



# **High–Level Public–Private Dialogue: Promoting Sustainable Tourism Development in the CAREC Region through Public–Private Partnerships**

**18<sup>th</sup> Ministerial Conference  
Central Asia Regional Economic Cooperation  
14 November 2019  
Tashkent, Uzbekistan**



**High-Level Public-Private Dialogue: *Promoting Sustainable Tourism Development in the CAREC Region through Public-Private Partnerships***

(14 November 2019, 14:30–16:15, Tashkent, Uzbekistan)

Moderator: Mr. Werner Liepach, Director General, CWRD, ADB

Panelists: Mr. Aziz Boolani, CEO, Serena Hotels South and Central Asia  
Mr. Mario Hardy, CEO, Pacific Asia Tourism Association  
Ms. Sue Badyari, CEO, World Expeditions  
Ms. Helena Egan, CEO and Co-Founder, Planet Egan Ltd. and former Global Director of Industry Relations, TripAdvisor  
Ms. Feruza Nazarova, Founder and Director, Advantour LLC  
Mr. Muhammad Hammad Azhar, Minister, Economic Affairs Division, Pakistan  
Mr. Abdulaziz Akkulov, Acting Chairman, State Committee for Tourism Development, Uzbekistan

14:30–14:40	<b>Introduction of the session</b> Mr. Werner Liepach, Director General, CWRD, ADB
14:40–16:05	<b><i>Panel Discussion: “Promoting Sustainable Tourism Development in the CAREC region through Public-Private Partnerships”</i></b> <i>Moderator will ask 1-2 questions to each of the panelists, followed by Q&amp;A</i>
16:05–16:15	<b>Wrap Up</b> Mr. Werner Liepach, Director General, CWRD, ADB



## I. Introduction

- The Central Asia Regional Economic Cooperation (CAREC) Program is a partnership of eleven countries<sup>1</sup> and development partners, working to promote development through cooperation, leading to accelerated economic growth and shared prosperity. Endorsed at the 16th Ministerial Conference in October 2017, the CAREC 2030 strategy seeks to expand the horizons of economic cooperation in the region by better connecting people, policies and projects for shared and sustainable development.<sup>2</sup>
- Tourism can be a powerful tool for promoting inclusive and sustainable economic growth and generating employment and business opportunities. Tourism development falls squarely within the mission and objectives of the CAREC Program, and it is one of the operational priorities under CAREC 2030. The scoping study on “*Promoting Regional Tourism Cooperation under CAREC 2030*” conducted last year identified potential opportunities for enhancing tourism cooperation among CAREC member countries and maximizing economic opportunities while safeguarding ecosystems.<sup>3</sup>
- This high-level session aims to generate dialogue on key opportunities and challenges for regional initiatives in the tourism sector, how public and private stakeholders can join hands to help address the challenges and seize the opportunities, and what potential roles that CAREC can play in supporting this process. This high-level dialogue will also gather inputs and insights from CAREC countries and development partners to guide the formulation of a CAREC tourism strategy towards 2030 and a regional tourism investment framework over 2021–2025, which is aimed for the Ministers’ endorsement at the 19th CAREC Ministerial Conference in 2020.

## II. Regional Tourism Cooperation: Challenges and Opportunities

- CAREC countries enjoy a vast range of natural and cultural endowments to attract visitors from neighboring countries and beyond. Tourist arrivals in the CAREC region (excepting Afghanistan, Turkmenistan and PRC) have grown at an average annual rate of 4.5% over the past five years, reaching more than 23 million in 2018. CAREC countries have also made significant progress in liberalizing visa regimes and reducing and automating visa and entry procedures. Bilateral agreements and high-level talks among CAREC countries to discuss increased tourism cooperation are also becoming more frequent.
- International tourism continues to rise with arrivals worldwide forecast to reach 1.8 billion by 2030<sup>4</sup> and 100 million new jobs expected to be generated over the next ten years in the tourism sector. The outlook is bright for the CAREC region, where international tourist arrivals are expected to grow by almost 5% per year over the next decade.<sup>5</sup>
- Despite the positive recent developments, several common challenges remain to be addressed to promote tourism and require concerted efforts. These include limited air, rail and road connectivity; cumbersome border control procedures; underdeveloped tourism infrastructure and services; inadequate business and policy environment; quality human

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<sup>1</sup> CAREC countries include Afghanistan, Azerbaijan, People’s Republic of China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan.

<sup>2</sup> CAREC. 2017. CAREC 2030: Connecting the Region for Shared and Sustainable Development. Manila.

<sup>3</sup> CAREC. 2019. Promoting Regional Tourism Cooperation under CAREC 2030. Manila.

<sup>4</sup> UNWTO. 2011. *Tourism Towards 2030*. Madrid.

<sup>5</sup> Afghanistan, People’s Republic of China and Turkmenistan are not included in the average growth rate.

resource constraints; limited market knowledge and global awareness of the tourist attractions in CAREC countries; lack of a coordinated and integrated approach to tourism development involving all key stakeholders; and insufficient public-private partnerships in the tourism sector.

- All CAREC countries have prepared national tourism policies and strategic plans wherein they recognize their shortcomings in key areas needed for the development of a tourism sector that can generate maximum economic benefits. In all cases, there is recognition of the need for close cooperation between the countries' public and private sectors and for mobilization of greater resources.

### **III. The Role of CAREC in Promoting Tourism Cooperation**

- Regional tourism cooperation can help strengthen economic, social and cultural ties among countries, thereby enhancing the image of the CAREC region and making it more attractive for foreign visitors and investment. CAREC 2030 advocates a regional approach to tourism development to help realize economies of scale resulting from greater specialization, synergetic collaboration and more efficient use of resources. Tourists often combine two or more neighboring countries when selecting their destinations. Facilitating travel between countries and promoting multi-country experiences can result in greater socio-economic benefits for each of the countries in the region.
- Tourism can provide business opportunities for the private sector and create a wide range and significant scale of employment given the high ratio of service personnel to tourists. For this to happen, however, it is important that countries have a conducive policy and regulatory framework for attracting tourism investments and enhancing private sector participation.
- CAREC can play a key role in unlocking the region's large untapped tourism potential by facilitating high-level policy dialogue and promoting trust-building among public and private stakeholders in its member countries. It can provide a robust mechanism and platform to discuss common development challenges, facilitate cross-learning and exchange of knowledge, skills and experiences among member countries, and identify effective regional approaches to advance tourism development in the region.
- While tourism operations are often undertaken by the private sector, the effective delivery of tourism services depends on policy planning and management at governmental level. Thus, strong public-private partnerships are vital for mutually beneficial tourism development and promotion. CAREC can build upon its strong track record of implementing regional projects and provide access to development partners' financing instruments, including sovereign and non-sovereign lending and technical assistance, to incubate and implement innovative regional tourism projects and initiatives. Development partners, working under the CAREC umbrella, can support public-private partnerships in the region by advising on project conceptualization and structuring while firmly rooting transactions on public policy imperatives. They can help governments leverage the financing, efficiency and quality of the private sector for projects that benefit society. This could include providing transaction advisory services and a project preparation facility that helps governments, and their private sector partners, establish a pipeline of bankable PPP projects in the tourism sector.

#### **IV. Questions for the Panelists and for Discussion**

- a) What are the key challenges and opportunities for the development of the tourism sector in the region? What policy actions could governments undertake to address such challenges and capitalize on the opportunities?
- b) What are the key strategies and plans of CAREC countries to promote sustainable tourism? What are currently the main challenges and in which ways can the private sector support and collaborate with the governments for addressing these challenges?
- c) How do the existing visa regimes and private investment regulations in CAREC countries impact your business and the tourism potential of the region?
- d) Tourist arrivals in the CAREC region are still low partly due to the limited market knowledge of CAREC countries. How do you see the image of the CAREC region evolving from a tourism perspective? What regional initiatives could be conducted to raise awareness and interest in the tourist attractions of the region?
- e) How can CAREC countries work with each other to evolve a regional approach to tourism development and to increase the attraction of the region as a whole to attract more international tourists?
- f) How can CAREC more effectively facilitate public-private dialogue and help strengthen participation of the private sector in tourism development and operations in the CAREC region?
- g) Going forward, what do you think the priorities should be for a CAREC tourism strategy leading to 2030?