have hindered the growth of the tourism sector over the years. Factors such as inadequate tourism infrastructure, deteriorating law and order situation, and a lack of facilitation for tourists may have contributed to this trend.

<sup>25</sup> Labour Force Survey 2018-2019, Pakistan Bureau of Statistics, Government of Pakistan.

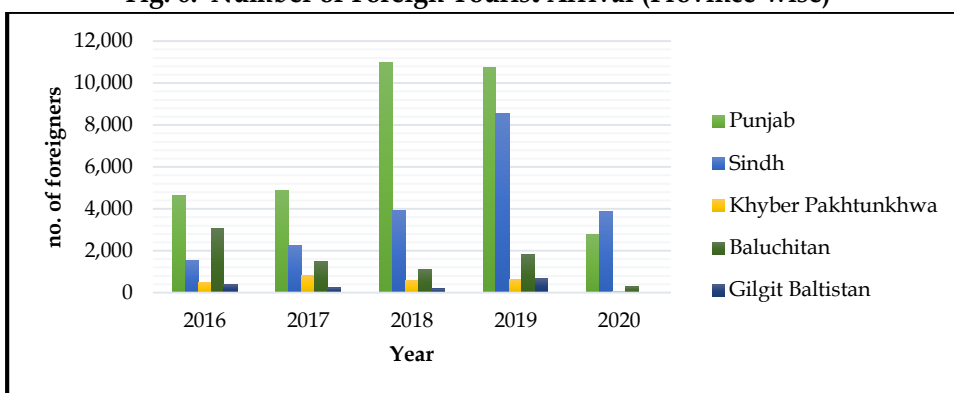
<sup>26</sup> Labour Force Survey 2020-2021, Pakistan Bureau of Statistics, Government of Pakistan.

**Fig. 5. Tourists' Arrivals in Pakistan by mode of Transport<sup>27</sup>**



Source: Pakistan Statistical Yearbook 2020

**Fig. 6. Number of Foreign Tourist Arrival (Province-wise)<sup>28</sup>**



Source: Social Indicators of Pakistan Report 2021

The surge in tourist numbers in Pakistan in 2018 and 2019 can be attributed to improved security conditions, a more accessible visa policy, and government efforts to enhance the country's image as a tourist-friendly destination.

### 6.3. Annual Visitors at Archaeological Museums in Punjab

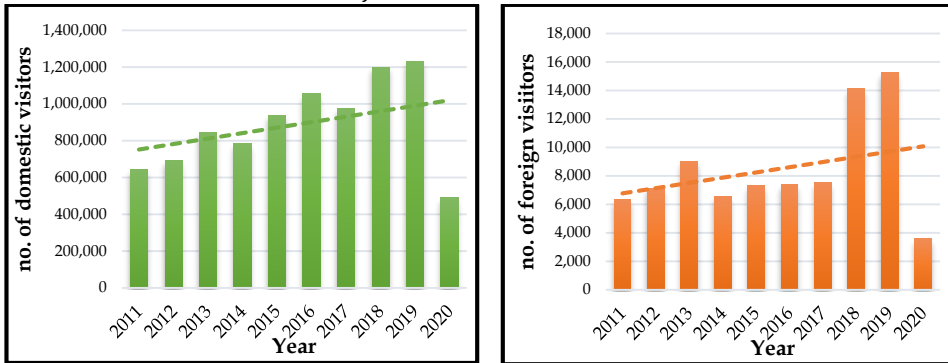
Pakistan's rich historical and religious heritage offers significant revenue potential from museums, but sustaining them requires proper policy measures. Although attendance declined in 2020 due to the pandemic, the overall trend shows continued visitor interest.

<sup>27</sup> Data obtained from Pakistan Statistical Yearbook 2020, Government of Pakistan, Ministry of Planning, Development and Special Initiatives (Pakistan Bureau of Statistics) - table 20.30. [https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan\\_Statistical\\_Year\\_Book\\_2022.pdf](https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan_Statistical_Year_Book_2022.pdf)

<sup>28</sup> Social Indicators of Pakistan Report 2021, Pakistan Bureau of Statistics, Government of Pakistan, retrieved from [https://www.pbs.gov.pk/sites/default/files/social\\_statistics/publications/Social\\_Indicators\\_of\\_Pakistan\\_2021.pdf](https://www.pbs.gov.pk/sites/default/files/social_statistics/publications/Social_Indicators_of_Pakistan_2021.pdf)



**Fig. 7. Number of Annual Domestic/Foreign Visitors at Archaeological Museums in Punjab<sup>29</sup>**

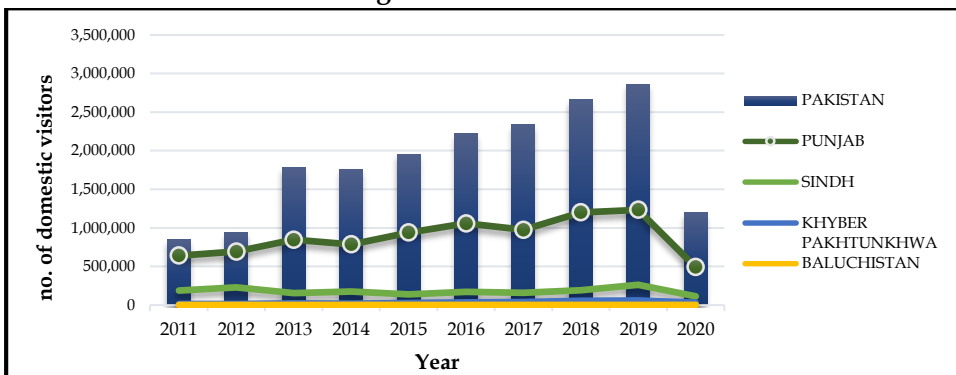


Source: Pakistan Statistical Yearbook 2020

#### 6.4. Annual Visitors at Archaeological Museums (Province-wise)

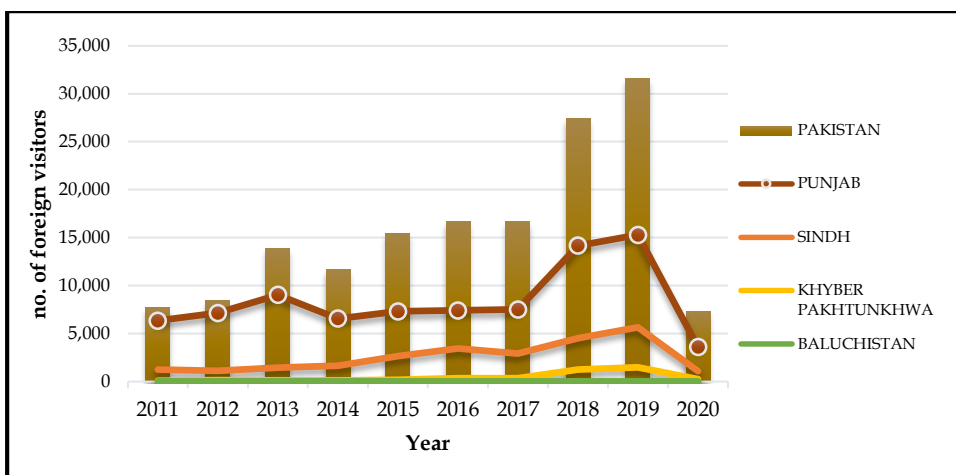
The subsequent figures explore a comparative analysis of both domestic and foreign visitors to archaeological museums across four provinces in Pakistan: Punjab, Sindh, Khyber Pakhtunkhwa, and Baluchistan. Additionally, the overall visitor data for Pakistan comprises the museums in the aforementioned provinces as well as those in Islamabad. Notably, Punjab stands out with the highest number of visitors, underscoring its significant potential for lucrative investment opportunities in the realm of cultural heritage.

**Fig. 8. Number of Annual Domestic/Foreign Visitors at Archaeological Museums<sup>30</sup>**



<sup>29</sup> Data obtained from Pakistan Statistical Yearbook 2020, Government of Pakistan, Ministry of Planning, Development and Special Initiatives (Pakistan Bureau of Statistics) – table 19.13. file retrieved from [https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan\\_Statistical\\_Year\\_Book\\_2022.pdf](https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan_Statistical_Year_Book_2022.pdf)

<sup>30</sup> Data obtained from Pakistan Statistical Yearbook 2020, Government of Pakistan, Ministry of Planning, Development and Special Initiatives (Pakistan Bureau of Statistics), file retrieved from [https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan\\_Statistical\\_Year\\_Book\\_2022.pdf](https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan_Statistical_Year_Book_2022.pdf)



Source: Pakistan Statistical Yearbook 2020

## 6.5. Annual Visitors to Lahore Museum and Taxila Museum in Punjab

The attendance of both national and foreign visitors at archaeological museums in Punjab has shown a consistent upward trend, particularly at Lahore Museum and Taxila Museum. While Lahore Museum has seen a gradual decline in domestic visitors, Taxila Museum has experienced an average increase. Peak visitation at Lahore Museum occurs in July and August during summer holidays and in November and December during winter holidays. Taxila Museum's busiest months are May through August, also aligning with the summer holidays.

Table 21

*Annual Domestic Visitors at Lahore and Taxila Museum<sup>31</sup>*

Year	Lahore Museum							Taxila Museum						
	2015	2016	2017	2018	2019	2020	2021	2015	2016	2017	2018	2019	2020	2021
January	12,889	18,394	16,009	12,495	17,860	20,592	12,751	3,200	16,155	8,283	8,773	12,890	5,750	22,154
February	13,877	16,343	11,639	13,848	16,221	24,246	14,142	3,200	17,646	8,298	13,561	14,192	4,870	18,956
March	22,381	21,027	16,813	19,424	20,727	10,485	12,652	4,700	9,552	15,295	21,523	21,016	N/A	24,062
April	23,713	15,689	17,115	16,879	18,030	N/A <sup>32</sup>	1,564	2,800	26,870	15,639	25,588	26,497	N/A	3,611
May	17,021	11,478	11,453	8,605	3,893	N/A	1,168	2,700	29,227	14,940	37,834	23,999	N/A	8,778
June	17,465	5,067	8,347	21,234	18,991	N/A	7,261	3,000	42,972	24,891	41,124	37,200	N/A	41,045
July	21,662	32,502	28,862	21,059	23,426	N/A	11,207	73,631	54,590	25,390	37,611	51,662	N/A	52,045
August	30,724	19,705	13,688	18,920	19,031	8,330	13,559	45,972	23,548	15,838	20,690	54,871	27,352	28,167
September	17,485	13,368	17,309	17,645	13,254	13,823	10,078	12,849	21,726	10,375	20,148	15,454	23,609	22,452
October	21,245	22,527	24,148	28,212	29,322	10,809	14,710	13,538	11,996	9,307	14,989	14,747	17,328	19,125
November	41,033	32,583	20,614	18,976	28,726	9,689	22,785	12,123	7,530	6,895	11,911	11,707	10,930	16,252
December	26,730	24,897	25,759	27,038	28,461	10,706	20,923	14,498	10,962	101,73	19,564	N/A	15,311	12,926
<b>Total</b>	<b>266,225</b>	<b>233,580</b>	<b>211,756</b>	<b>224,335</b>	<b>237,942</b>	<b>108,680</b>	<b>142,800</b>	<b>192,211</b>	<b>272,774</b>	<b>165,324</b>	<b>273,316</b>	<b>284,235</b>	<b>105,150</b>	<b>269,573</b>

Source: Pakistan Bureau of Statistics 2021

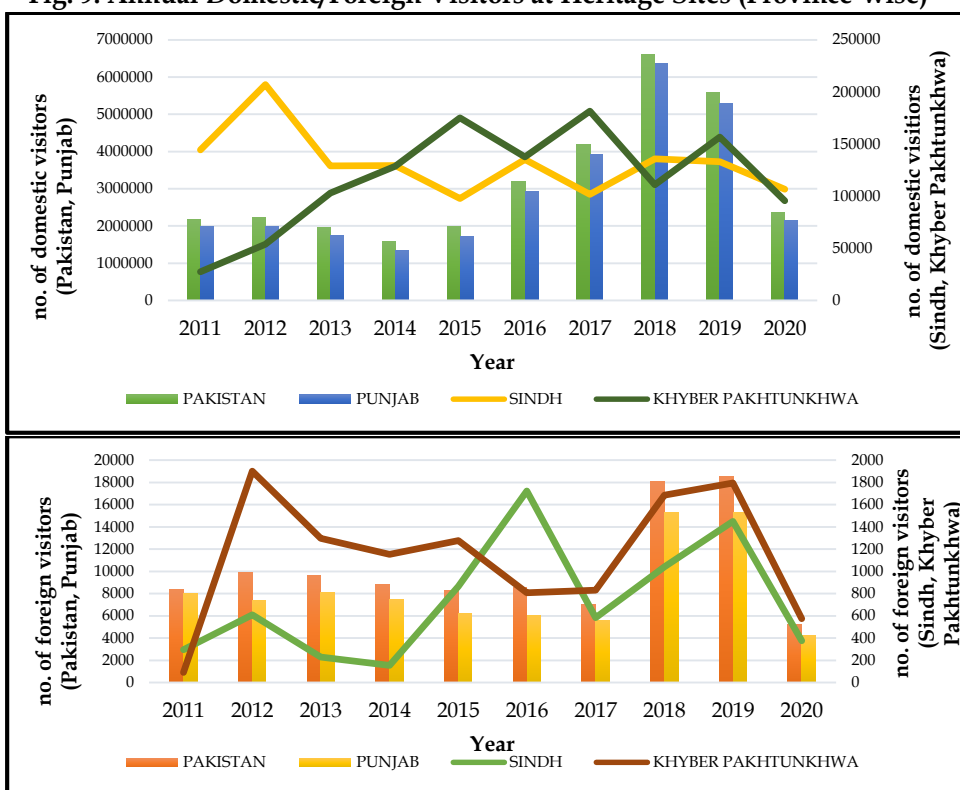
<sup>31</sup> Pakistan Bureau of Statistics 2021, data retrieved from [https://www.pbs.gov.pk/sites/default/files/tables/social\\_statistics/Visitors\\_at\\_Archaeological\\_Museum\\_in\\_Pakistan.pdf](https://www.pbs.gov.pk/sites/default/files/tables/social_statistics/Visitors_at_Archaeological_Museum_in_Pakistan.pdf)

<sup>32</sup> N/A reflects closure of Museums due to Covid - no data available.

## 6.6. Annual Visitors at Heritage Sites (Province-wise)

Heritage sites<sup>33</sup> in Pakistan play a pivotal role as significant revenue generators for the thriving tourism industry. Punjab attracts the highest number of visitors to heritage sites and shows great potential for tourism investment. In comparison, Sindh and Khyber Pakhtunkhwa, despite their unique cultural heritage, contribute less to visitor numbers and investment prospects. This presents an opportunity for these provinces to develop strategic marketing initiatives and infrastructure to attract more visitors and boost revenue in the tourism industry. By leveraging their cultural heritage and fostering sustainable development, Sindh and Khyber Pakhtunkhwa can enhance their contributions to Pakistan’s tourism sector.<sup>34</sup>

**Fig. 9. Annual Domestic/Foreign Visitors at Heritage Sites (Province-wise)<sup>35</sup>**



Source: Pakistan Statistical Yearbook 2020

<sup>33</sup> Cultural heritage is the inheritance of tangible goods and intangible traits that pertain to a certain civilisation or tradition that are passed down from past generations. Cultural legacy includes tangible cultural objects such as architecture, monuments, landscapes, works of art, and artefacts.

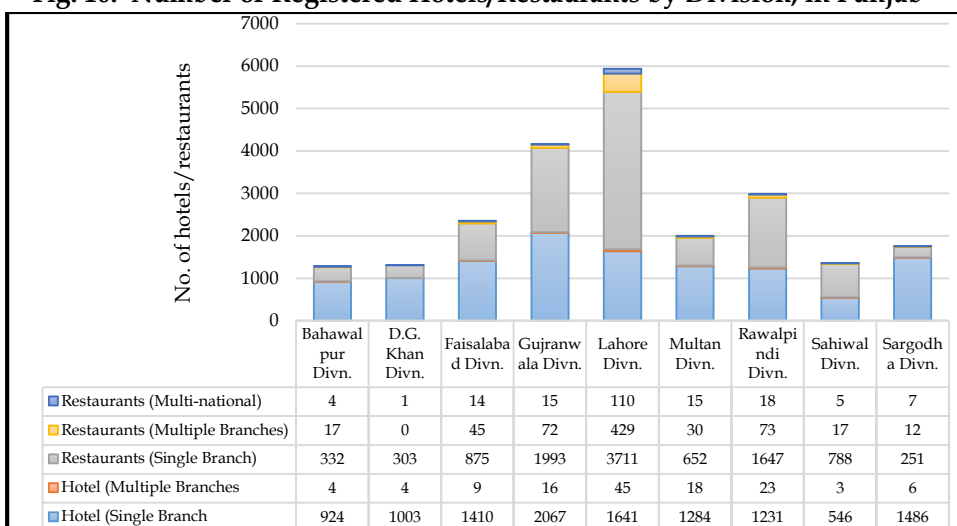
<sup>34</sup> Values for Baluchistan are not available in record.

<sup>35</sup> Data obtained from Pakistan Statistical Yearbook 2020, Government of Pakistan, Ministry of Planning, Development and Special Initiatives (Pakistan Bureau of Statistics) – table 19.14. Values for Baluchistan are missing (no data available) [https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan\\_Statistical\\_Year\\_Book\\_2022.pdf](https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan_Statistical_Year_Book_2022.pdf)

## 6.7. Hotels and Restaurants in Travel & Tourism Industry of Punjab

The development of hotels and restaurants plays a crucial role in the growth and prosperity of Pakistan’s burgeoning tourism industry. To promote and encourage such developments, a combination of strategic approaches can be implemented by the government and relevant stakeholders.

**Fig. 10. Number of Registered Hotels/Restaurants by Division, in Punjab<sup>36</sup>**



Source: Punjab Development Statistics Report 2021

The DIMPS field survey,<sup>37</sup> capturing essential statistics on hotel facilities in Punjab, presents a valuable achievement for the PTEGP in understanding and developing tourism-related data. The data encompassing average room numbers, rents, nights spent by tourists, and employee details sheds light on the hospitality landscape. Notably, the survey indicates the diversity in room types, their corresponding rents, and seasonal variations. However, the limited average nights spent by tourists, seemingly uniformly at 2 nights for all room types, raises questions about the duration of stay and potential implications for tourism experiences. Additionally, the average salaries of hotel employees, while categorised, warrant a deeper analysis in terms of industry standards, potential implications on service quality, and the broader economic impact on the local workforce. Further scrutiny of these findings and their alignment with broader tourism goals is necessary for comprehensive planning and development in the sector.

<sup>36</sup>Punjab Development Statistics Report 2021, table 23.3. retrieved from <https://bos.gop.pk/system/files/PDS%202021.pdf>. Figures reflects data up till 31st Dec 2020.

<sup>37</sup> Field survey and stakeholder consultation report 2021 (draft); conducted by PTEGP under the Destination Investment and Management Plans (DIMPS) in December 2021. The values represent the hotels at DIMPS Sites only.

Table 22

*Average Number of Hotel Rooms, Fares, Employees, in Punjab.*

Avg. Rooms		Avg. no. of rooms	Avg. rent (in-season)	Avg. rent (off-season)	Avg. nights spent by tourists
11 Total Rooms per Hotel	<i>Basic Rooms</i>	8	PKR 1,505	PKR 1,219	2
	<i>Superior Rooms</i>	6	PKR 2,704	PKR 2,532	2
	<i>Executive Rooms</i>	4	PKR 4,808	PKR 4,820	2
Avg. Employees (male)		Avg. salary (in-season)		Avg. salary (off-season)	
6 Total Employees per Hotel	<i>Upper Staff</i>	PKR 24,571		PKR 24,571	
	<i>Middle Staff</i>	PKR 19,182		PKR 19,121	
	<i>Support Staff</i>	PKR 14,043		PKR 13,596	

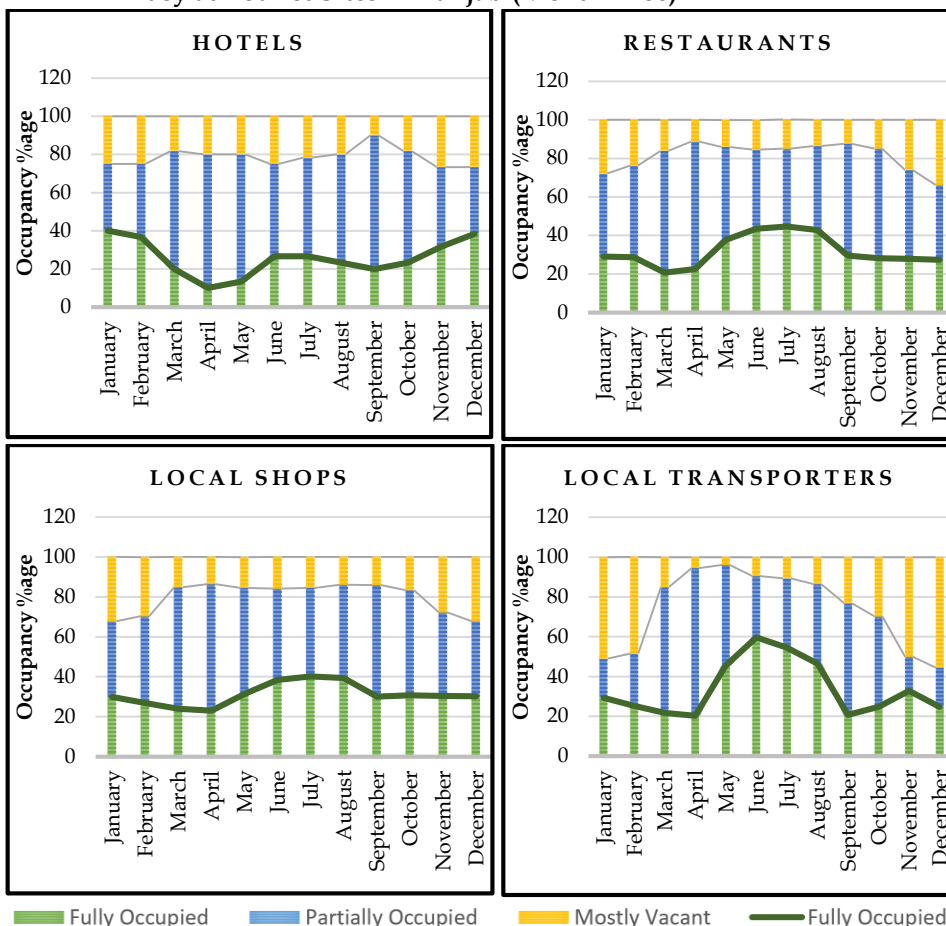
*Source:* Author's Calculations, DIMPS Field Survey 2021 by PTEGP.

## 6.8. Understanding Business Cycles in Travel & Tourism Industry of Punjab

Pakistan's Travel & Tourism industry performance correlates closely with economic cycles. During economic upswings characterised by higher employment and disposable income, tourism flourishes as people have more spending power for travel. Conversely, economic downturns, like recessions, lead to reduced tourism demand due to decreased consumer spending on non-essential activities. Seasonal patterns also influence tourism, with winter months seeing peak activity and summer months being slower. These variations contribute to revenue fluctuations throughout the year. Additionally, business cycles impact exchange rates, affecting tourism dynamics; a weaker local currency can attract more foreign tourists due to lower costs, while a stronger currency may deter them.

Graphical representations from the DIMPS field survey conducted by PTEGP in December 2021 provide a comprehensive overview of Punjab's tourism business cycles for that year. These visuals offer insights into activity levels among key stakeholders such as hotels, restaurants, shops, and local transporters across different months. Analysis of month-wise trends reveals distinct patterns of high and low demand, crucial for understanding seasonal variations and industry performance. Stakeholders and policymakers can use this data to strategize effectively, optimise performance during peak seasons, and address challenges during periods of lower demand. The categorisation of occupancy levels further enhances understanding, providing nuanced insights into industry dynamics year-round.

**Fig. 11. Distribution of Percentage of Hotels/Restaurants/Shops/Transporters Busy at Tourist Sites in Punjab (Month-wise)<sup>38</sup>**



Source: Author's Calculations, DIMPS Field Survey 2021 by PTEGP.

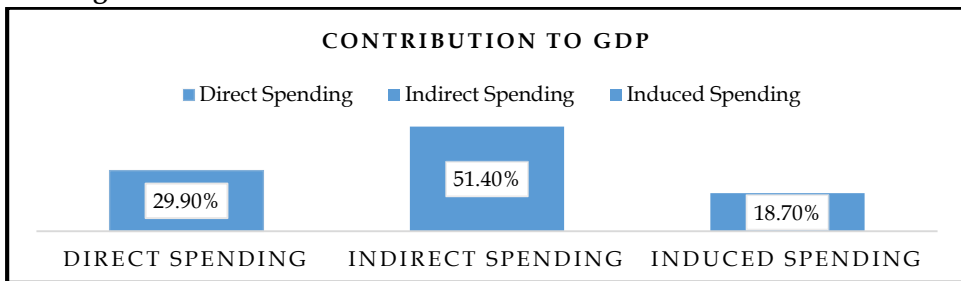
## 7. UNDERSTANDING TOURIST SPENDING IN TRAVEL & TOURISM INDUSTRY OF PUNJAB

The baseline survey analysis during the initial economic evaluation in 2016-17 was either absent or insufficiently integrated before approval of the PTEPG, leading to a significant oversight regarding essential information on potential visitors and their spending behaviours at project sites in Punjab. This led to inadequate site selection which was not resolved even after the addition of sites post-revision.

<sup>38</sup> Data obtained from Field survey and stakeholder consultation report 2021 (draft); conducted by PTEGP under the Destination Investment and Management Plans (DIMPS) in December 2021

According to the World Travel & Tourism Council (WTTC) guidelines, calculating total spending on Travel & Tourism involves assessing direct, indirect, and induced spending. This approach includes evaluating government and individual expenditures on travel services, providing an accurate assessment of the sector’s direct contribution to GDP by subtracting various tourism sector expenditures. Additionally, the total contribution of Travel & Tourism encompasses ‘wider impacts,’ including indirect effects on GDP and jobs supported by investment spending, government spending, and domestic purchases related to tourism. The ‘induced’ contribution measures the economic impact of spending by individuals employed directly or indirectly in the Travel & Tourism industry. This comprehensive framework offers a precise depiction of the industry’s economic significance, distinguishing between direct tourist spending, indirect economic activities, and induced spending by those employed in the sector.

**Fig. 12. Breakdown of Travel & Tourism’s GDP of Pakistan in 2021<sup>39</sup>**



Source: WTTC, Pakistan 2021

The contribution of direct, indirect, and induced spending in the total contribution of Travel & Tourism to GDP is depicted. Notably, a significant portion of the contributions falls under indirect spending, encompassing 34.8% from the supply chain, 12.7% from investments made in the tourism sector, and 4% from government collective spending.<sup>40</sup>

The study estimates the total direct, indirect, and induced spending by tourists in Punjab, highlighting the significant contribution of the tourism sector to the region's GDP. Additionally, it includes projections of tax revenues generated through tourist spending and potential increases in willingness to pay, illustrating the economic impact of tourism on the local economy. The following tables are part of the PTEGP economic evaluation for 2022-23 and are derived from the PTEGP's DIMPS Field Survey data.<sup>41</sup>

<sup>39</sup> World Travel & Tourism Council (WTTC) Report on Pakistan, 2021

<sup>40</sup> Data obtained from World Travel & Tourism Council (WTTC)

<sup>41</sup> The calculated spending from DIMPS field survey 2021 represents the average direct spending of tourists in Punjab for the year 2021. The sample taken in the survey is a good representative

Table 23

*Assumed Total Direct Spending (Annual) of Tourists in Punjab.*

	Currency	Within District	Between Districts	Foreign	Total
Total direct spending	PKR	2,052,611,644	3,935,130,144	114,350,288	6,102,092,076
	USD	13,242,655	25,387,936	737,744	39,368,336
Indirect Tax (GST @16%)	PKR	328,417,863	629,620,823	18,296,046	976,334,732
	USD	2,118,825	4,062,069	118,039	6,298,934

Source: Author's Calculations.

Table 24

*Assumed Total Revenue Earned through Entrance + Parking Tickets (Annual)*

	Currency	Within District	Between Districts	Foreign	Total
Total direct spending	PKR	209,961,773	150,289,004	18,475,085	378,725,862
	USD	1,354,592	969,606	119,194	2,443,393
Indirect Tax (GST @16%)	PKR	33,593,884	24,046,241	2,956,014	60,596,138
	USD	216,735	155,137	19,071	390,943

Source: Author's Calculations.

To assume the total contribution (direct, indirect, and induced spending) of Travel & Tourism to the GDP of Punjab, the study assumes values from WTTC<sup>42</sup> and further assumes the indirect and induced spending in Punjab.<sup>43</sup>

Table 25

*Potential Contribution of Travel & Tourism to GDP of Punjab (Current Spending)*

		Direct Spending 29.90%	Indirect Spending 51.40%	Induced Spending 18.70%	Total Contribution 100%
Total spending	PKR	6,102,092,076	10,489,884,037	3,816,358,589	20,408,334,703
Total spending (1USD@155PKR)	USD	30,115,491	51,770,443	18,834,772	100,720,705
GST @16%	PKR	976,334,732	1,678,381,446	610,617,374	3,265,333,553
GST @16%	USD	4,818,479	8,283,271	3,013,564	16,115,313

Source: Author's Calculations.

of the population of Punjab Province, Pakistan. Can be assumed for other sites. The value of USD is assumed to be @155 PKR per dollar as per the revised PC1 of PTEGP 2020-21.

<sup>42</sup> Refer to Table 12 Breakdown of Travel & Tourism's GDP of Pakistan in 2021

<sup>43</sup> As per WTTC data sources, Direct spending is 29.9% of the total contribution of Travel & Tourism in GDP of Pakistan. Similarly, the indirect and induced spending are 51.4% and 18.7% of the total contribution of Travel & Tourism in GDP of Pakistan. The breakdown of these components is applied for the case of contribution of Travel & Tourism in GDP of Punjab for evaluate the potential values for each of the component of total contribution respectively. Rate of Dollar is assumed to be @155 PKR per USD as per PC1 document



Table 26

*Potential Increase in Willingness to Pay (Total Contribution to GDP)<sup>44</sup>*

		Direct Spending 29.9%	Indirect Spending 51.4%	Induced Spending 18.7%	Total Contribution 100%
Total spending	PKR	1,518,334,119	2,610,112,833	949,593,579	5,078,040,531
Total spending (1USD@155PKR)	USD	9,795,704	16,839,438	6,126,410	32,761,552
GST @16%	PKR	242,933,459	417,618,053	151,934,973	812,486,485
GST @16%	USD	1,567,313	2,694,310	980,226	5,241,848

Source: Author's Calculations

## 8. INSIGHTS FROM STAKEHOLDERS IN TOURSIM INDUSTRY OF PUNJAB

To gauge inputs from relevant stakeholders in tourism industry, the program review study for the PTEGP project included Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs), from which several crucial insights were assembled. For reference, you can find the set of questions and the list of stakeholders who participated in KIIs and FGDs in Annexure V.

### (1) How well has the operation performed in terms of key performance indicators?

- (a) According to the perception of the stakeholders, the project has demonstrated notable progress in achieving targets, evident through the completion of essential deliverables like Site Management Plans and Museum Management Plans. However, challenges in executing these plans have resulted in delays. The purpose was to attract number of investment projects at sites. Their perception and the results mentioned in the documents are somehow different.
- (b) While the development objectives have been partially realised, frequent revisions during project steering committee meetings indicate the need for a more consistent approach to ensure sustained impact. Frequent revisions hampered project's trajectory.
- (c) Little interest was given to the original site selection plan by stakeholders as they seemed to be more interested in getting procurements from PTEGP and gain maximum benefits, without considering the project's scope and objectives. Majority were happy with the performance of the project as their department was allocated with significant amount of support/funds from the project in terms of procurements.

<sup>44</sup> The willingness to pay has been determined based on the DIMPS field survey conducted in 2021 by PTEGP. These values represent the additional amount of money that tourists are willing to spend, contingent upon improved service delivery and tourism enhancements at the respective DIMPS sites.

- (d) Implementation hurdles primarily revolved around procedural delays and political instability. Regime changes and conflicting interests within the administration have contributed to setbacks in project progression. Stakeholders had a perception that project faced two set of regimes which had different scope and objectives, but it has been observed that majority were in favour to build roads to fulfil their political motivations.
- (e) Stakeholders agreed that the project did work a lot for tangible asset procurements and road rehabilitations.
- (f) Stakeholder perceptions suggest a gap between expectations and project outcomes. Structural reforms and enhanced coordination among tourism-related departments are proposed to elevate the tourism sector's performance.
- (g) Views on alignment with international best practices are mixed. While some stakeholders acknowledge alignment, there's consensus on the necessity to address procedural delays and potentially realign policies for better institutional empowerment in the tourism industry.

**(2) How well has the operation been managed?**

- (a) Stakeholders within the Travel & Tourism industry have generally cooperated effectively throughout the implementation of PTEGP's interventions.
- (b) Effective coordination of project operations is acknowledged, emphasising a collaborative approach among diverse stakeholders.
- (c) Stakeholders had a perception that the financial aspects of PTEGP's activities have been well-handled. Suggestions highlight the importance of promoting local research for localised problem-solving, ensuring quality through expert reviews.
- (d) Adherence to the project manual is confirmed, with periodic revisions during implementation leading to variations in project objectives.
- (e) Procurements are reported to be timely and of satisfactory quality, meeting stakeholder expectations.
- (f) Reporting requirements have been fulfilled in a timely manner, contributing to effective project oversight.
- (g) PTEGP's extensive survey initiatives, including the DIMPS field survey 2021, have yielded valuable tourism statistics. Recommendations emphasise the engagement of local academia and think tanks for more cost-effective and inclusive research.
- (h) The importance of considering constraints faced by marginalised groups and integrating their needs into implementation plans is underscored.

**(3) What are the prospects and options for sustaining these activities?**

- (a) The absence of a clear strategy for sustained financial streams beyond ticket and tourism transport revenue is highlighted. Recommendations

include policy restructuring to capture potential revenue aligned with tourists' spending patterns.

- (b) To achieve financial sustainability, aligning project interventions with direct, indirect, and induced spending patterns of tourists is deemed crucial.

## 9. RECOMMENDATIONS

Based on the results obtained from the study, the review of the project documents, the discussions made with the stakeholders involved in the tourism industry of Punjab, and the “consultancy service of the economic and financial analysis of PTEGP” conducted by team at Pakistan Institute of Development Economics (PIDE), the following recommendations are made. These recommendations may aid in the sustainability and effectiveness of PTEGP.

- (1) **Refocus on Demand-Driven Tourism Development and prioritise high-potential sites:** Prioritise the development of tourist sites with high potential for economic benefits rather than focusing solely on religious sites with low tourist footfall. Ensure that site selection criteria are based on thorough market research and potential for attracting both domestic and international tourists.
- (2) **Removal of religious sites having low-footfall:** It's imperative to get rid of the sites that have low footfall. Since, people are not willing to go at a particular site, there is no point of road rehabilitations at the respective sites.
- (3) **Improve Economic Analysis and Planning:** Conduct thorough economic analyses using sound assumptions to ensure realistic expectations about the project's impact. Avoid approval based on inaccurate NPV calculations and ensure that all economic strategies are coherent and well-planned. It is also recommended to conduct a thorough needs assessment and robust input-output framework for each of the interventions under each of the component.
- (4) **Strengthen Markets, support tourist spending, and raise spending opportunities:** The study suggests that it is important to encourage and reinforce consumer (tourist) spending at the project site which can be achieved if the markets are efficient and are providing enough opportunities for the consumers to spend and attract investment. This will also help the Travel & Tourism industry of Pakistan to revive the potential for foreign visitors (the nation lost around 90% of its foreign visitors in the last decade). For this purpose, hygiene really matters as the potential spending is driven by the availability and facilitation of high-quality services, ensuring clean environment too.

- (5) **Ease the business registration and license procedures:** over-regulations can prevent new players from entering the market, which can stifle competition and innovation. PTEGP can streamline the processes by identifying them and simplifying regulations, reducing licensing requirements for setting up new businesses (specifically at destination sites with high spending potential) and streamlining administrative procedures. The project has introduced an agenda to digitise the registrations of restaurants and hotels at the Department of Tourist Services (DTS). It is highly recommended to integrate other relevant departments/authorities in the digitisation processes and ensure the processes are automated too. This shall streamline and integrate the functioning of all the relevant department/authorities within the tourism industry, ensuring accountability, transparency and reduction in the transaction costs (which includes time costs, travel costs, and other related costs for the businesses). This should be applicable throughout the province and not just in the sites selected. Lastly, the administrative bodies of all the project sites should publish annual reports on their performance. Dissemination of such information shall incentivise consumption and investment opportunities in Travel & Tourism industry in Punjab.
- (6) **Supporting Small and Medium-sized Enterprises (SMEs):** The project can provide financial and technical assistance to SMEs in the tourism industry and support industries to improve their competitiveness and increase their contribution to the local economy. There are multiple constraints from the regulatory authorities which discourage the growth of small businesses via over-regulatory measures. The government authorities have been demolishing and discouraging “Kiosks” or portable shops, which are a source of revenue for small businesses. PTEGP should work with the departments like Small and Medium Enterprises Development Authority (SMEDA) and Punjab Small Industries Corporation (PSIC) too in order to create opportunities for Local SMEs to set up their businesses at project sites (specifically at the destination sites where the spending is higher than the other sites, or in the urban areas with higher tourist density). The study highly discourages making interventions at sites with low-tourist footfall.
- (7) **Encouraging Local Sourcing:** PTEGP should encourage tourism businesses to source their inputs from local suppliers to promote local economic development. PTEGP should work on local procurements in tourism businesses to purchase goods and services from local suppliers to support the local economy and generate induced spending. Moreover, utilising consultation services from foreign firms, like in the case for

conducting DIMPS field survey in 2021<sup>45</sup> could be costly while using local services can be both cost-effective and an opportunity to enhance induced benefits, promoting tourism renaissance in Punjab.

(8) **Avoid focusing on brick-and-mortar interventions:** PTEGP should primarily focus more on the institutional structure for Travel & Tourism in Punjab, and completely shift its focus from like building roads at low-potential religious sites selected. The study shows that these sites do not have significant tourist footfall, no significant tourist spending, no significant opportunities for businesses to set up, and most importantly there is no preliminary study to support the need for these roads to achieve economic growth (to raise the contribution of Travel & Tourism to GDP and Employment). In other words, it can be understood to improve the software rather than just focusing on improving the hardware. Some of the examples of roads built at sites with low footfall and low-spending are as followed:

- (a) Stupa at Toap Mankiala had no tourist footfall recorded, no opportunities for the tourist to spend, and no significant businesses at the site, but the widening/development of the road is accomplished as 2.1 KM road from G.T Road to Toap Mankiala, District Rawalpindi has been 100% built. The site is considered religious with no significant spending.
- (b) Gurdwara Sacha Sauda at Farooqabad did not have a significant footfall of tourists and is a religious site. The number of Sikhs visiting in-season, and the number of domestic visitors is also not much significant. There are also not many opportunities to spend at these sites. Despite this a 1.15 KM of Road from Sucha Sauda Manawala Road to Gurdwara, District Sheikhpura has been 100% built. The contract for this road was signed in May 2023.
- (c) A 4.1 km road from Lahore-Sheikhpura to Mariumabad District Sheikhpura has been built 100% built for the National Mariam Shrine, which is a religious site. The site has no data for footfall and the least opportunities to spend for tourists. The contract signing for this road was completed in July 2023.
- (d) A 17 km road from Adda Mukdi to Channan Pir has been 100% rehabilitated/improved for Channan Pir Shrine in District Bahawalpur. The site has no record of footfall and is a religious site. There are no significant opportunities for spending at the site and the site is quite far from Bahawalpur city.

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<sup>45</sup> The survey was outsourced to an international firm "HIDRIA" <<https://hidria.es/?lang=en>>. HIDRIA is a private independent company which offers consulting and project management services

- (e) A widening of 4.71 kms of Ghulam Farid Mitthan Kot Road has been 100% built despite of low tourist spending, low foreign visitors and least available opportunities for spending.
- (9) **Publicising the information:** Administrative bodies of all the project sites should publish annual reports on their performance. Dissemination of such information shall incentivise consumption and investment opportunities in Travel & Tourism industry in Punjab. By making this information publicly available, potential investors and tourists can gain a better understanding of the industry and its performance, which can help them make informed decisions about whether to invest in or visit Punjab.
- (10) **Introduce Tourism Packages at sites:** Tourism packages may be introduced for the sites where there is significant tourist spending and tourist footfall. Refer to the findings of the study to identify the potential spending and visitors at sites. Tourism packages can provide means of secure and sustainable travel and transactions. It would also enable domestic and foreign tourists to get engaged easily and frequently in Travel & Tourism in Punjab. Collaborating with international tourism organisations and promoting Punjab as a safe and attractive tourist destination to increase foreign tourist arrivals.
- (11) **Digitisation of entry tickets and parking fees:** This includes introducing entry tickets and parking fees at tourist sites to enhance revenue for maintenance and development. This approach emphasises digitalisation for efficient record-keeping. Key suggestions include implementing user-friendly e-ticketing systems, offering diverse payment options, conducting comprehensive staff training, and deploying online monitoring systems to optimise operations. Promotional efforts via social media and online platforms are proposed to increase visitor awareness and adoption of the new system. Additionally, a one-time digitised parking fee is advised to bolster revenue streams and facilitate data collection for strategic planning and site management.

Apart from the discussion of this study and in light of the international best practices, the study has made several recommendations to improve the tourism industry and maximise the benefits from tourist spending and attract foreign visitors. Comparing Punjab and Pakistan's tourism policies with international best practices is crucial to pinpoint areas for improvement and align strategies with global standards. Key international best practices include sustainable tourism, public-private partnerships, destination management organisations (DMOs), quality tourism infrastructure, community empowerment, integrated governmental approaches, innovation encouragement, and promotion of niche tourism products. Sustainable tourism emphasises minimising environmental and social impacts while ensuring economic viability. Public-private partnerships and DMOs enhance tourism development and management, focusing on

infrastructure and visitor experiences. Quality tourism infrastructure and community empowerment enrich destination appeal and benefit local economies. Integrated governmental approaches ensure efficient coordination and sustainable financing, supported by robust tourism data. Encouraging innovation and niche tourism products diversifies offerings and attracts specific traveller segments.<sup>46</sup> Comparing PTEGP's policies with these practices may reveal gaps, such as focusing on asset procurement over market development. Enhancing policies to foster partnerships, sustainability, and market attractiveness can make Punjab a competitive, sustainable tourism destination.

- (12) **Developing a strong and unified brand image:** Developing a strong and unique brand image for the tourism industry is essential for attracting foreign visitors. A strong brand image can help to differentiate the destination from its competitors and make it more attractive to potential tourists. This shall require mutual efforts of federal and provincial departments. Restructuring the departments may be proposed to reduce redundant activities and misuse of resources.
- (13) **Fostering international partnerships:** Collaborating with other organisations, such as local communities, the private sector, and other stakeholders can help to improve the tourism industry. This can lead to the development of new tourism products and services and help to attract more visitors. The foreign ministry may play a key role in promoting tourism and engaging in international platforms and inviting international tourism agencies in Pakistan for discussion over opportunities. The international agencies will themselves work to bring foreigners into Pakistan.
- (14) **Embracing digital technologies:** In today's digital age, tourism organisations need to embrace digital technologies. This includes using social media and other online platforms to promote tourism, as well as adopting new technologies to enhance the visitor experience. It is already recommended for the digitisation of the institutional structures of the tourism industry in Pakistan. Prefer to introduce Blockchain in digitisation and automation of the records kept by Departments/ Authorities.

Overall, these recommendations may help to improve the tourism industry and maximise the benefits of tourist spending and attract more foreign visitors. Currently, the tourism industry in Punjab and Pakistan is not aligned with the best practices of the global tourism agencies and there is a dire need to align the policies to strengthen the tourism market and let the winners emerge and grow in the markets themselves

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<sup>46</sup> see ANNEXURE IV for details

## 10. CONCLUDING REMARKS

The study revealed significant flaws in the foundational planning and focus of the PTEGP. Initially centered on religious sites with low tourist footfall and spending, the project misaligned its priorities by overemphasising road rehabilitations at original project sites. Notably, some procurement practices diverted funds away from core objectives, yet the World Bank’s reviews remained ‘moderately satisfactory’.

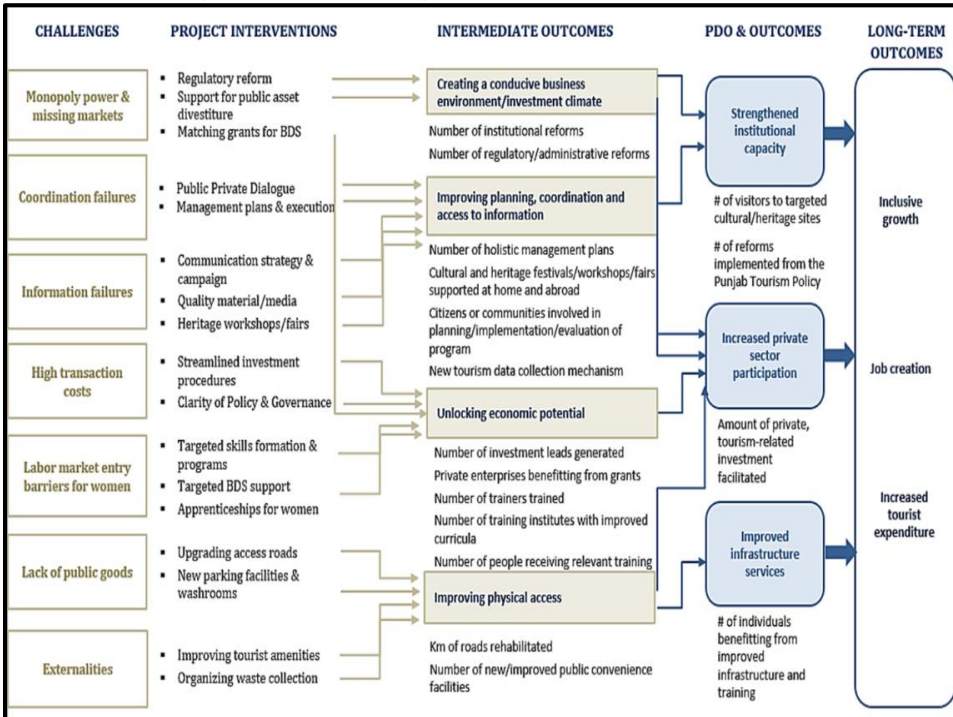
The removal of Kartarpur as a primary focus and the subsequent poor site selection further complicated the project’s trajectory. Despite revisions in 2020-21 and restructuring in April 2023, the project continued to prioritise the original sites, indicating a fundamental flaw in design and site selection.

Amendments to private tourism investment targets and the introduction of Destination Investment and Management Plans (DIMPs) and Integrated Site Management Plans (ISMPs) did not yield the expected results. However, they provided valuable tourism statistics and insights into tourism potential. Although the project shifted its focus from religious tourism to destination tourism, the continued investment in road construction at original sites undermined this shift. The initial economic analysis relied on unrealistic assumptions, leading to approvals based on inaccurate projections. Subsequent evaluations showed insignificant tourist footfall and spending at the original sites, highlighting the poor site selection. This misalignment between project goals and actual outcomes underscores the need for more robust planning, data collection, and adaptive management in future tourism development projects.



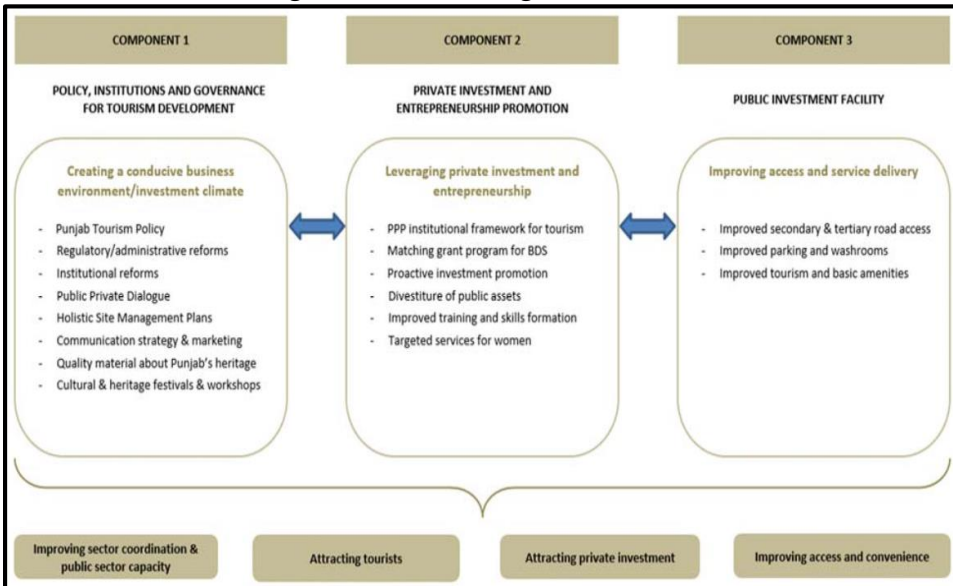


**Fig. 14. PTEGP's Logical Framework Matrix (LFM)**



Source: PTEGP Project Appraisal Document by World Bank

**Fig. 15. PTEGP's Original Structure**



Source: PTEGP Project Appraisal Document by World Bank

## Details of the Revised Project Components under Revised PC-I 2020-21

Punjab Tourism for Economic Growth Project (PTEGP)								
Approved by ECNEC						Proposed in Revise PC-I		
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	PKR
<b>A. Policy Institutions and Governance for Tourism at cost PKR 1,155 Million (USD 11 M)</b>						<b>I. Tourism Enablement at cost Rs.1,386 Million (USD 8.94 Million)</b>		
<b>A.1 Institution and Governance: Rs.420 m</b>						<b>I.1 Institution and Governance PKR 280 M (USD 1.81):</b>		
<b>A.1.1 Legal Review:</b> i. Walled City of Lahore Authority Act ii. Evacuee Trust Properties Act, 1975 iii. Hotel and Restaurant Act, 1976 iv. Travel Agencies Act, 1976 v. Punjab Prohibition of Kite flying Ordinance, 2001 vi. Punjab Special Premises Preservation Ordinance, 1985 vii. All spatial planning and land use laws viii. Delivery of Tourism facilitation services ix. Restructuring of regulatory structures and amendments to the legal structure.	100	0.95	72.70	-	This target will be completed after onboarding of Legal & Regulatory Review Firm	<b>I.1.1 Legal and Regulatory Review:</b> Project will support the review and suggest amendments, where required in the legal and regulatory framework, which includes: i. Antiquities Act 1975, (amended after 18th Amendment as the Antiquities (Amendment) Act 2012); ii. Punjab Waqf Properties Ordinance, 1979; iii. The Punjab Special Premises (Preservation) Ordinance, 1985; and iv. Walled City Bill (2011) and any other tourism related law. v. Restructuring of regulatory structures and amendments to the legal structure.	50	0.32
<b>A.1.2 Regulatory Review</b> i. Inter-departmental coordination framework review ii. Development of Sub-Sectoral procedures of business partnership iii. Restructuring of regulatory structures and amendments to the legal structure. iv. New Information resources navigation.	50	0.48	-	-	This target will be completed after onboarding of Legal & Regulatory Review Firm	<b>A.1.2 Regulatory Review</b> component is merged with <b>A.1.1 Legal Review</b>	-	-

Punjab Tourism for Economic Growth Project (PTEGP)								
Approved by ECNEC						Proposed in Revise PC-I		
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	PKR
<b>A.1.3 Institutional Review:</b> i. Capacity strengthening ii. Support government to address issues regarding visa, international openness and tax incentives through provincial regulatory reforms. Support private sector growth led through regulation and robust PPP regime iii. Establishment of investor facilitation desk iv. Improve PPP regime	100	0.95	-	-		<b>I.1.2 Institutional Review:</b> i. Capacity strengthening ii. Support government to address issues regarding visa, international openness and tax incentives through provincial regulatory reforms. Support private sector growth led through regulation and robust PPP regime iii. Establishment of investor facilitation desk iv. Improve PPP regime	100	0.65
<b>A.1.4 Survey/Data Collection:</b> i. Establishment of Project delivery Unit/Strategic Policy Unit ii. Hiring of HR for the Unit iii. Collect Tourism related Data	50	0.48	1.50	1.05	Survey and Data Collection firm is onboard 4 Quarterly reports have been submitted	<b>I.1.3 Survey/Data Collection:</b> i. Establishment of Project delivery Unit/Strategic Policy Unit ii. Hiring of HR for the Unit iii. Collect Tourism related Data	50	0.32
<b>A.1.5 Restructuring of TDCP:</b> i. Institutional development plan for TDCP ii. Overseas and local training courses and workshops. iii. Team of consultant to review articles and MOA governing TDCP iv. Capacity Building of TDCP staff	50	0.48	-	-	ToRs for restructuring of TDCP have been revised in light of covid-19 pandemic and EOI will published accordingly	<b>I.1.4 Restructuring of TDCP:</b> i. Institutional development plan for TDCP ii. Overseas and local training courses and workshops. iii. Team of consultant to review articles and MOA governing TDCP iv. Capacity Building of TDCP staff	50	0.32
<b>A.1.6 Mechanism for inter-Governmental coordination (federal/Provincial co-ordination frame work/Policy Dialogue)</b>	20	0.19	-	-		This activity is proposed to be deleted	-	-
<b>A.1.7 Capacity Building of Department's UNESCO Activities:</b> 1. Workshop Logistics (Rs.13.5 m) 2. Local & International Expertise to conduct Training (Rs.14.2 m) 3. Others (Rs.2.3 m)	30	0.29	30.00	30.00	UNESCO is implementing the deliverables as per agreed revised timelines	<b>I.1.5 Capacity Building of Department's UNESCO Activities:</b> 1. Workshop Logistics (Rs.13.5 m) 2. Local & International Expertise to conduct Training (Rs.14.2 m) 3. Others (Rs.2.3 m)	30	0.19

							Figures in Million		
Approved by ECNEC				Proposed in Revise PC-1					
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost		
	PKR	USD	PKR	PKR			PKR	PKR	USD
A.1.7 Human Resource Management Information System	20	0.19			-	This activity is proposed to be deleted		-	
<b>Sub-total; Sub-Component A.1 (Institution &amp; Governance)</b>	<b>420</b>	<b>4</b>	<b>104.2</b>	<b>31.05</b>		<b>Sub-total; Sub-Component 1.1 (Institution &amp; Governance)</b>	<b>280</b>	<b>1.81</b>	
<b>A.2 Management Plans for Tourism Site Development: PKR.210 m (USD 2 m)</b>									
A.2.1 Site Management Plans UNESCO Activities	54	0.51	210.00	200.68	2 Site management plans have been submitted 4 Destination Investment and Management Plans are being prepared	This sub-component is shifted with same cost and scope under the project component 2, <b>Infrastructure and Destination Development, Sub-Component 2.2 Integrated Site Management Plans (ISMPs), MMPs and DIMPS, 2.2.1 Managements Plans for Tourism Site Development</b>		-	
A.2.2 5-year Management Plan for Taxila & Lahore Museum	7	0.07			2 Museum Management plans have been prepared			-	
A.2.2 Mapping of Craft creative industries around the sites	117	1.11			UNESCO is implementing the deliverables as per agreed revised timelines			-	
A.2.3 UNESCO administrative & Staff costs	32	0.30						-	
<b>Sub-Total; Sub-Component A.2 (Management Plans for Tourism Site Development)</b>	<b>210</b>	<b>2.00</b>	<b>210.00</b>	<b>200.68</b>			<b>0</b>	<b>0</b>	
<b>A.3 Knowledge Partnership, Tourism Promotion &amp; Marketing: (PKR.525 m, USD 5 m)</b>									
A.3.1 Branding, Design & Production of information Material	100	0.95			Media Firm is onboard and activities will be finalized after submission of inception report	1.2.1 Development of Punjab Tourism Brand, Design and up gradation of PTEG / Tourism department's website, including interactive tourist site maps & Production of information Material including newsletter, Brochure and execution of social media strategy.	50	0.32	
A.3.2 Design, Rollout & Dissemination of National outreach campaign	110	1.05				1.2.2 Design of National & Regional outreach campaign	20	0.13	
A.3.3 Design, Rollout & Dissemination of regional outreach campaign	210	2.00							

							Figures in Million		
Approved by ECNEC				Proposed in Revise PC-1					
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost		
	PKR	USD	PKR	PKR			PKR	PKR	USD
A.3.4 Stakeholders engagement & Consensus Building	15	0.14	25.00	14.54	Ten (10) Festivals/Fairs, workshops have been conducted so far	1.2.3 Stakeholders engagement & Consensus Building	10	0.06	
						1.2.4 Development of Communication Plan for dissemination of the SMPs, MMPs DIMPs and their implementation on ground with relevant stakeholders.	5	0.03	
						1.2.5 Dissemination of National & Regional outreach campaign through cultural fairs, festivals, road shows, workshops, seminars, regional, international conferences and Print & Digital Media	150	0.97	
						1.2.6 Dissemination of Communication Plan for the SMPs, MMPs DIMPs and their implementation on ground with relevant stakeholders.	100	0.65	
A.3.4 Communication Training of PTEGP Staff & Implementing partners	15	0.14	15.00	-		1.2.7 Communication Training of PTEGP Staff & Implementing partners	15	0.10	
A.3.5 Media Advocacy & Engagement	17.7	0.17	15.00	15.00	Media Awareness Session on Destination Investment & Management Plans – 24 Aug 2020	1.2.8 Media Advocacy & Engagement	17.7	0.11	
						1.2.9 Advertisement	30	0.19	
						1.2.10 Seminars & Workshops	30	0.19	
						1.2.11 Consultative meetings with stakeholders	15	0.10	
						1.2.12 Study Tours / Visits	50	0.32	
<b>A.3.6 Community Outreach to Promotes Pluralism and respect for Diversity through engaging local schools and community youth UNESCO Activities (Rs.57.3 m)</b>					UNESCO is implementing the deliverables as per agreed revised timelines	1.2.13 Community Outreach to Promotes Pluralism and respect for Diversity through engaging local schools and community youth UNESCO Activities (Rs.57.3 m)		-	

							Figures in Million	
Approved by ECNEC					Proposed in Revise PC-I			
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	USD
A.3.6.1 Communication Strategy Development and Implementation	10.8	0.10	57.30	33.35	Consultative Workshop to Develop Heritage Communication Strategy for Sustainable Tourism and Economic Growth – 25th Nov and 2nd Dec 2020 Communication Heritage Strategy Developed	1.2.14 Communication Strategy Development and Implementation	10.8	0.07
A.3.6.2 Organization of 2 exhibitions at Lahore Museum	6	0.06			1.2.15 Organization of 2 exhibitions at Lahore Museum	6	0.04	
A.3.6.3 Capacity building crafts, tourism guidelines	16.2	0.15			1.2.16 Capacity building crafts, tourism development of Craft sector	16.2	0.10	
A.3.6.4 Support for establishing livelihoods & Market Linkages	13.5	0.13			1.2.17 Support for establishing livelihoods & Market Linkages	13.5	0.09	
A.3.6.5 Heritage Education	10.8	0.10			1.2.18 Heritage Education	10.8	0.07	
<b>Sub-Total; Sub-Component A.3 (Knowledge Partnership, Tourism Promotion &amp; Marketing)</b>	<b>525</b>	<b>5.00</b>	<b>112.30</b>	<b>62.89</b>		<b>Sub-Total; Sub-Component 1.2 (Knowledge Partnership, Tourism Promotion &amp; Marketing)</b>	<b>550.00</b>	<b>3.55</b>
						<b>Sub-Component 1.3 Improving Skill Formation and Training (PKR.525 million USD 3.39 Million)</b> <i>(This subcomponents is shifted with same activity and same cost under new component 1 from the old component B.2 Moreover, detail of trainings are given against B.2)</i>	<b>525</b>	<b>3.39</b>
						<b>Sub-total, Sub-Component 1.3 Improving Skill Formation and Training</b>	<b>525</b>	<b>3.39</b>

							Figures in Million	
Approved by ECNEC					Proposed in Revise PC-I			
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	USD
						1.4 Internship and Apprenticeship Program The PTEGP will support 500 apprenticeships and internships in relevant departments disaggregated by gender. In this regard the following government departments will be approached with the aim to design a comprehensive Internship/ Apprenticeship Program to be piloted over the duration of the Project. i. Tourism Department ii. Auqaf & Religious Affairs Department iii. Transport Department, Government of Punjab iv. Information and Culture Department v. Public Private Partnership Authority, vi. Walled City Authority, Lahore vii. Evacuee Trust Property Board (ETPB)	31	0.20
						1.4 Internship and Apprenticeship Program (PRR.31 million USD 0.2 Million)	31	0.2
<b>Total Component-A. Policy Institutions and Governance for Tourism (A.1 +A.2+A.3)</b>	<b>1,155.00</b>	<b>11.00</b>	<b>426.50</b>	<b>294.62</b>		<b>Total Component 1. Tourism Enablement</b>	<b>1,386.00</b>	<b>8.74</b>
<b>Component B. Private Investment and Entrepreneurship</b>								
<b>Sub-Component B.1 Improving Facilitation and Promotion in</b>								
B.1.1 Viability Gap Fund	200	1.90		-	This component is being deleted in the revised PC-I	These activities are being deleted in the revised PC-I	-	-
B.1.2 Project Development Fund	100	0.95		-			-	-
B.1.3 Supporting activities to promote private sector led investment promotion (Market research/pre-feasibility studies)	25	0.24		-				
B.1.4 Certification and Standardization on international standards	40	0.38		-				
B.1.5 Up-gradation of existing training institutes	40	0.38		-				
B.1.6 Matching grants	120	1.14		-				

							Figures in Million		
Approved by ECNEC				Proposed in Revise PC-1					
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost		
	PKR	USD	PKR	PKR			PKR	USD	
Sub-total, Sub-Component B.1 Improving Facilitation and Promotion in Tourism	525	5.00		-			-	-	
<b>Sub-Component B.2 Improving Skill Formation and Training (PKR.525 million USD 5 Million)</b>									
B.2.1. Tour Guides (basic)	12.7	0.12	61.00	-	These activities are being shifted with the same cost under the new component-1, Tourism Enablement, Sub-component 1.3 Improving Skill Formation and Training				
B.2.2 Tour Guides (Refresher)	8.7	0.08		-					
B.3.3 Tour Operator	1.5	0.01		-					
B.3.4 Travel Agents	1	0.01		-					
B.3.5 Waiters	35	0.33		-					
B.3.6 Chefs	15	0.14		-					
B.3.7 Cooks	55	0.52		-					
B.3.8 Transport Managers	30	0.29		-					
B.3.9 Receptionists	20	0.19		-					
B.3.10 Drivers	80	0.76		-					
B.3.11 Artisans	180	1.71		-					
B.3.12 Marketers	5	0.05		-					
B.3.13 Vendors	60	0.57		-					
B.3.14 Artists	11.1	0.11		-					
B.3.15 Interpreters	5.5	0.05		-					
B.3.16 Web Designers	4.5	0.04		-					
Sub-total, Sub-Component B.2 Improving Skill Formation and Training	525	5.00	61.00	-					
<b>Total Component B. Private Investment and Entrepreneurship promotion</b>	<b>1,050.00</b>	<b>10.00</b>	<b>61.00</b>	<b>-</b>					

							Figures in Million		
Approved by ECNEC				Proposed in Revise PC-1					
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost		
	PKR	USD	PKR	PKR			PKR	USD	
<b>C. "Public Investment Facility at cost Rs.3,177 million"</b>						<b>2. Infrastructure and Destination Development at cost Rs.6,568.33 million USD 42.36 Million</b>	<b>6,568.33</b>		
<b>C.1 Secondary Territory Road Access Rs.1,575</b>						<b>2.1 Secondary and Tertiary Road Access Rs. 2,771 M, USD 17.88 M)</b>	<b>2,771.00</b>		
C.1.1 Eminabad Rori Sahib Road	35.619	0.34	1,226.00	-		Scheme dropped due to active contract by PWD	0	-	
C.1.2 Darbar Sahib Road	61.763	0.59		-		Scheme dropped as executed by FWO	0	-	
C.1.3 Gurdwara Sucha Soda Sahib Road	14.555	0.14		18.00	Progress = 99% (substantially completed)	Rehabilitation of Road from Sucha Soda Manawala Road to Gurdwara, District Sheikhupura (Length=1.15 KM, Cost Rs. 26.171 M)	26.171	0.17	
C.1.4 GT road-Toap Mankila Road	48.495	0.46		29.63	Progress = 98% (substantially completed)	Widening / Improvement of road from G.T Road to Toap Mankila, District Rawalpindi. (Length= 2.1 KM, Cost Rs. 59.297 Million)	59.297	0.38	
C.1.5 Taxila Museum Mohra Muradu	86.091	0.82		2.29	Progress = 100%	Widening / Improvement of 8 km of the Taxila Museum Mohra Muradu Road, District Rawalpindi. (Length= 0.3 KM. Cost Rs. 6.018 Million)	6.018	0.04	
C.1.6 Taxila Museum Jaulian road	16.313	0.16		-		Scheme dropped due to active contract	0	-	
C.1.7 Nankana-Farooqabad road	552.517	5.26		451.05	Progress = 96% (substantially completed)	Rehabilitation of Road from Sucha Soda to Manawala, District Sheikhupura (Length 22.5 KM, Cost Rs. 670.878 Million)	670.878	4.33	
C.1.8 Link road off the main road leading to Uch Sharif	125.943	1.20		-		Widening / Improvement of main road leading to Uch Sharif District Bahawalpur. (Length=7 KM, Cost Rs. 190.957 Million)	190.957	1.23	
C.1.9 Ghulam Farid Mithankot Road. Rajanpur	107.565	1.02		75.26	Progress = 98% (substantially completed)	Widening / Improvement / Rehabilitation of metalled road Ghulam Farid Mithan Kot Rajanpur Dist. Rajanpur (Length=4.71 KM, Cost Rs. 118.707 Million)	118.707	0.77	
				25.82	Progress = 95% (substantially completed)	Rehabilitation / Improvement of Metalled Road from Lahore – Sheikhupura Road to Mariumabad District Sheikhupura. (Length= 4.1 KM, Cost Rs. 60.932 Million)	60.932	0.39	

						Figures in Million		
Approved by ECNEC				Proposed in Revise PC-1				
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	USD
				-		Rehabilitation of metalled road from Adda Mukdi Channan Pir, District Bahawalpur. (Lenth=17 KM, Cost Rs. 199.985 Million)	199.985	1.29
				-		Construction of Rohtas Fort Bypass Road Dist. Jhelum. (Lenth=3.21 KM, Cost Rs. 911.582)	911.582	5.88
C.1.10 Amount kept for infrastructure Development, site management and development of other roads to be decided during implementation phase of project e.g Harapa, Lahore Museum etc	526.589	5.02	18.22	18.22		C.1.10 Amount kept for infrastructure Development, site management and development of other roads to be decided during implementation phase of project e.g Harapa, Lahore Museum etc	526.589	3.40
<b>Sub-total C.1 Secondary Territory Road Access</b>	<b>1,575.45</b>	<b>15.00</b>	<b>1,244.22</b>	<b>620.27</b>		<b>2.1 Secondary and Tertiary Road Access Rs. 2,771 M, USD 17.88 M)</b>	<b>2,771.12</b>	<b>17.88</b>
						<b>2.2 Integrated Site Management Plans (ISMPs), MMPs and DIMPs Rs. 721 M, USD 4.65 M</b>		
						<b>2.2.1 Site Management Plans / ISMPs:</b> i. Taxila World Heritage Site Stupas at Toap Mankiala ii. Katas Raj iii. Gurdwara Rori Sahib, Emanabad Gujrawala iv. Gurdwara, Sacha Soda, Narowal v. Uch Sharif vi. Taxila Circuit	54	0.35
						vii. Qila Kohna Qasim Bagh	31	0.20
						2.2.2 Museum Management Plans (MMPs Taxila & Lahore Museum): i. Lahore MP ii. Taxila MP	7	0.05
						Harrapa Site Management Plan	30	0.19

						Figures in Million		
Approved by ECNEC				Proposed in Revise PC-1				
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	USD
						2.2.3 DIMPs: i. Chakwal District ii. Bahawalpur District iii. Rohtas Fort, Jhelum iv. Kotli Sattian / Narr, Rawalpindi	450	2.90
						2.3.4 Mapping of Craft creative Industries around the sites	117	0.75
						2.3.5 UNESCO administrative & Staff costs	32	0.21
						<b>Sub-total 2.2 Integrated Site Management Plans (ISMPs), MMPs and DIMPs</b>	<b>721.00</b>	<b>4.65</b>
<b>C.2 Public Convenience Facilities and Basic Services including site Management Plan: Rs.1,602 million</b>						<b>2.3 Public Convenience Facilities and other Tourism related infrastructure / Public Convenience Facilities and Basic Services including site Management Plan Rs. 2109. 21 M, USD 13.61 M</b>		
C.2.1 Facilities and Amenities up gradation at the site	1197.15	11.59	532.13	80.21		2.3.1 Facilities and Amenities up gradation at the site	1735.37	11.20
C.2.2 Land Acquisition	10	0.10		-		2.3.2 Land Acquisition	10	0.06
C.2.3 Management cost @10% + International experts 4 Staff Months in 3.5 years	163.2	1.55	45.00	-		2.3.3 Management cost @10% + International experts 4 Staff Months in 3.5 years	163.2	1.05
C.2.4 Detailed Planning, Architecture, Engineering design and residential construction supervision @8%	130.56	1.24	20.00	11.20		2.3.4 Detailed Planning, Architecture, Engineering design and residential construction supervision @8%	100	0.65
C.2.5 Cost of HSE, Social safeguards &EMP implementation @2%	30.64	0.29	10.00	2.30		2.3.5 Cost of HSE, Social safeguards &EMP implementation @2%	30.62	0.40
C.2.6 Heritage Expert	70	0.67		-		2.3.6 Heritage Expert	70	0.45

Approved by ECNEC					Figures in Million			
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	USD
Sub-total C.2 Public Convenience Facilities and Basic Services including site Management Plan	1601.55	15.44	607.13	93.71	Over 600 sign boards to be installed at sites of cultural/archaeological significance PTEGP will provide 11 Golf Carts and 14 Heritage Rickshaws at selected tourist sites across Punjab PTEGP will install Glamping pods at sites identified by Tourism Department	Sub-total 2.3 Public Convenience Facilities and other Tourism related infrastructure / Public Convenience Facilities and Basic Services including site Management Plan Rs. 2109. 21 M, USD 13.61 M	2,109.19	13.81
						2.4 Other Public Convenience Facilities Rs. 967 M, USD 6.24 M		
						2.4.1 Installation of Sign Boards	155	1.00
					1.Design review of 6 roads completed and submitted.And design review of 3 roads in progress 2.Construction supervision of 6 roads is started since 18-03-2020 and continue till date. 3.Detail design drawing and BOQ's for 24 toilet block in progress.	2.4.2 Implementation of Taxila Museum Management Plan	288	1.86
					1. HSE cost is included in all 08 road schemes. 2. Public consultation sessions were conducted for all roads schemes in a. Initial Environment and Social Screening and in development of ESMP 3. Training sessions were conducted	2.4.3 Solid Waste Management Equipment	50	0.32
						2.4.4 Provision of Golf Carts / Rickshaw etc at Tourist Sites	30	0.19

Approved by ECNEC					Figures in Million			
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	USD
						2.4.5 Implementation of Lahore Museum Management Plan	160	1.03
						2.4.6 Provision of Glamping Pods	155	1.00
						2.4.7 Implementation of Robtas Fort Improvement Plan	129	0.83
						Sub-total Other Public Convenience Facilities (2.4)	967.00	6.24
<b>Total Component C. Public Investment Facility</b>	<b>3,177.00</b>	<b>30.45</b>	<b>1,851.35</b>	<b>713.97</b>		<b>Total Component 2 Infrastructure and Destination Development</b>	<b>6,568.31</b>	<b>42.58</b>
<b>D. Project Management, Monitoring and Evaluation at Rs.393 million</b>						<b>Project Management and Institutional Capacity Building: (Approx. Cost PKR 570.78 Million, equivalent to USD 3.70 Million)</b>		
D.1 Human Resource	252.42	2.40	124.08	110.87		3.1 Human Resource	247.58	1.60
D.2 Coordination officers at DC office	54	0.51	36.58					
D.3 Other Demand Driven Consultancies	25	0.24	25.00	24.04		3.2 Other Demand Driven Consultancies	49.50	0.32
D.4 Equipment (IT, Furniture & Fixtures, others)	12.465	0.12	15.00	14.13		3.3 Equipment (IT, Furniture & Fixtures, others )	17.36	0.11
D.5 Occupancy cost (Building)	30.525	0.29	23.17	20.00		3.4 Occupancy cost (Building)	34.34	0.22
						3.5 Provision of Vehicle (PMU Cost)	21.92	0.14
POL (Generator)	1.831	0.02	1.83	0.88				
R&M (IT Equipment + other equipment)	1.121	0.01	1.12	1.12		3.6 R&M of Equipment, furniture & vehicle etc.	7.81	0.05
Operational Expenses	15.638	0.15	15.37	15.36		3.7 Operating Expenses (PMU Cost)	87.75	0.57
<b>Total Component D Project Management, Monitoring and Evaluation</b>	<b>393</b>	<b>3.74</b>	<b>242.15</b>	<b>186.40</b>		3.8 Misc. Contingencies	35.00	0.23
						Sub-total 3. Project Management Cost	501.27	3.23
						<b>Institutional Capacity Building</b>		
						Provision of vehicle for C&W Dept	7.20	0.05
						Provision of vehicle for Tourism Dept	20.32	0.13
						IT Equipment (C&W Dept)	2.48	0.02
						IT Equipment (Tourism Dept)	5.92	0.04
						Furniture (C&W Dept)	1.80	0.01
						Furniture (Tourism Dept)	2.97	0.02

Approved by ECNEC					Figures in Million			
Component / Sub-Component with activity	Cost		Funds Released	Funds Utilized	Physical Progress	Component / Sub-Component with activity	Cost	
	PKR	USD	PKR	PKR			PKR	USD
						POL -C&W Dept	1.72	0.01
						POL -Tourism Dept	14.31	0.09
						R&M of vehicles- C&W Dept	0.44	0.00
						R&M of vehicles- Tourism Dept	2.75	0.02
						Drivers - C&W Dept	2.38	0.02
						Drivers - Tourism Dept	7.15	0.05
						Sub-total Institutional Capacity Building	69.42	0.45
						Total 3. Project Management and Institutional Capacity Building	570.69	3.68
						<b>Component 4. Contingent Emergency Response</b>		
							0	-
<b>Grand Total Component A+B+C+D</b>	<b>5,775.00</b>	<b>55.19</b>	<b>2,581.00</b>	<b>1,194.99</b>		<b>Grand Total Component A+B+C+D</b>	<b>8,525.00</b>	<b>55.00</b>



## ANNEXURE III

The cost-benefit analysis of the PTEGP project assesses the economic and financial viability of the public spending involved. The study utilised both primary and secondary data sources, including an extensive field survey and stakeholder consultations conducted under the Destination Investment and Management Plans (DIMPs) in December 2021.<sup>47</sup> The hybrid research approach included surveys with enterprises, tourists, and households, in-depth interviews with key stakeholders, and FGDs/stakeholder consultation workshops.

The collected data informed the development of subsequent plans, such as the Tourism Investment Needs Report, Destination Management Plans, Concession Models, and Visitor Management Plans. The study evaluated PTEGP by analysing visitor numbers at DIMPs sites (both in-season and off-season), direct spending on accommodation, food, local transport, and shopping, and tourist demographics.

Despite challenges in data availability for tourism evaluation in Punjab, the study made significant efforts to gather comprehensive data. Key assumptions were derived from multiple field surveys conducted by PTEGP, primarily the DIMPs field survey 2021, and various government publications. These assumptions provided insights into tourism spending in Punjab, with separate assumptions for local, regional, and foreign tourists. The study applied these assumptions to each project site to estimate the aggregate value of recurring benefits.

Table 27  
*Selected Sites for Economic Evaluation 2022-23*

Sr #	Site Name	District
<i>DIMPS Sites</i>		
1	Kotli Sattian	Rawalpindi
2	Narar	
3	Katas Raj	Jhelum
4	Dharabi Lake	
5	Rohtas Fort	Chakwal
6	Khewra Salt	
7	Lal Suhanra	Bahawalpur
8	Derawar Fort	
9	Main City Bahawalpur (Bibi Jawindi)	
<i>Other Sites</i>		
10	Gurdwara Rori Sahib	Eminabad, Gujranwala
11	Gurdwara Sacha Sauda	Farooqabad, Sheikhpura
12	Lahore Museum	Lahore
13	Badshahi Mosque / Lahore Fort	
14	Toap Mankiala	Rawalpindi
15	Taxila Sites	Taxila
16	Taxila Museum	
17	Darbar Khuwaja Ghulam Farid	Mithan Kot, Rajanpur
18	Qila Kohna Qasim Bagh	Multan

<sup>47</sup> Field survey and stakeholder consultation report 2021 (draft); conducted by PTEGP under the Destination Investment and Management Plans (DIMPS) in December 2021.

The study further examined the visitors reaching each of the respective sites from within the district, between districts (including other districts of Punjab, Sindh, Khyber Pakhtunkhwa, and Baluchistan), and foreigners (international tourists). This will allow us to understand the spending patterns and apply the assumptions differently for each category. According to the DIMPS field survey, the following is the distribution of the visitors for each of the categories.

Table 28  
*Category of Origin of Visitors at Sites in Districts of Punjab*

Origin of visitor	Percentage of visitors
Within District	60%
Between Districts	35%
Foreign	5% ( <i>typically between 1% and 5% of total visitors</i> )

Source: Author's Calculations, DIMPS Field Survey 2021 by PTEGP.

These assumed values are applied for each of the DIMPS sites. The percentage values within and between districts assigned for the other sites vary per data source<sup>48</sup>. While for the Gurdwara Rori Sahab, Lahore Museum, Taxila Museum, and Badshahi Mosque/Lahore Fort, the number of foreign visitors is taken from the Pakistan Bureau of Statistics Report<sup>49</sup>. The number of visitors has been calculated based on in-season and off-season monthly tourists at the site and further aggregated for annual visitors at the site respectively.

The study obtained data from different sources which including field surveys and relevant government survey publications.

Table 29  
*Description of Assumptions Used for the Number of Visitors per Site.*

Assumption	Description	Value assigned (if applicable)
Average annual visitors at the respective project site	Calculated by adding monthly visitors in-season (5 months) and off-season (7 months) as per the DIMPS field survey 2021 for DIMPS sites. Data for Lahore Museum, Taxila Museum, Taxila Sites, and Badshahi Mosque are obtained from the Pakistan Bureau of Statistics Report 2020, and data for Gurdwara Rori Sahib, Gurdwara Sacha Sauda, and Darbar Khuwaja Ghulam Farid have been taken from quarterly data collection report by AGN International 2020.	The number of people visited per site per year.
Tourists visiting at the site from within the district	These tourists are assumed to be travelling the site from the same district	60% of total tourists
Tourists visiting at the site from other districts (between districts)	These tourists are assumed to be travelling the site from other districts of Punjab, Sindh, Khyber Pakhtunkhwa, and Baluchistan.	35% of total tourists
Tourists visiting at the site from abroad (foreign)	These tourists are assumed to be travelling from other countries (in-bound tourists)	1% to 5% of total tourists

<sup>48</sup> Quarterly Reports on Periodic Data Collection of selected sites of PTEGP, survey conducted by AGN International, outsourced by PTEGP, January - March 2020

<sup>49</sup> Data obtained from Pakistan Statistical Yearbook 2020, Government of Pakistan, Ministry of Planning, Development and Special Initiatives (Pakistan Bureau of Statistics) – table 19.14. file retrieved from [https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan\\_Statistical\\_Year\\_Book\\_2022.pdf](https://www.pbs.gov.pk/sites/default/files/other/yearbooks/Pakistan_Statistical_Year_Book_2022.pdf)

Table 30

*Assumed Number of Visitors at Sites.*

Site	Within Districts	Between Districts	Foreign	Total annual visitors	Data year	Data Source
Kotli Sattia	242175	157414*	4036*	403625	2021	DIMPS Field Survey 2021 <sup>50</sup>
Narar	23535*	13729*	1961*	39225		
Katas Raj	36636*	21371*	3053*	61060		
Dharabi Lake	19406*	11320*	1617*	32342.86		
Rohtas Fort	8249*	4812*	687*	13748.85		
Khewra Salt	119625*	77756*	1994*	199375		
Lal Suhanra	18198*	10616*	1517*	30330.77		
Derawar Fort	24000*	14000*	2000*	40000		
Main City Bahawalpur (Bibi Jawindi)	29029*	16934*	2419*	48381.82		
Gurdwara Rori Sahib	6236**	8061**	8000 <sup>51</sup>	22297	2020	Quarterly Report on Periodic Data Collection <sup>52</sup>
Gurdwara Sacha Sauda	7422**	13253**	5831**	26506		
Darbar Khuwaja Ghulam Farid	283509**	1384191**	0**	1667700		
Lahore Museum	142765*	83280*	4880	237942	2019	PBS 2020 Report <sup>53</sup>
Taxila Museum	170541*	99482*	7153	284235		
Badshahi Mosque / Lahore Fort <sup>54</sup>	2368919*	1539797*	4237	3948198		
Taxila Sites	21923*	13154*	7673	1699	2022	Taxila Museum Record Sheet 2022 <sup>55</sup>
Qila Kohna Qasim Bagh	-	-	-	-		N/A <sup>56</sup>
Toap Mankiala	-	-	-	-		N/A <sup>57</sup>
<b>Total visitors (in above mentioned sites)</b>	<b>3513400</b>	<b>3463688</b>	<b>51084</b>	<b>7069803</b>		

In table above, the values with \* show the data has been assumed as 60% tourists of the total tourists are from within districts, 35% of the total tourists are from between districts, and 5% of the total tourists are foreign (statements obtained from DIMPS field survey 2021), except only 1% value is assumed for

<sup>50</sup> Field survey and stakeholder consultation report 2021 (draft); conducted by PTEGP under the Destination Investment and Management Plans (DIMPS) in December 2021.

<sup>51</sup> Obtained from registered number of Foreigners at Site (in-season includes 3 months), provided by administration Gurdwara Rori Sahib

<sup>52</sup> Quarterly Reports on Periodic Data Collection of selected sites of PTEGP, survey conducted by AGN International, outsourced by PTEGP, January – March 2020

<sup>53</sup> Data obtained from Pakistan Statistical Yearbook 2020, Government of Pakistan, Ministry of Planning, Development and Special Initiatives (Pakistan Bureau of Statistics) – table 19.14.

<sup>54</sup> Data obtained for Lahore Fort, it is assumed the same for Badshahi Mosque as both sites have similar corridor for entrance and parking.

<sup>55</sup> Data shared by Taxila Museum Visitor Record Sheet 2022 (includes Buddhist circuits in Taxila)

<sup>56</sup> Data not available – open site.

<sup>57</sup> Data not available – open site.

foreign visitors at Khewra Mines. The values with \*\* show the data has assumed 41% tourists of the total tourists are from within districts and 53% of the total tourists are from between districts for Gurdwara Rori Sahib; assumed 28% tourists of the total tourists are from within districts, 50% of the total tourists are from between districts, and 22% are foreigners for Gurdwara Sacha Sauda; assumed 17% tourists of the total tourists are from within districts, 83% of the total tourists are from between districts, and 0% are foreigners for Darbar Khwaja Ghulam Farid (Source: Quarterly reports on periodic data for selected sites of PTEGP).

### **Assumed Direct Spending (Accommodation, Food, Local Transport, Shopping) of tourists at project sites.**

The study has obtained data for average direct spending by tourists on accommodation,<sup>58</sup> food, local transport, and shopping at the respective site from the DIMPS field survey 2021.

Table 31

#### *Description of Assumptions Used for the Calculation of Direct Spendings.*

Assumption	Description	Value assigned (if applicable)
Direct spending in accommodation per day by tourist(s) at the site ( <i>spending in Accommodation</i> )	The value has been calculated from DIMPS field Survey 2021 by taking average values of the amount spent by tourists at the respective sites and dividing them into two categories: 1. Spending in accommodation (individual spending) i.e., applied to tourists who travel alone to the site, and 2. Spending on accommodation (total spending by a group of tourists) applied to tourist who travels with others (family/friends) in a group to the site.	Rupees spent per day
Direct spending in food per day by tourist(s) at the site ( <i>spending in food</i> ) in PKR.	The value has been calculated from DIMPS field Survey 2021 by taking average values of the amount spent by tourists at the respective sites and dividing into two categories: 1. Spending in food (individual spending) i.e., applied to tourists who travel alone to the site, and 2. Spending on food (total spending by a group of tourists) applied to tourists who travels with others (family/friends) in the group to the site.	Rupees spent per day
Direct spend in local transport per day by tourist(s) at the site ( <i>spendings in local transport</i> ) in PKR.	The value has been calculated from DIMPS field Survey 2021 by taking average values of the amount spent by tourists at the respective sites and divided into two categories: 1. Spending in local transport (individual spending) i.e., applied to tourists who travel alone to the site, and 2. Spending on local transport (total spending by a group of tourists) applied to tourists who travels with others (family/friends) in a group to the site.	Rupees spent per day
Direct spending in shopping per day by tourist(s) at the site ( <i>spending in shopping</i> ) in PKR.	The value has been calculated from DIMPS field Survey 2021 by taking average values of the amount spent by tourists at the respective sites and dividing it into two categories: 1. Spending in shopping (individual spending) i.e., applied to tourists who travel alone to the site, and 2. Spending in shopping (total spending by a group of tourists) is applied to tourists who travel with others (family/friends) in a group to the site.	Rupees spent per day
Revenue earned from direct spendings as benefits	The study assumes the amount of indirect tax as a potential source of revenue from the direct spending of tourists at project sites	General Sales Tax (GST @ 16%)

<sup>58</sup> According to the DIMPS field survey, only 21% of the visitors from within and between districts prefer to stay a night at hotel. While it has been assumed that all the foreigners will be spending at least one night and spend on accommodation.

The study further assumed direct spending by tourists alone (individual) and direct spending by tourists travelling with others (group) for each of the project sites and is applied to the tourists from within, between, and from abroad. The amount shows the average spending of the tourists per day at the respective tourist site in Punjab<sup>59</sup>

Table 32

*Calculated Average Per-day Direct Spending (in PKR) in Accommodation, Food, Local Transport, and Shopping.*

	Accommodation (individual)	Food (individual)	Local transport (individual)	Shopping (individual)	Accommodation (group)	Food (group)	Local transport (group)	Shopping (group)
Kotli Sattia	582	810	654	1235	2250	1705	2366	2366
Narar	654	717	726	1235	2438	2201	2276	2473
Katas Raj	1240	976	1262	1477	2240	1797	2576	2988
Dharabi Lake	800	583	545	929	4000	1206	1211	1529
Rohtas Fort	681	781	1271	3	2713	1769	1790	3108
Khewra Salt	2179	1196	1524	1762	4750	3535	3843	5426
Lal Suhanra	2375	522	464	1156	4750	1725	1676	3164
Derawar Fort	813	565	894	1230	2250	1801	2759	3505
Main City	1200	429	507	1128	2400	857	1014	3070
Bahawalpur (Bibi Jawindi)								
<b>Average Spendings</b>	<b>1169</b>	<b>731</b>	<b>872</b>	<b>1128</b>	<b>3088</b>	<b>1844</b>	<b>2168</b>	<b>3070</b>

\*Spending have been applied to tourists from within districts, between districts, and from abroad.  
Source: Author's Calculations, DIMPS Field Survey 2021 by PTEGP.

Table 33

*Assumed Per-day Direct Spending Applied Over Tourists (within, between, and from abroad)*

	Accommodation (individual)	Food (individual)	Local transport (individual)	Shopping (individual)	Accommodation (group)	Food (group)	Local transport (group)	Shopping (group)
<b>Tourists (within districts)</b>								
<b>Average Spendings</b>	<b>1169</b>	<b>731</b>	<b>872</b>	<b>1128</b>	<b>3088</b>	<b>1844</b>	<b>2168</b>	<b>3070</b>
Gurdwara Rori Sahib			☑			☑	☑	
Gurdwara Sacha Sauda			☑			☑	☑	
Darbar Khuwaja Ghulam Farid							☑	
Lahore Museum			☑			☑	☑	
Taxila Museum			☑			☑	☑	
Badshahi Mosque / Lahore Fort			☑			☑	☑	
Taxila Sites			☑			☑	☑	
Qila Kohna Qasim Bagh	-	-	-	-	-	-	-	-
Toap Mankiala	-	-	-	-	-	-	-	-

*Continued –*

<sup>59</sup> The calculated spendings from DIMPS field survey 2021 represents the average spending of tourists in Punjab for the year 2021. The sample taken in the survey is a good representative of the population of Punjab Province, Pakistan. Can be assumed for other sites.

Table 18 – (Continued)

Average Spendings	Tourists (between districts)							
	1169	731	872	1128	3088	1844	2168	3070
Gurdwara Rori Sahib			☑				☑	
Gurdwara Sacha Sauda			☑				☑	
Darbar Khuwaja Ghulam Farid			☑				☑	
Lahore Museum		☑	☑	☑		☑	☑	☑
Taxila Museum		☑	☑	☑		☑	☑	☑
Badshahi Mosque / Lahore Fort		☑	☑	☑		☑	☑	☑
Taxila Sites		☑	☑			☑	☑	
Qila Kohna Qasim Bagh	-	-	-	-	-	-	-	-
Toap Mankiala	-	-	-	-	-	-	-	-
Average Spendings	Tourists (foreign)							
	1169	731	872	1128	3088	1844	2168	3070
Gurdwara Rori Sahib	☑	☑	☑	☑	☑	☑	☑	☑
Gurdwara Sacha Sauda	☑	☑	☑	☑	☑	☑	☑	☑
Darbar Khuwaja Ghulam Farid	☑	☑	☑	☑	☑	☑	☑	☑
Lahore Museum	☑	☑	☑	☑	☑	☑	☑	☑
Taxila Museum	☑	☑	☑	☑	☑	☑	☑	☑
Badshahi Mosque / Lahore Fort	☑	☑	☑	☑	☑	☑	☑	☑
Taxila Sites	☑	☑	☑	☑	☑	☑	☑	☑
Qila Kohna Qasim Bagh	-	-	-	-	-	-	-	-
Toap Mankiala	-	-	-	-	-	-	-	-

Source: Author

The author's assumptions are based on the opportunities available and tourists' willingness to spend at the respective project sites. Tourists from within and between districts typically do not spend on accommodation, while foreigners are assumed to do so if they visit these sites. Local tourists traveling alone are assumed not to spend on food, whereas those traveling with others are expected to spend on food at all sites except Darbars and Gurdwaras, where food is provided for free (langars). Tourists from other districts and foreign tourists are assumed to spend on food.

Spending on local transport is expected for all tourists at the above sites, whether traveling alone or in groups. For shopping, tourists from within districts are assumed to spend only if traveling with others, while tourists from other districts are assumed to spend regardless of whether they are alone or with others. Lahore Museum, Taxila Museum, and Lahore Fort/Badshahi Mosque are identified as sites with good shopping opportunities, and it is suggested to enhance shopping opportunities at all sites.

## Assumptions for tourists travelling at the site.

Table 34

### *Description of Assumptions Being Used for Deriving Tourists.*

Assumption	Description	Value assigned (if applicable)
Tourists travelling alone to site	Percentage of tourists who travel alone to visit the site. Value obtained from DIMPS field survey 2021.	12% of total tourists
Tourists travelling with others to the site	Percentage of tourists who travel with others (family/friends) in a group to visit the site. The value is obtained from the DIMPS field survey 2021.	88% of total tourists
Average people travelling in groups at the site for tourism	According to the DIMPS field survey 2021, there are on average 5 adults and 2 children travelling to tourist sites in Punjab.	On average, 7 people are travelling in a single group of tourists.
Tourists arrived at the site by driving their own car	Percentage of tourists who arrived at the site by driving their own car. The value obtained from the DIMPS field survey 2021.	On average, 67% of total tourists travel by own car
Tourists arrived at the site by renting a vehicle (Small car, luxury car, van, Jeep, Coaster/Bus)	Percentage of tourists who arrived at the site by renting a vehicle (Small car, luxury car, van, Jeep, Coaster/Bus). The value obtained from the DIMPS field survey 2021.	On average, 21% of total tourists travel by renting a vehicle
Vehicle carrying capacity	The number of people a vehicle (Small car, luxury car, van, Jeep, Coaster/Bus) can carry on average.	Small Car @ 4 people Luxury Car @ 4 people Van @ 10 people Jeep @ 5 people Coaster Bus @ 35 people
Rents in PKR of vehicles (Small car, luxury car, van, Jeep, Coaster/Bus) as per the survey	The average rent of vehicles (Small car, luxury car, van, Jeep, Coaster/Bus) obtained from Transporters at DIMPS sites using the DIMPS survey 2021. Values in PKR per car per day (excluding fuel).	Small Car @ 2500 Luxury Car @ 3300 Van @ 3200 Jeep @ 3700 Coaster/Bus @ 14000
Vehicle type rented by tourists from local transporters	Percentage of vehicles rented by tourists from local transporters as per DIMPS field survey 2021	Small Car ~ 49% Luxury Car ~ 5.6% Van ~ 38.4% Jeep ~ 4% Coaster Bus ~ 3%
Tourists arrived at the site by public transport	Percentage of tourists who use public transport to visit the site.	On average, 11% by public transport

Source: Author

Table 35

### *Assumed Details of Total Visitors Travelling Alone.*

	Travelled alone (12%)	Arrived at the site alone by own car (67%)	Arrived at site alone by rented car (21%)	Arrived at site alone by public transport (11%)
Visitors from within districts	421608	282477	88538	46377
Visitors from between districts	415643	278481	87285	45721
Foreign Visitors	6130	0 <sup>60</sup>	5395 <sup>61</sup>	674

Source: Author's Calculations, DIMPS Field Survey 2021 by PTEGP.

<sup>60</sup> Value is assumed 0% as foreign tourists are assumed as not having an own car to travel.

<sup>61</sup> Value is assumed to be 88% of the foreign tourists rent a vehicle to travel.

Table 36

*Assumed Details of Total Visitors Travelling with Others.*

	Travelled with others (family/friends) (88%)	Arrived at site with others by own car (67%)	Arrived at site with others by rented car (21%)	Arrived at site with others by public transport (11%)
Visitors from within districts	3091792	2071501	649276	340097
Visitors from between districts	3048045	2042190	640090	335285
Foreign Visitors	44954	0	39560	4945

Source: Author’s Calculations, DIMPS Field Survey 2021 by PTEGP.

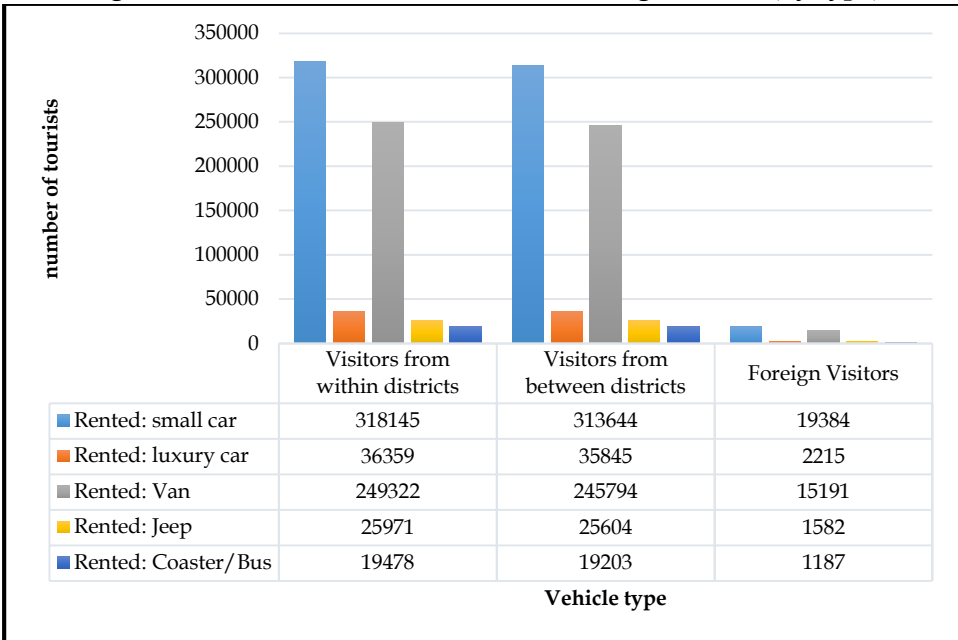
Table 37

*Assumed Details of Rented Vehicles and Rent Paid by Tourists Travelling in a Group.*

	Travelled with others (family/friends) (12%)	Arrived at the site alone by own car (67%)	Arrived at site alone by rented car (21%)	Arrived at site alone by public transport (11%)
Visitors from within districts	3039986	277744	87054	45600
Visitors from between districts	3106819	283850	88968	46602
Foreign Visitors	44955	0	39560	674

Source: Author’s Calculations, DIMPS Field Survey 2021 by PTEGP.

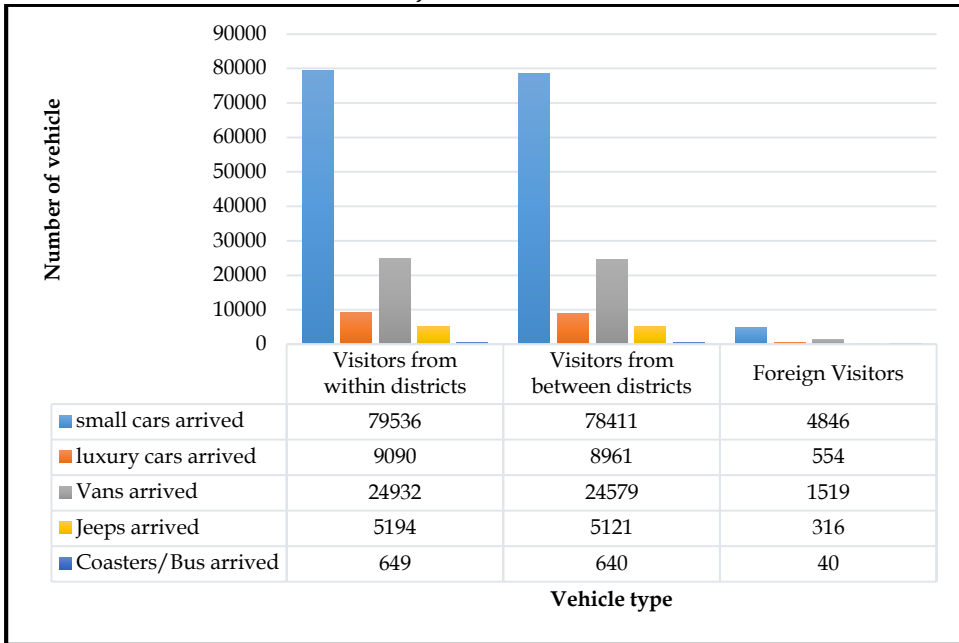
**Fig. 16. Assumed Number of Tourists Renting Vehicles (by-type)**



Source: Author’s Calculations, DIMPS Field Survey 2021 by PTEGP

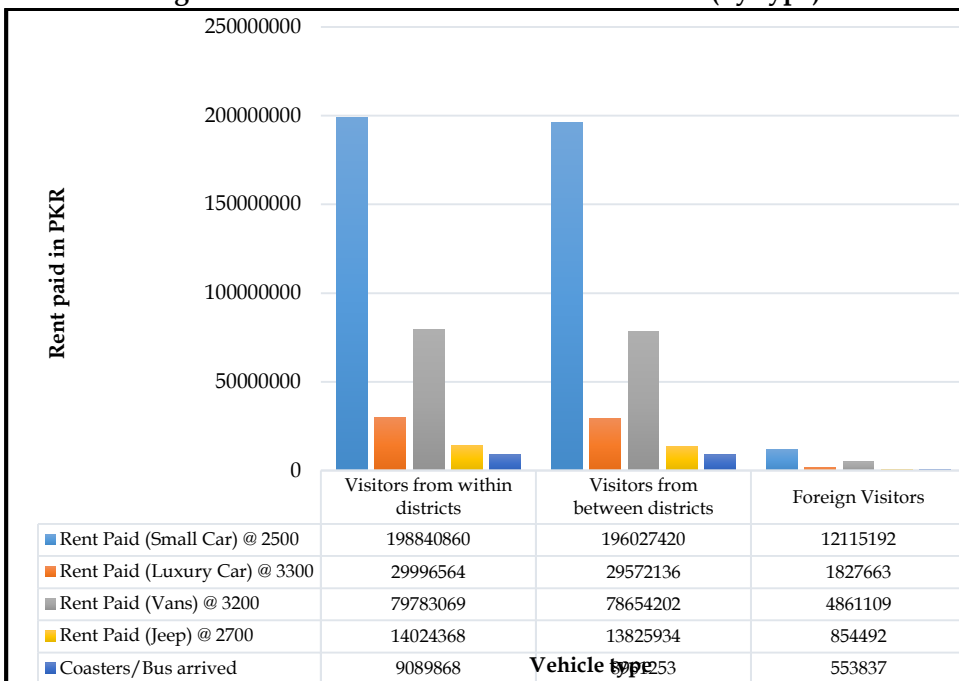


**Fig. 17. Assumed Number of Rented Vehicles (by-type)  
Arrived at Project Sites**



Source: Author's Calculations, DIMPS Field Survey 2021 by PTEGP

**Fig. 18. Assumed Total Rent Paid in Vehicles (by-type)**



Source: Author's Calculations, DIMPS Field Survey 2021 by PTEGP

### Assumed Increase in Spending on Average at Project Sites after Improving Facilities.

According to the DIMPS field survey 2021, there are certain findings that showed the willingness of the tourists to spend on accommodation, food, local transport, and shopping if the facilities at the respective sites are improved. Thus, the study obtains the direct spending of tourists and the willingness to spend if the facilities are improved and then takes the difference of both the spending. The difference in the values is assumed to be the increase in the direct spending on average by tourism enhancement at DIMPS sites and is further applied for the other sites on average.

$$\text{Average Change in Spendings} = \text{Willingness to Spend if Facilities Improved} - (\text{minus}) \text{Average Actual Spendings}$$

Table 38

*Assumed Change in the Willingness to Pay for Direct Spendings Per day (PKR)*

	Accommodation (individual)	Food (individual)	Local transport (individual)	Shopping (individual)	Accommodation (group)	Food (group)	Local transport (group)	Shopping (group)
Kotli Sattia	11	255	8	0	94	20	78	0
Narar	0	51	203	48	234	289	333	0
Katas Raj	651	460	414	412	482	364	506	743
Dharabi Lake	0	427	113	665	276	446	305	450
Rohtas Fort	348	368	312	423	152	99	133	0
Khewra Salt	1659	1434	1094	1939	261	520	422	560
Lal Suhanra	0	426	259	67	0	342	318	132
Derawar Fort	47	783	427	193	92	322	252	73
Main City Bahawalpur <sup>62</sup>	-	-	-	-	-	-	-	-
<b>Average increase in spendings (PKR)</b>	<b>302</b>	<b>467</b>	<b>315</b>	<b>416</b>	<b>177</b>	<b>267</b>	<b>261</b>	<b>218</b>

Source: Author's Calculations, DIMPS Field Survey 2021 by PTEGP.

\*Average increase in spendings has been applied to tourists from within districts, between districts, and from abroad.

Furthermore, the average values obtained from the increase in spendings in all sites are further applied to other sites in sequence. These additional direct spendings is assumed to be the additional benefits (i.e., GST@16%) for the government after improvement in facilities at sites. It is also assumed that with the project interventions (if implemented effectively), these increases in spendings may be observed in Travel & Tourism in Punjab.

<sup>62</sup> No data available for willingness to spend.

## Assumed Direct Spending in Entry Tickets/Parking Fees, and Potential Revenue from Respective Project Sites.

The Travel & Tourism industry is an important sector that not only enables the economy to generate revenue through indirect tax collection but there are several opportunities the tourism industry provides not only to the public sector but also the private sector. Forming a Public Private Partnership (PPPs) may aid in raising the efficiency of the deliverables at project sites while also channeling them through a proper way to gain the trust of the tourists at sites and the industry.

Table 39

### *Assumed Potential Revenue from Entry Tickets and Parking Fees at Project Sites.*

Site	site entry ticket rate (one-time) - PKR	site entry ticket revenue - PKR	site parking rate (one-time) - PKR	site parking revenue - PKR
<b>Within Districts + Between Districts (Domestic visitors)</b>				
Kotli Sattia	-. <sup>63</sup>	0	50	5230311
Narar	-	0	50	487754
Katas Raj	30	1740210	30	455560
Dharabi Lake	20	614514	50	402176
Rohtas Fort	50 <sup>64</sup>	653070	50	170964
Khewra Salt	400 <sup>65</sup>	78952500	50 <sup>66</sup>	2626592
Lal Suhanra	50 <sup>67</sup>	1440712	20	150863
Derawar Fort	50 <sup>68</sup>	1900000	20	198956
Main City Bahawalpur (Bibi Jawindi)	-	0	20	240647
Gurdwara Rori Sahib	10 <sup>69</sup>	142970	20	74855
Gurdwara Sacha Sauda	10	206750	20	108248
Darbar Khuwaja Ghulam Farid	10	16677000	20	4365784
Lahore Museum	50 <sup>70</sup>	11302245	20	1183502
Taxila Museum	50 <sup>71</sup>	13501150	20	1413758
Badshahi Mosque / Lahore Fort	50 <sup>72</sup>	195435800		20464842
Taxila Sites	-	-	20	109044
Qila Kohna Qasim Bagh	-	-	20	-
Toap Mankiala	-	-		-
Total Potential Revenue		322566921		37683856
<b>Foreign Visitors</b>				
Kotli Sattia	-	157414*	50	28741
Narar	-	13729*	50	13965
Katas Raj	30	21371*	30	13044
Dharabi Lake	20	11320*	50	11515
Rohtas Fort	50	4812*	50	4895
Khewra Salt	3000 <sup>73</sup>	77756*	50	16083
Lal Suhanra	50	10616*	20	4319

Continued –

<sup>63</sup> - represents open site (not applicable) or no data available

<sup>64</sup> Current Entry ticket @20 per domestic tourist (at Rohtas Fort)

<sup>65</sup> Current Entry ticket @200 for student/elderly/child 1 to 2 age

<sup>66</sup> Parking ticket for coaster/bus @120PKR and Van @80PKR (at Khewra Mines) source PMDC

<sup>67</sup> Currently none. Can be offered at entry.

<sup>68</sup> Currently none. If applicable

<sup>69</sup> Either Entry Ticket or for Shoe-keeping (applicable for Gurdwaras and Darbar)

<sup>70</sup> Student/Child @20PKR, source Lahore Museum website

<sup>71</sup> Currently @20PKR for adult, @10PKR for child (at Taxila Museum), source Taxila Museum website

<sup>72</sup> Currently @50PKR for adult at Lahore Fort, visitors are calculated for Lahore Fort (assumed they visit Badshahi Mosque also) which can be @20PKR for shoe-keeping at Mosque site – can be added for further revenue.

<sup>73</sup> Entry ticket @20\$ for adult, @10\$ for student (dollar rate applied @155PKR per dollar) assumed 3000PKR round-off.

Table 39 – (Continued)

Derawar Fort	50	14000*	20	5696
Main City Bahawalpur (Bibi Jawindi)		16934*	20	6890
Gurdwara Rori Sahib	100 <sup>74</sup>	8061**	20	22786
Gurdwara Sacha Sauda	100	13253**	20	16608
Darbar Khuwaja Ghulam Farid	-	-	-	-
Lahore Museum	1000	83280*	20	13899
Taxila Museum	500	99482*	20	20373
Badshahi Mosque / Lahore Fort <sup>75</sup>	500 <sup>76</sup>	1539797*	20	12068
Taxila Sites	-	13154*	20	4839
Qila Kohna Qasim Bagh	-	-	-	-
Toap Mankiala	-	-	-	-
Total Potential Revenue		3463688		195723
<b>Assumed Total Potential Revenue from all tourists (within+between+foreign) in PKR</b>		<b>340840403</b>		<b>37879579</b>

Source: Author's Calculations, DIMPS Field Survey 2021 by PTEGP.

### Calculated Direct Spend of Tourists at Project Sites.

The following tables show potential revenue that can be earned from the assumed direct spending of tourists at the project sites (assumed as annual benefits) respectively.<sup>77</sup>

Table 3

*Assumed total direct spendings (Annual)*

	Currency	Within District	Between Districts	Foreign	Total	Total (millions)
Total direct spendings	PKR	2052611644	3935130144	114350288	6102092076	6102 m
	USD	13242655	25387936	737744	39368336	39.36 m
Indirect Tax (GST @16%)	PKR	328417863	629620823	18296046	976334732	976.33 m
	USD	2118825	4062069	118039	6298934	6.298 m

Source: Author's Calculations

Table 41

*Assumed Total Increase in Spendings by Improving Facilities (Annual)*

	Currency	Within District	Between Districts	Foreign	Total	Total (millions)
Total direct spendings	PKR	414600413	1053621191	50112515	1518334119	1518 m
	USD	2674841	6797556	323307	9795704	9.79 m
Indirect Tax (GST @16%)	PKR	66336066	168579391	8018002	242933459	242.93 m
	USD	427975	1087609	51729	1567313	1.56 m

Source: Author's Calculations

<sup>74</sup> Currently none at Gurdwaras, assumed 100 PKR if applicable.

<sup>75</sup> Data obtained for Lahore Fort, it is assumed the same for Badshahi Mosque as both sites have similar corridor for entrance and parking.

<sup>76</sup> Guided tour entry ticket for foreigners

<sup>77</sup> Author's calculations. value of USD: assigned PKR 155 per USD (as per value assigned in revised PC-1 of the document) considered as a rational case for the study.

Table 42

*Assumed Total Revenue Earned through Entrance + Parking Tickets (Annual)*

	Currency	Within District	Between Districts	Foreign	Total	Total (millions)
Total direct spendings	PKR	209961773	150289004	18475085	378725862	378.7 m
	USD	1354592	969606	119194	2443393	2.44 m
Indirect Tax (GST @16%)	PKR	33593884	24046241	2956014	60596138	60.59 m
	USD	216735	155137	19071	390943	0.39 m

Source: Author's Calculations

**Results obtained from CBA Scenario 1 (Rational Case)**

To conduct the rational case of CBA analysis, the study makes the following assumptions, and is explained below.

Table 43

*Key Assumptions Used in Conducting a Cost-benefit Analysis (Rational Case)*

ONE-OFF COSTS (C)	Assumed as the total disbursed loan plus the interest rate
RECURRING COST	The interest payment incurred and continued after the gestation period of the project (i.e., lag factor 5 years) <sup>78</sup>
DISCOUNT RATE FOR COSTS (R)	Costs in USD with social discount rate @3.2% <sup>79</sup>
RECURRING BENEFITS (B)	Assumed as GST 16% of the total direct spendings
DISCOUNT RATE FOR BENEFITS (R)	Benefits in PKR with social discount rate assumed @10% then converted into USD
DOLLAR RATE	The dollar is assumed to be PKR 155 per dollar in Rational Case and PKR 240 in the Conservative Case.
TIME PERIOD (T)	The time period used in CBA is 20 years
GROWTH RATE (G)	The growth rate is assumed to be 4.6% (i.e., the Growth rate of GDP per capita of Pakistan in the year 2021) <sup>80</sup>
PRESENT VALUE OF HORIZON VALUE	For calculating horizon value, the study assumes the far future net benefits occurring after the 21 <sup>st</sup> year of the project (i.e., the beginning of the horizon period is 20 years)

Source: Author

The project carries a net positive NPV with a good BCR, and EIRR value. This proposes the project to be economically and financially feasible if assumptions are satisfied by effective implementation procedures.

<sup>78</sup> Lag factor is referred as the year at which CBA will start adding the discounted costs or benefits in Net Present Value

<sup>79</sup> The rate of interest linked with the loan disbursed by World Bank for the project PTEGP.

<sup>80</sup> Annual percentage growth rate of GDP per capita based on constant local currency. GDP per capita is gross domestic product divided by midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Source: World Bank national accounts data, and OECD National Accounts data files.

Table 44

*Summary of Results Obtained from Cost-Benefit Analysis (Rational Case)*


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Net Present Value (NPV)
<b>NPV = PV (B) - PV (C) = \$ 42,890,283.58</b>
Net Present Value (NPV) with Horizon Value
<b>NPV = PV (B) - PV (C) + PV (H) = \$ 150,219,700.39</b>
Benefit Cost Ratio (BCR)
<b>BCR = PV (B) / PV (C) = 1.80</b>
Economic Internal Rate of Return
<b>EIRR = 7.630%</b>

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Source: Author's Calculations

Table 45

*Cost-Benefit Analysis Period Sensitivity Analysis (Rational Case)*

CBA Period (Years)	NPV	NPV + Horizon Value	Benefit-Cost Ratio
0	\$ (45,163,709.82)	\$ 62,165,706.99	0.14
1	\$ (38,339,119.15)	\$ 68,990,297.66	0.27
2	\$ (31,850,955.63)	\$ 75,478,461.17	0.39
3	\$ (25,682,660.29)	\$ 81,646,756.51	0.51
4	\$ (19,818,488.39)	\$ 87,510,928.42	0.62
5	\$ (14,243,469.41)	\$ 93,085,947.39	0.73
6	\$ (8,943,369.03)	\$ 98,386,047.77	0.83
7	\$ (3,904,652.93)	\$ 103,424,763.87	0.93
8	\$ 885,547.62	\$ 108,214,964.43	1.02
9	\$ 5,439,468.46	\$ 112,768,885.26	1.10
10	\$ 9,768,743.63	\$ 117,098,160.44	1.18
11	\$ 13,884,434.99	\$ 121,213,851.79	1.26
12	\$ 17,797,060.28	\$ 125,126,477.09	1.33
13	\$ 21,516,619.94	\$ 128,846,036.75	1.40
14	\$ 25,052,622.46	\$ 132,382,039.27	1.47
15	\$ 28,414,108.63	\$ 135,743,525.43	1.53
16	\$ 31,609,674.46	\$ 138,939,091.26	1.59
17	\$ 34,647,493.10	\$ 141,976,909.91	1.65
18	\$ 37,535,335.61	\$ 144,864,752.41	1.70
19	\$ 40,280,590.71	\$ 147,610,007.51	1.75
20	\$ 42,890,283.58	\$ 150,219,700.39	1.80

Value in parentheses () shows a negative value.

Source: Author's Calculations

Table 46

*Discount Rate Sensitivity Analysis (Rational Case)*

Social Discount Rate: 3.2% Discounted Horizon Value: \$107,329,416.81

	Discount Rate	NPV	NPV + Horizon Value
Discount Rate (-)	-6.8	\$ 167,200,589.81	\$ 1,079,753,917.73
	-5.8	\$ 142,289,513.99	\$ 871,618,466.03
	-4.8	\$ 121,054,189.52	\$ 705,328,103.17
	-3.8	\$ 102,901,890.92	\$ 572,056,405.56
	-2.8	\$ 87,343,093.03	\$ 464,916,022.26
	-1.8	\$ 73,972,343.26	\$ 378,517,129.70
	-0.8	\$ 62,452,870.42	\$ 308,629,769.81

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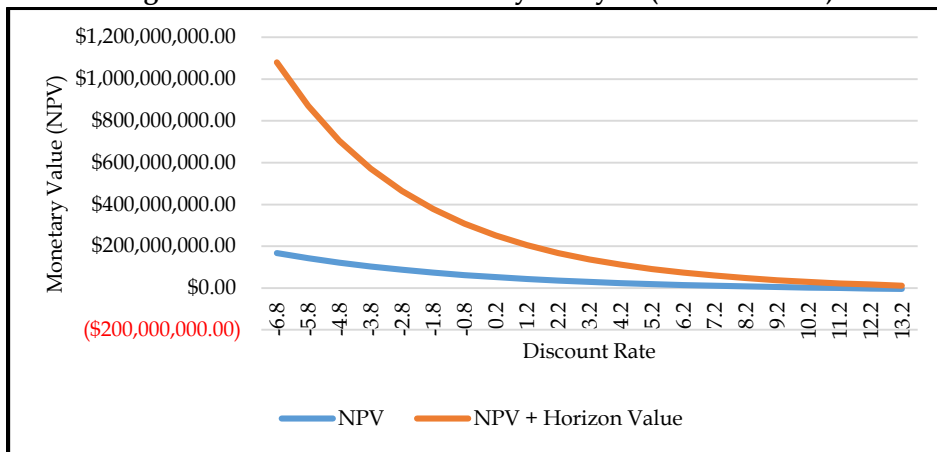
Table 46 – (Continued)

Discount Rate (+)	0.2	\$ 52,504,166.37	\$ 251,924,877.45
	1.2	\$ 43,891,938.73	\$ 205,775,090.06
	2.2	\$ 36,419,960.34	\$ 168,101,107.37
	3.2	\$ 29,923,439.64	\$ 137,252,856.45
	4.2	\$ 24,263,614.29	\$ 111,917,326.68
	5.2	\$ 19,323,330.64	\$ 91,046,897.06
	6.2	\$ 15,003,420.28	\$ 73,803,452.08
	7.2	\$ 11,219,722.31	\$ 59,514,694.48
	8.2	\$ 7,900,630.18	\$ 47,639,904.89
	9.2	\$ 4,985,065.74	\$ 37,743,037.71
	10.2	\$ 2,420,801.93	\$ 29,471,528.08
	11.2	\$ 163,070.87	\$ 22,539,556.59
	12.2	\$ (1,826,594.02)	\$ 16,714,801.46
	13.2	\$ (3,581,323.53)	\$ 11,807,926.26

Breakeven Discount Rate from Discount Rate Sensitivity Analysis where (NPV=0): 11.6%  
Value in parentheses ( ) shows a negative value.

Source: Author's Calculations

Fig. 19. Discount Rate Sensitivity Analysis (Rational Case)



Source: Author's Calculations

### Results obtained from CBA Scenario 2 (Conservative Case)

Table 47

*Summary of Results Obtained from Cost-Benefit Analysis (Conservative Case)*

Net Present Value (NPV)

$$\text{NPV} = \text{PV (B)} - \text{PV (C)} = \$ 8,719,960.75$$

Net Present Value (NPV) with Horizon Value

$$\text{NPV} = \text{PV (B)} - \text{PV (C)} + \text{PV (H)} = \$ 30,540,947.32$$

Benefit Cost Ratio (BCR)

$$\text{BCR} = \text{PV (B)} / \text{PV (C)} = 1.16$$

Economic Internal Rate of Return

$$\text{EIRR} = 1.748\%$$

Source: Author's Calculations

Table 48

*Cost-Benefit Analysis Period Sensitivity Analysis (Conservative Case)*

CBA Period (Years)	NPV	NPV + Horizon Value	Benefit-Cost Ratio
0	\$ (47,734,404.88)	\$ (25,913,418.32)	0.09
1	\$ (43,354,311.52)	\$ (21,533,324.96)	0.17
2	\$ (39,190,642.72)	\$ (17,369,656.16)	0.25
3	\$ (35,232,730.54)	\$ (13,411,743.97)	0.33
4	\$ (31,470,432.07)	\$ (9,649,445.50)	0.40
5	\$ (27,894,103.65)	\$ (6,073,117.09)	0.47
6	\$ (24,494,576.30)	\$ (2,673,589.73)	0.54
7	\$ (21,263,132.36)	\$ 557,854.21	0.60
8	\$ (18,191,483.34)	\$ 3,629,503.23	0.66
9	\$ (15,271,748.78)	\$ 6,549,237.79	0.71
10	\$ (12,496,436.19)	\$ 9,324,550.38	0.76
11	\$ (9,858,421.98)	\$ 11,962,564.59	0.81
12	\$ (7,350,933.32)	\$ 14,470,053.25	0.86
13	\$ (4,967,530.86)	\$ 16,853,455.71	0.91
14	\$ (2,702,092.36)	\$ 19,118,894.21	0.95
15	\$ (548,797.08)	\$ 21,272,189.48	0.99
16	\$ 1,497,889.05	\$ 23,318,875.62	1.03
17	\$ 3,443,227.55	\$ 25,264,214.11	1.06
18	\$ 5,292,220.75	\$ 27,113,207.32	1.10
19	\$ 7,049,624.60	\$ 28,870,611.17	1.13
20	\$ 8,719,960.75	\$ 30,540,947.32	1.16

Value in parentheses () shows a negative value.

Source: Author's Calculations

Table 49

*Discount Rate Sensitivity Analysis (Conservative Case)*

Social Discount Rate: 3.2% Discounted Horizon Value: \$ 21,820,986.57

	Discount rate	NPV	NPV + Horizon Value
Discount Rate (-)	-6.8	\$ 79,384,821.97	\$ 264,914,702.81
	-5.8	\$ 63,929,304.29	\$ 212,208,105.57
	-4.8	\$ 50,808,810.36	\$ 169,596,684.18
	-3.8	\$ 39,645,463.44	\$ 135,028,580.82
	-2.8	\$ 30,127,188.54	\$ 106,890,987.90
	-1.8	\$ 21,995,524.11	\$ 83,912,078.69
	-0.8	\$ 15,035,812.69	\$ 65,085,677.62
	0.2	\$ 9,069,284.68	\$ 49,613,217.43
Discount Rate (+)	1.2	\$ 3,946,652.34	\$ 36,858,878.79
	2.2	\$ (457,087.79)	\$ 26,314,813.39
	3.2	\$ (4,246,883.19)	\$ 17,574,103.38
	4.2	\$ (7,511,074.19)	\$ 10,309,673.72
	5.2	\$ (10,324,214.10)	\$ 4,257,799.16
	6.2	\$ (12,749,381.28)	\$ (794,832.92)
	7.2	\$ (14,840,079.32)	\$ (5,021,299.25)
	8.2	\$ (16,641,802.68)	\$ (8,562,468.93)
	9.2	\$ (18,193,329.77)	\$ (11,533,354.46)
	10.2	\$ (19,527,793.60)	\$ (14,028,150.07)
	11.2	\$ (20,673,570.29)	\$ (16,124,239.74)
	12.2	\$ (21,655,018.25)	\$ (17,885,394.29)
13.2	\$ (22,493,094.56)	\$ (19,364,328.72)	

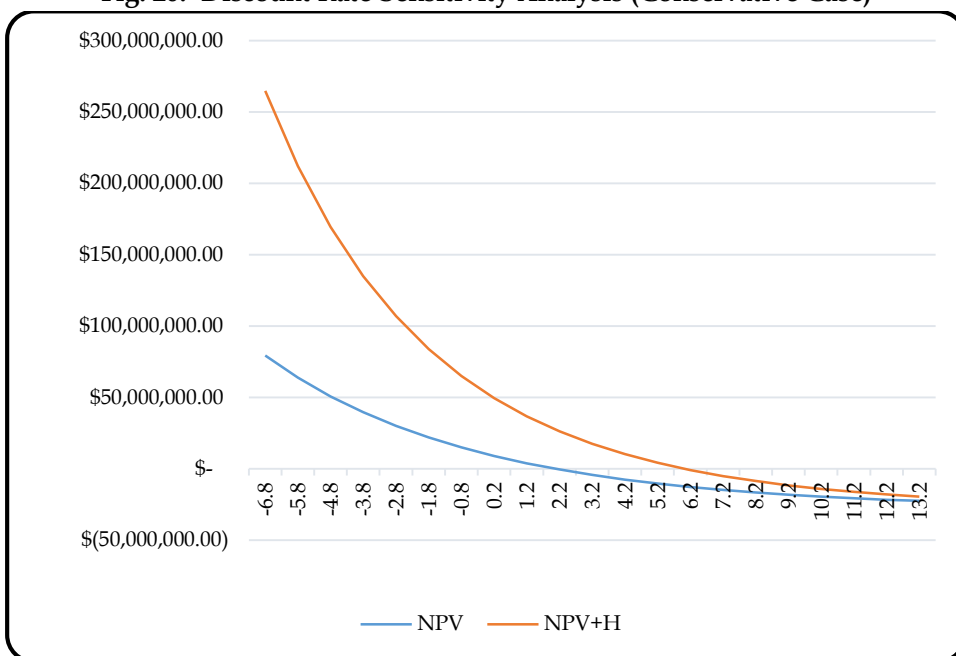
Breakeven Discount Rate from Discount Rate Sensitivity Analysis where (NPV=0): 2.1%

Breakeven Discount Rate from Discount Rate Sensitivity Analysis where (NPV + H=0): 13.1% Value in parentheses () shows a negative value.

Source: Author's Calculations



**Fig. 20. Discount Rate Sensitivity Analysis (Conservative Case)**



Source: Author's Calculations

**Cost-Benefit Analysis (CBA)**

Table 50

*CBA - One-off costs in USD*

Name of Cost	Monetary Value	Year	Discount Rate	PV of Cost
Development of institutional structures and governance systems in tourism	\$1,810,000	1	3.20	\$1,753,875.97
Knowledge Partnership, Tourism Promotion and Marketing	\$3,550,000	1	3.20	\$3,439,922.48
Improving Skills Formation and Training	\$3,390,000	2	3.20	\$3,183,026.86
Internship and Apprenticeship Program	\$200,000	3	3.20	\$181,966.27
Secondary and Tertiary Road Access	\$17,580,000	1	3.20	\$17,034,883.72
Integrated Site Management Plans (ISMPs), MMPs and DIMPs	\$4,650,000	2	3.20	\$4,366,098.79
Public Convenience Facilities	\$13,810,000	2	3.20	\$12,966,843.94
Other Public Convenience Facilities	\$6,230,000	2	3.20	\$5,849,633.44
Project Management - PMU - PTEGP	\$3,230,000	1	3.20	\$3,129,844.96
Institutional Capacity	\$450,000	1	3.20	\$436,046.51
Contingent Emergency Response Component	\$-0	1	3.20	\$-0

Source: Author's Calculations





Following are some international best practices selected for reference.<sup>81</sup>

#### Box 3 Key Objectives for Evaluating Tourism

- 1. Informed Policy Decisions:** Evaluate tourism to enable policymakers to better understand the impacts of their policies and programs, facilitating informed decision-making. Learning from both successes and failures is crucial in this process.
- 2. Whole-of-Government Efficiency:** Assess the efficiency of the "whole-of-government" approach in tourism at various administrative levels—national, regional, and local. This aids in fostering a comprehensive understanding among different government bodies.
- 3. Return on Investment:** Provide evidence regarding the return on investment in tourism, evaluating the cost-effectiveness of a range of policies and programs. This data is essential for guiding resource allocation.
- 4. Stakeholder Engagement:** Stimulate constructive debates among diverse stakeholders, including entrepreneurs, residents, tourists, investors, and local authorities. This engagement is vital for considering varied perspectives and interests.
- 5. Continuous Improvement:** Improve the design and implementation of tourism programs by assessing their adaptability to changing conditions. This includes identifying areas for enhancement and learning from past experiences to better shape future initiatives.

#### Box 4 Government Initiatives to Improve Industry Competitiveness

##### Australia:

The Australian Tourism Data Warehouse (ATDW) system serves as a central hub for tourism industry product and destination information across all Australian States and Territories. Content, compiled in a nationally agreed format, is electronically accessible to tourism business owners, wholesalers, retailers, and distributors. The ATDW includes an online education program covering basic online marketing concepts to more complex issues such as the use of online booking systems (ATDW).

##### Mexico:

FONATUR, the central government agency for tourism development, identifies large-scale tourism projects, supports sub-national governments in planning local projects, and contributes to basic infrastructure construction in tourism destinations. FONATUR also plays a role in attracting private investment.

##### Portugal:

The Madeira Regional Secretariat for Tourism and Transport in Portugal received the 2011 UNWTO Ulysses Award for Innovation in Governance for its work on the environmental certification of tourism businesses.

##### Spain:

Mature destinations face competitiveness challenges due to territorial saturation, environmental impacts, aging infrastructure, and concerns expressed by private sector associations. The General Secretariat for Tourism and Domestic Trade has been actively working to change the Spanish tourism model since the creation of the Tourism Plan 2020. Specific activities are being undertaken through the Programme for the Integral Requalification of Mature Tourism Destinations in four pilot destinations: Beach of Palma in the Balearic Islands, Costa del Sol in Andalusia, San Bartolomé de Tirajana, and Puerto de la Cruz in the Canary Islands.

#### Box 5 Evaluation to Face Current Challenges

Evaluation plays a crucial role in addressing current challenges by:

**Informing Strategy and Policy:** Assists in the preparation of strategies, policies, and the refinement of action plans.

**Enhancing Performance Management:** Augments performance management by analysing the effects of expenditures and investments by government, partner organisations, and the private sector.

**Providing Robust Evidence:** Offers robust and convincing evidence of effects in both quantitative and qualitative terms.

**Facilitating Comparative Performance:** Allows organisations to measure comparative performance and benchmark against others.

**Supporting Lobbying Efforts:** Provides evidence to support lobbying for additional investment from related sectors and policy areas, including transportation, skills, infrastructure, marketing, and the environment.

**Demonstrating Impact and Value:** Demonstrates impact, returns on investment, and value for money.

<sup>81</sup> Boxes obtained from OECD Trends and Policies 2012. <https://doi.org/10.1787/tour-2012-en>

#### **Box 6 Competencies of the Slovak Republic National Tourism Administration**

The National Tourism Administration holds several key responsibilities aimed at fostering tourism development as a government priority. These include creating favourable conditions for tourism, formulating, implementing, and monitoring tourism policies, and developing national tourism strategies. Additionally, the administration is involved in preparing legislative regulations, providing incentives and support for private sector investments, and compiling statistical data on tourism development in the Slovak Republic.

Collaboration is also a significant aspect of their role, particularly with the Ministry of Environment, to harmonize tourism development with nature protection. The administration represents Slovakia in international tourism organizations, manages cross-border cooperation, and prepares international agreements and contracts. Furthermore, they are responsible for developing and evaluating tourism programs and providing methodical guidance and monitoring for the Slovak Tourist Board to ensure the fulfilment of its tasks.

*Source: Ministry of Transport, Construction and Regional Development of the Slovak Republic*

#### **Box 7 Effective Decision Making to Reduce Barriers to Entry in Israel from Key Markets**

In Israel, an evaluation was conducted to identify the primary obstacles faced by tourists attempting to enter the country. The study highlighted several issues, including visa restrictions and security checks at Ben Gurion Airport. In response, the government took decisive actions such as eliminating the need for visas from specific countries, including the Russian Federation. This measure led to a substantial increase in tourist numbers and an overall improvement in perception.

Simultaneously, enhancements were made to security measures at check-in points in airports and other entry locations.

#### **Box 8 Israel - Bringing Stakeholders Together**

In 2006, the Ministry of Tourism in Israel took the initiative to establish the Marketing Forum. This forum brings together representatives from both the public and private sectors, including policymakers, hoteliers, tour operators, airlines, travel agents, and other professionals. Senior representatives from key ministries, including Tourism and Finance, are also part of this forum.

The Marketing Forum convenes regularly to engage in discussions, formulate plans, and coordinate efforts to secure resources and investments. The effectiveness of this engagement has resulted in the creation of a positive working environment. It is centred around a deeper appreciation of how diverse perspectives can collaborate successfully.

#### **Box 9 Australian Tourism Development Programme (ATDP)**

In Australia, an independent evaluation of the effectiveness of the Australian Tourism Development Programme (ATOP) was conducted to inform the future development of the Programme. ATDP was a competitive merit-based grants programme designed to stimulate the growth of the Australian tourism industry, encourage private sector investment, and contribute to national prosperity.

The evaluation processes led to several recommended changes to the Programme, including simplifying application processes and forms, increasing grant levels for business assistance, and allowing more time for the development of projects. These recommendations were promptly elevated to enable swift decision-making. Subsequently, ATDP was redesigned and renamed TQUAL Grants.

#### **Box 10 The Federal Association of German Tourism Industry**

The Federal Association of German Tourism Industry (BTW) was established in 1995 to represent the common and overall interests of the tourism industry in Germany, Europe, and international affairs. The BTW consists of 39 members, including large companies and robust tourism associations. Its scope covers air, road, and rail traffic, hotel and catering services, and tourism marketing, encompassing private tourism, private mobility, and the business travel sector.

The BTW engages in regular meetings with high-level politicians, trade missions, the annual tourism summit, and other events to represent industry needs in the political decision-making arena. Emphasising the political feasibility of major conditions in tourism, the BTW focuses on:

- Development of a tailor-made infrastructure and a stronger intramodality of all means of transport.
- Ensuring fair competition for enterprises to guarantee sustainable success.
- Highlighting positive tourism industry responses to climate protection.
- Adopting a balanced approach to consumer protection.

### Box 11 Vertical Co-ordination between Levels of Government

#### Germany:

The Joint Committee on Tourism (BLA) serves as a platform for consultations between national and federal-state governments in Germany. It comprises the Federal Economics Ministry and federal-state ministries responsible for tourism. The BLA's primary function is to promote information exchange and coordination in tourism policy. Despite the absence of specific legislation, voluntary cooperation among national and federal-state governments has been effective. The BLA plays a crucial role in managing collaboration, particularly on issues that require the combined efforts of the national and 16 federal-state governments.

#### Italy:

In Italy, the devolution of power grants regions the primary responsibility for tourism development and promotion. This system allows regions to choose their strategies and implement tourism-related measures, promoting flexibility and bottom-up networks. To enhance communication and coordination between the state and regions, a Permanent Tourism Coordination Committee was established in 2010. This committee operates under the umbrella of the Conference of Regions, providing a structured approach to tourism governance across the country.

#### Japan:

Japan's approach to tourism governance involves the Japan Tourism Agency (JTA), which developed the Tourism Zone Development Act in 2008. This act facilitates the creation of extensive tourist destinations that span municipal boundaries across 49 areas. A partnership framework fosters collaboration within and between municipalities, the private sector, and non-profit organizations. Sectors such as agriculture, forestry, and fishery work together to develop promotion strategies and local human resources. The JTA also supports budgetary frameworks for wide-area partnerships, enhancing the effectiveness of local tourism destination promotion.

### Box 12 The Canadian "Path to Purchase" Model

The Canadian Tourism Commission (CTC) developed the "Path to Purchase" model to compare the brand in all markets, identify performance points (especially those to compel further action if the brand shows signs of weakening and there is an indication of a decline in conversion), and focus marketing activities to address weak links in the chain.

The "Path to Purchase" involves seven steps taken by the potential customer:

1. **Awareness:** Heard about the destination.
2. **On Priority List:** Thinking about going to the destination in the future.
3. **On Seriously Considering List:** Planning within the next two years.
4. **Creating a Vacation "Movie":** Information gathering from many sources.
5. **Planning a Detailed Itinerary.**
6. **Finalising Trip Arrangements.**
7. **Successfully Purchasing a Trip.**

CTC focuses on improving understanding of how their service offering and marketing plans perform at each step. Monitoring in this way asks challenging questions to prompt timely responses at each step: Is the country getting international profile at step one? Can the potential customer make their "movie" from available resources at step four? And so on.

In 2007, CTC launched a monitoring survey called the Global Tourism Watch. This tracked awareness of Canada's brand and Canada's competitive position in the general holiday main market. CTC can now monitor annual changes in perceptions of Canada against key competitors and gain a greater understanding of consumer travel behaviours and values. From this data, CTC can identify barriers to visiting Canada and how to overcome them.

### Box 13 Effectiveness Measurement Concept Applied in Switzerland

The "effectiveness measuring concept" for assessing attribution has been applied in Switzerland. This concept involves judging the influence of a controlled instrument on producing an effect. For instance, Switzerland Tourism (ST) has determined through surveys that the national tourism website, [www.myswitzerland.com](http://www.myswitzerland.com), contributes 4% to tourist decisions to stay overnight in Switzerland, while travel agents and brochures contribute 5%.

Since ST has 100% control over the content of [myswitzerland.com](http://myswitzerland.com), the attribution to ST from the website is calculated as 4% (contribution) multiplied by 100% (control) equals 4%. In contrast, ST's influence in brochures and travel agents is judged to be only 10%, so the attribution to ST of the 5% is only 5% multiplied by 10%, which equals 0.5%.

#### **Box 14 Impact Assessment of Promotional Campaigns in Canada**

The Canadian Tourism Commission (CTC) has traditionally used advertising tracking and conversion studies to assess the impact of its promotional campaigns. However, three challenges have been identified by CTC in using this approach:

1. **Sampling:** There is a failure to use proper sampling techniques, and there is a tendency not to take the implications of sampling error into account in the interpretation of results.
2. **Non-Response Bias:** In conversion studies associated with destination information services, there has been a tendency not to factor out those respondents who had decided to visit the destination prior to being exposed to the advertisements. In these cases, the advertisements simply facilitated the collection of information for planning purposes.
3. **Comprehensive Costs:** There is a pervasive failure to include all costs associated with the development of advertising campaigns.

In response to these challenges, the organisation has developed a forward program to tackle these issues, drawing on lessons from earlier evaluations and benchmarking.

#### **Box 15 Impact Assessment Process in New Zealand Campaigns**

Campaigns targeting Australia demonstrated that the "What's On" Campaign significantly raised awareness of the New Zealand brand, with a 55% awareness rate recorded in Quarter 2 of 2008. This awareness led to a conversion rate of 8%, providing valuable insights for the Ministry of Tourism on how potential travelers decide on their destinations and their perceptions of New Zealand. The findings from this evaluation encouraged the Ministry to adjust its promotional strategies, considering factors like seasonality to better align with customer preferences and decision-making processes.

#### **Box 16 New Zealand Maori Tourism Facilitation Service (MTFS)**

The New Zealand Maori Tourism Facilitation Service (MTFS) was established in October 2004 to provide business assessment and mentoring to Maori tourism businesses, aiming to improve performance and deliver quality tourism experiences. A clear rationale, governance structure, and guiding principles were established at the outset, with practical measures identified for evaluation. These measures, linked directly to the program's objectives, provided a robust evaluation framework with SMART indicators profiling participants, performance, and outcomes.

#### **Box 17 US - Evaluation of Tourism Promotion Campaigns**

In the mid-2000s, the United States launched a pilot international tourism promotion campaign with objectives to increase awareness, positive perception, and interest in visiting the U.S., as well as to boost economic benefits from tourism. Pre-campaign and post-campaign research included various assessments such as image studies and benchmark surveys, which provided quantitative evaluations of advertising effectiveness and economic returns. The results helped confirm successful aspects of the program and guided its expansion into new

#### **Box 18 VisitDenmark - Conversion Model in Practice**

VisitDenmark provides a good example of a useful tool that can be applied in the evaluation of marketing programs. This examined the effects of consumer-oriented marketing in relation to four performance indicators called "effect goals" which are:

1. Exposure.
2. Awareness.
3. Preference.
4. Actual travel.

The four "effect goals" form a traditional marketing evaluation chain. Central measurements are made to estimate the conversion rates and progressive movements between the four performance indicators. The technique uses market survey tools to produce estimates of effects generated, such as additional tourism revenue. This is gathered through using a series of questionnaires. Quantitative analysis uses actual and historic values to produce calculations, some based on average conversion rates from previous VisitDenmark evaluation evidence and measurements.

*Source: VisitDenmark*

#### **Box 19 VisitDenmark - Planning for Evaluation**

In VisitDenmark, all projects and programs adhere to a project model that requires evaluation through the assessment of Result goals and Effect goals. This structured approach ensures that significant contributions from major marketing projects are documented. Project managers play a crucial role in defining and agreeing upon how and when marketing activities will be measured and evaluated. To facilitate this process, minimum time and resources are allocated to ensure that targets are set, stakeholders are engaged, and the scope of the evaluation is clearly defined. Additionally, international benchmarking is employed to compare conversion rates and assess success based on previous evaluation evidence.

#### **Box 20 United Kingdom Best Practice Communities**

The United Kingdom has a long tradition of evaluation and knowledge sharing. Groups such as the National Tourism Best Value Group, created in 1999, established a sound basis for the collection of comparative information, benchmarking, and the provision of a platform for sharing best practice. This led to other developments, including Destination Performance UK, a self-help membership organisation for local authority tourism services and DMOs/DMPs committed to the principles of performance management and best practice. This group learned that:

- Destination and management performance monitoring needs to be seen as an integral part of the management process and should be carried out continuously.
- Information collected should seek to recognise the needs of the Tourism Intelligence Partnership (TIP) in securing more robust and timely data at the local level.
- Where DMOs exist that are supported financially or in staffing terms by local authorities, they should provide the data required for those authorities to monitor and evaluate the results of their investment.
- Volume and value data, using the best available comparable model, needs to be collected on an annual basis.
- Visitor surveys need to be carried out on a comprehensive basis at least every three to five years. Interim surveys on a smaller scale should be used to provide monitoring checks.
- Satisfaction surveys need to be carried out for TIC customers and tourism businesses on an annual basis, with resident satisfaction surveys being carried out less frequently, say every three years.
- All surveys should be based on a set of standardised core questions to enable comparison and benchmarking with other destinations.
- Creating a benchmarking club is a cost-effective way of sharing information and experience.
- Using core performance indicators establishes a set of performance measures for a destination.

*Source: English Tourism Authority*

#### **Box 21 The Czech Republic - Using SWOT Analysis to Determine Policy Priorities**

The State Tourism Policy Concept in the Czech Republic (2007-13) was developed using SWOT analysis techniques which helped policymakers recognise five key priority development areas in the industry:

- Urban and cultural tourism.
- Nature holidays.
- Sports and activities holidays.
- Spa tourism.
- Congress and business tourism.

By using the SWOT technique, policy was developed with evaluation questions becoming an integral part of the overall strategy process. The engagement also ensured stakeholder participation to assess strengths, weaknesses, opportunities, and threats in a purposeful and meaningful way. The process of consultation included gathering evidence from state administrative bodies such as the Ministry of Labour and Social Affairs and also local government and trade associations such as the Association of Spa Places and the Association of Tourist Information Centres. Evaluation was agreed as an integral follow-up from the consultation process. Monitoring arrangements include tracking progress and gathering views as the policy is put into action. The SWOT was agreed to be updated and reassessed regularly to adjust for changes.

#### **Box 22 Canadian Tourism Commission Benchmarking Study**

In 2008, the Canadian Tourism Commission undertook a national benchmarking study on the vibrancy and competitiveness of the Canadian tourism industry. The objective of the study was to explore "Where do we rank in the context of the Canadian Economy?" and to provide a new frame of analysis for comparing the performance of the Canadian tourism sector (and the tourism component of related industries) with other Canadian economic sectors and other conventional industries. Although detailed and inevitably time-consuming to assemble, the results provided Canada with a milestone or benchmark for the future comparison of the performance of the sector, economically and financially, against other sectors of the Canadian economy (tourism ranked fourth in a composite performance index ranking eleven sectors).



#### **Box 23 Poland - Securing Stakeholder Support**

The content and structure of the document "Poland Directions for Tourism Development to 2015" have been based on four foundation issues:

- Shaping the relationship between the development of tourism and the socio-economic development of the country.
- Creating agreement between various entities on the development of tourism on the basis of amalgamating activities and potential.
- Assuring flexibility to make possible adaptation of goals and measures to changing circumstances in the whole process of implementation.
- Promoting sustainable consumption, shaping public health through tourism, supporting actions that contribute towards a reduction of the pressure on the global climate.

The Directions involved treating tourism objectives, defining tourism's role broadly in both the economic and social development of the country. This included making use of untapped potential, strengthening social capital and socio-economic cohesion. Members of the Interministerial Team coordinate the tasks of the government and recommendations for coordinating the tasks of all entities acting for tourism development. The Team comprises 15 Ministers and 2 central government institutions and plays a crucial role in ensuring stakeholders interact in setting goals and scoping evaluation.

#### **Box 24 OECD Requirements for Effective Evaluation**

Effective evaluation requires proactive management and often political commitment, along with intensive monitoring. The thoroughness of an evaluation should be proportional to the scale of the policy, program, or project's impact and the level of public interest. High-interest policies, especially those involving significant expenditure, complexity, or serving as pilots for future initiatives, necessitate rigorous evaluation.

The specific policy activity under evaluation must be clearly defined, and related policy areas should be integrated into the evaluation methodology. A logical progression from objectives to outputs and outcomes should be established from the outset and tracked throughout the evaluation process. Additionally, it's crucial to distinguish between objectives and outcomes at the policy level and outputs and targets at the program level. Evaluators should review the availability of performance measures and targets in conjunction with monitoring data to ensure they align with the objectives. If necessary, additional data collection and qualitative information should be considered. Furthermore, using a suitable benchmark and establishing a base case scenario or counterfactual is vital to understand what would have occurred without the policy or program intervention.

*KIIs and FGDs*

Pakistan Institute of Development Economics (PIDE) is conducting a program review of the World Bank Project – Punjab Tourism for Economic Growth Project (PTEGP). For that purpose, please cooperate and provide your insights about the tourism landscape of Punjab and how PTEGP is being significant in tourism enhancement.

**How well has the operation performed in terms of key performance indicators?**

- (a) Has the operation made steady progress toward achieving its targets?
- (b) Is it likely to meet its development objectives?
- (c) What implementation issues or bottlenecks were encountered, and were they resolved promptly?
- (d) What has been the experience of the target audience and stakeholders involved? Are they satisfied?
- (e) What aspects of the process can be improved, and how? How well is it aligned with international best practices?

**How well has the operation been managed?**

- (a) How have the various stakeholders in Travel & Tourism performed in the overall implementation of PTEGP?
- (b) How well was the operation coordinated?
- (c) How was the operation financed, and what actions were taken to synchronise activities?
- (d) Were the project operations manual followed? Were revisions made to the operations manual during implementation by the project steering committee?
- (e) Did procurement occur in a timely and quality manner?
- (f) Have reporting requirements been fulfilled?
- (g) How many surveys have been conducted by PTEGP, and what useful outcomes have they produced?
- (h) Have the implementation plans considered constraints faced by marginalised groups, and how will these be addressed?

**What are the prospects and options for sustaining these activities?**

- (a) What are the short, medium, and long-term goals, and what activities have been planned to achieve them?
- (b) Is there a clear strategy for maintaining the financial stream? Will PTEGP be able to capture potential revenue through its interventions?

## List of Abbreviations

PTEGP:	Punjab Tourism for Economic Growth Project
WB:	World Bank
GoP:	Government of Pakistan
GoPB:	Government of Punjab, Pakistan
COVID-19:	Corona Virus disease of 2019
KII:	Key Informant Interview
FGD:	Focused Group Discussions
PKR:	Pakistan Currency Unit (Rupees)
USD:	US Currency Unit (US Dollar)
ISMP:	Integrate Site Management Plan
MMP:	Museum Management Plan
DIMPS:	Destination Investment and Management Plan
TDCP:	Tourism Development Corporation of Punjab
DTS:	Department of Tourist Services
PMU-PTEGP:	Project Management Unit - Punjab Tourism for Economic Growth Project
UNESCO:	The United Nations Educational, Scientific and Cultural Organisation
SMP:	Site Management Plans
DDU:	Department Delivery Unit
AKCSP:	Agha Khan Culture Service Pakistan
IDAP:	Infrastructure Development Authority of Punjab
PDWP:	Provincial Development Working Party
CDWP:	Central Development Working Party
ECNEC:	Executive Committee of the National Economic Council
RFB:	Request for Bids
HSE:	Health, Safety and Environment
EMP:	Environment Protection Plan
P&DB:	Planning & Development Board, Government of Punjab
C&W:	Construction & Works
CERC:	Contingent Emergency Response Component
DoT:	Department of Tourism
PSDF:	Punjab Skill Development Fund
WCLA:	Walled City of Lahore Authority
PGS 23:	Punjab Growth Strategy 2023, Planning & Development Board, Government of Punjab
PPP:	Public-Private Partnership
EAD:	Economic Affairs Division
PDO:	Project Development Objectives
DDA:	Departmental Delivery Unit
KITE:	Khyber Pakhtunkhwa Integrated Tourism Development Project
PBIT:	Punjab Board of Investment & Trade
MoU:	Memorandum of Understanding
CBA:	Cost-Benefit Analysis
SMEDA:	Small Medium Enterprise Development Authority
PSIC:	Punjab Small Industries Corporation
SME:	Small-Medium Enterprises
DMO:	Destination Management Organisations
LFM:	Logical Framework Matrix
PMDC:	Pakistan Mineral Development Corporation
WTTC:	World Travel & Tourism Council

Dated: January 31<sup>st</sup>, 2023

To,  
**The Director General,**  
Walled City of Lahore Authority (WCLA),  
Lahore.

**Subject: KEY INFORMANT INTERVIEWS AND FOCUS GROUP  
DISCUSSIONS TO UNDERSTAND THE TOURISM LANDSCAPE IN  
PUNJAB**

Pakistan Institute of Development Economics (PIDE) is conducting a research to understand and evaluate the tourism landscape and involvement of different stakeholders in tourism development of the province.

2. Since WCLA is one of the key stakeholders in tourism sector. Therefore, it is important that your views on the subject matter are also taken to be incorporated in the study.
3. To that end, please facilitate Mr. Yasir Zada Khan for a short meeting with your office.

With Regards,

  
(Muhammad Waqas Malik)  
Project Director, PTEGP

Dated: January 31<sup>st</sup>, 2023

To,  
**The Director,**  
Lahore Museum,  
Lahore.

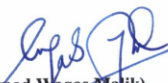
**Subject: KEY INFORMANT INTERVIEWS AND FOCUS GROUP  
DISCUSSIONS TO UNDERSTAND THE TOURISM LANDSCAPE IN  
PUNJAB**

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Pakistan Institute of Development Economics (PIDE) is conducting a research to understand and evaluate the tourism landscape and involvement of different stakeholders in tourism development of the province.

2. Since Lahore Museum is one of the key stakeholders in tourism sector. Therefore, it is important that your views on the subject matter are also taken to be incorporated in the study.
3. To that end, please facilitate Mr. Yasir Zada Khan for a short meeting with your office.

With Regards,

  
(Muhammad Waqas Malik)  
Project Director, PTEGP

Dated: January 31<sup>st</sup>, 2023


To,  
**The Director,**  
Directorate General of Archaeology,  
Lahore.

**Subject: KEY INFORMANT INTERVIEWS AND FOCUS GROUP  
DISCUSSIONS TO UNDERSTAND THE TOURISM LANDSCAPE IN  
PUNJAB**

Pakistan Institute of Development Economics (PIDE) is conducting a research to understand and evaluate the tourism landscape and involvement of different stakeholders in tourism development of the province.

2. Since Archaeology Department is one of the key stakeholders in tourism sector. Therefore, it is important that your views on the subject matter are also taken to be incorporated in the study.
3. To that end, please facilitate Mr. Yasir Zada Khan for a short meeting with your office.

With Regards,

  
(Muhammad Waqas Malik)  
Project Director, PTEGP

Dated: January 31<sup>st</sup>, 2023


To,  
**The Deputy Controller,**  
Department of Tourist Services (DTS),  
Lahore.

**Subject: KEY INFORMANT INTERVIEWS AND FOCUS GROUP  
DISCUSSIONS TO UNDERSTAND THE TOURISM LANDSCAPE IN  
PUNJAB**

Pakistan Institute of Development Economics (PIDE) is conducting a research to understand and evaluate the tourism landscape and involvement of different stakeholders in tourism development of the province.

2. Since DTS is one of the key stakeholders in tourism sector. Therefore, it is important that your views on the subject matter are also taken to be incorporated in the study.
3. To that end, please facilitate Mr. Yasir Zada Khan for a short meeting with your office.

With Regards,

  
(Muhammad Waqar Malik)  
Project Director, PTEGP

Dated: January 31<sup>st</sup>, 2023

To,  
**The Managing Director,**  
Tourism Development Corporation of Punjab (TDCP),  
Lahore.


**Subject: KEY INFORMANT INTERVIEWS AND FOCUS GROUP  
DISCUSSIONS TO UNDERSTAND THE TOURISM LANDSCAPE IN  
PUNJAB**

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Pakistan Institute of Development Economics (PIDE) is conducting a research to understand and evaluate the tourism landscape and involvement of different stakeholders in tourism development of the province.

2. Since TDCP is one of the key stakeholders in tourism sector. Therefore, it is important that your views on the subject matter are also taken to be incorporated in the study.
3. To that end, please facilitate Mr. Yasir Zada Khan for a short meeting with your office.

With Regards,

  
(Muhammad Waqas Malik)  
Project Director, PTEGP



[www.pide.org.pk](http://www.pide.org.pk)

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