



CAREC TOURISM SECTOR PROGRESS REPORT AND WORK PLAN

JULY 2020 – JUNE 2021

Reference Document
Virtual Senior Officials' Meeting
Central Asia Regional Economic Cooperation
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ABBREVIATIONS

ADB	Asian Development Bank
ABEC	Almaty – Bishkek Economic Corridor
CAREC	Central Asia Regional Economic Cooperation
MC	Ministerial Conference
PRC	People’s Republic of China
TA	Technical Assistance
UNWTO	United Nations World Tourism Organization

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I. KEY DEVELOPMENTS AND RESULTS

1. The CAREC Tourism sector achieved a number of strategic milestones during the reporting period (July 2020 – June 2021), including the adoption of the CAREC Tourism Strategy 2030 and its accompanying regional tourism investment framework 2021–2025. The reporting period was affected by the global COVID-19 pandemic and due to the quarantine measures and travel restrictions, the meetings of the CAREC Tourism Focal Points group in 2020 and the first half of 2021 were conducted virtually. Key achievements during the reporting period as well as the progress on the outcome and outputs indicators included in the CAREC results framework for the tourism sector are described below.

A. CAREC Tourism Strategy 2030 and Regional Tourism Investment Framework 2021–2025

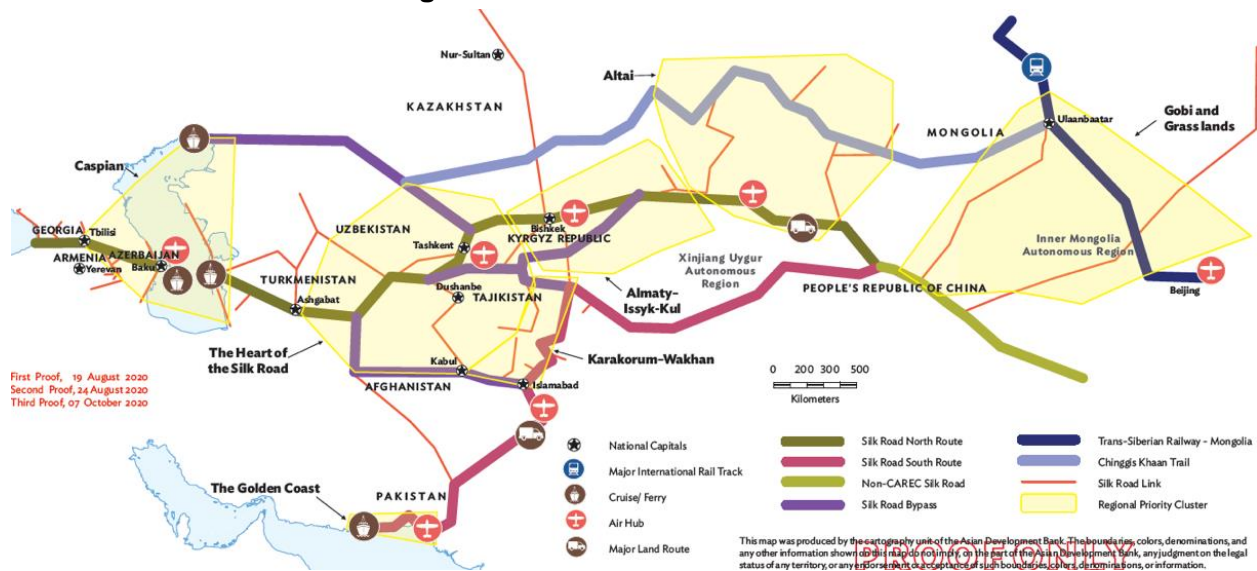
2. The CAREC Tourism Strategy 2030 provides a common strategic and holistic framework to guide tourism operations in the region until 2030. It is aligned with the overall directions of the CAREC 2030 strategy as well as with countries' tourism priorities and plans. The CAREC Tourism Strategy 2030 was endorsed at the 19th CAREC Ministerial Conference (MC) on 7 December 2020. Prior to its endorsement, several consultation workshops were held with tourism agencies and private sector representatives from the 11 CAREC member countries.

3. The CAREC Tourism Strategy is inspired by a vision to create *“a sustainable, safe, easily accessible, and well-known tourism region that provides a variety of unique all-year-round quality experiences to visitors along the Silk Road, and widely shares its benefits among its communities”*. To achieve the long-term vision, the CAREC tourism strategy identifies five strategic pillars: (i) connectivity and infrastructure, (ii) quality and standards, (iii) skills development, (iv) marketing and branding, and (v) market intelligence. In addition, several themes are cross-cutting to all the strategic pillars: (i) health, safety and security to support countries' efforts in responding to the COVID-19 pandemic and build resilience of their tourism sectors to future global crisis; (ii) digital and communication technologies; (iii) gender equality; (iv) private sector development; (v) environmental sustainability; and (vi) universal access.

4. The Silk Road is the most important route linking CAREC countries' major cities and tourism assets. In addition, major national and transnational roads in the region are also connected to the Silk Road, such as the Pamir Highway, Karakorum Highway, Chinggis Khaan trail, and Trans-Siberian railway. The CAREC tourism strategy identifies seven priority regional tourism clusters connected to these main tourist routes (see Figure 1).

5. The implementation of the CAREC tourism strategy 2030 follows a phased approach. During the initial phase (2021–2023), regional interventions will focus on domestic and intra-regional tourism. The second phase (2024–2028) will focus on attracting high-spending international markets through improvement of air connectivity and development of joint tourism products and multi-country experiences. In the last phase (2029–onwards), expansion towards secondary destinations beyond the seven priority regional tourism clusters will be considered. To support this, a regional tourism investment framework was developed in conjunction with the strategy, covering regional projects and initiatives under the five strategic pillars to be implemented during the first five years of the strategy implementation period. Please download the [CAREC Tourism Strategy](#) for further information.

Figure 1: CAREC Tourism Clusters



6. The implementation of the CAREC Tourism Strategy 2030 and its accompanying regional tourism investment framework is being supported by the \$2 million ADB-funded regional technical assistance grant on “[Sustainable Tourism Development in the CAREC region](#)”. In addition, other projects at the subregional and/or country level are contributing to the development of the abovementioned CAREC tourism clusters. The following initiatives have been initiated during the reporting period:

- **CAREC Tourism Virtual Portal**

7. The CAREC tourism virtual portal –one of the initiatives under the marketing and branding strategic pillar of the tourism strategy 2030– is currently under development. The portal will serve as a regional tool for sharing and consolidating tourism-related information and generating business opportunities for the private sector in CAREC countries. The portal will complement the national tourism websites by allowing a more systematic process for users to collect and view the information they are looking for. The regional brand, “Visit Silk Road,” has been procured for the portal to leverage the region’s most important tourism asset – the Silk Road.

8. The CAREC tourism portal will target two different audiences: institutional and travelers. The institutional part will be a tool for linking regional partners and promoting information sharing, including on tourism projects and investment-related information, tourism data and statistics, events, and educational and training resources. The sections of the portal targeting potential and actual travelers will focus on providing information about the countries, regions, and tourism attractions, whilst promoting the services of private sector tourism providers in the region.

9. The beta version of the CAREC tourism portal was presented to the CAREC tourism focal points and private sector representatives from the 11 member countries in a webinar organized on 26 January 2021. Webinar participants agreed on the overall structure of the portal and provided valuable suggestions with regards to adjustments and additional features that could be integrated in the portal, including more user-generated content and greater integration of tourism products and services offered by local businesses. The process of gathering information on

tourism regions and attractions is currently ongoing in close coordination with the CAREC tourism focal points, and the portal is expected to be launched by end-2021.

- **Development and Implementation of Common Health and Safety Protocols and Standards under the Almaty-Bishkek Economic Corridor (ABEC)**

10. The pilot project, which is included under the quality and standards strategic pillar in the regional tourism investment framework, will support the development of the *Almaty–Issyk Kul tourism cluster*. It aims at reviewing existing COVID-19 health and safety protocols and measures prepared by Kazakhstan and the Kyrgyz Republic in the tourism sector and provide recommendations that can be integrated in the countries' regulations based on international best practices. It will also support capacity building of public and private tourism stakeholders for the adoption and implementation of adequate health and safety measures in a coordinated manner. The pilot project is being implemented by the United Nations World Tourism Organization (UNWTO) and expected to be completed by Q3 2021.

- **Development of Accommodation Classification System for ABEC**

11. This project will also contribute to the implementation of the quality and standards strategic pillar of the tourism strategy 2030 and will support the development of the *Almaty–Issyk Kul tourism cluster*. It aims at developing a regionally harmonized Accommodation Classification System that will indicate the standards to be found at individual establishments to both consumers and intermediaries. As the hospitality sector represents a fundamental component for tourism, it is essential that quality standards be monitored and enforced effectively through the application of a regionally harmonized system to help Kazakhstan and the Kyrgyz Republic develop and market regional tourism. The project is being implemented by the UNWTO and expected to be completed by Q3 2021.

- **Sustainable Tourism Development Project in Mongolia**

12. The [project](#) has been designed in alignment with the CAREC Tourism Strategy 2030 and responds to the need for improved visitor sanitation facilities in the *Altai tourism cluster*. It comprises a loan of \$30.0 million and grant of \$2.0 million and is for approval by the government and ADB in 2021. The project will support the development of tourism in three *aimags* (provinces) of western Mongolia, focusing on inclusive benefits for communities, nature-based solutions to protect wilderness and heritage values, and post COVID-19 recovery and resilience. The project has four outputs: (i) inclusive planning and capacity for community-based tourism enhanced, (ii) enabling infrastructure constructed, (iii) sanitation and waste management improved, and (iv) management of cultural heritage sites and protected areas strengthened. It will build the capacity of residents and the private sector for community-based tourism, create jobs through the establishment of tourist streets and visitor complexes, and strengthen the management of five protected areas and heritage sites through improved visitor and sanitation facilities.

B. CAREC 2030 Results Framework: Tourism Sector

13. The CAREC 2030 Results Framework was endorsed at the 19th CAREC Ministerial Conference (MC) on 7 December 2020. It includes outcome and output indicators across the five operational clusters of the CAREC 2030 Strategy. Under operational cluster 2 (trade, tourism and economic corridors), the following progress has been achieved in the outcome and output tourism indicators from 2017 to 2020:

Table 1. CAREC 2030 Results Framework: Tourism

Outcome	Indicator	2017	2020
Tourism competitiveness and positioning of the CAREC region as a globally attractive tourism destination enhanced	CAREC countries' Travel and Tourism Competitiveness Index rank increased	2 CAREC countries within the top 70 ranks (PRC 15, Georgia 70)	2 CAREC countries within the top 70 ranks (PRC 13, Georgia 68); 5 CAREC countries have improved their rank (KAZ, KGZ, MON, PAK, and TAJ)
Output	Indicator	2017	2020
Regional tourism projects approved	Regional tourism projects conceptualized and approved	N/A	1 CAREC regional tourism TA project approved in 2018; and 2 projects approved and initiated under the ABEC area (see paras. 10 and 11)
Institutional mechanism for implementing joint regional tourism initiatives established	Expert groups and regional tourism agency established and operationalized	N/A	CAREC tourism focal points group established in 2018. Since then, three meetings of the tourism focal points group have been held (Oct 2018; Dec 2019; Jan 2021).

II. CHALLENGES AND KEY ISSUES

14. The COVID-19 outbreak in 2020 has placed significant pressure on CAREC economies, with tourism being one of the most severely impacted sectors. According to the UNWTO, international tourist arrivals decreased by 73% in 2020, with Asia and the Pacific experiencing an especially hard decline of tourist arrivals by 84%. To contain the spread of the virus, governments have taken several actions and lockdown measures, leading to a reduction of travel and temporary closure of borders. As a result, many tourism businesses such as hotels, restaurants, retail, and cultural and natural attractions have been forced to close and a large number of jobs have been lost. The impact of the COVID-19 pandemic continues to be felt in 2021, with UNWTO's estimates indicating a reduction of 86% in global international tourist arrivals, and 96% in Asia and the Pacific in January 2021 compared to the same period in 2020.

15. The CAREC Tourism Strategy 2030 was developed amidst the COVID-19 pandemic. Due to the travel restrictions imposed worldwide, some adjustments had to be made in the work program of the CAREC tourism sector during the reporting period. These include: (i) changes in the format of the consultation workshops and meetings of the CAREC tourism focal points group, which are being conducted virtually since early 2020; and (ii) postponement of the assessment on transport and urban infrastructure and services needs in the CAREC priority tourism clusters, which was planned for 2020 with field visits to tourism sites (see para. 17).

16. At the same time, given the time of its formulation, the CAREC Tourism Strategy 2030 took into full consideration not only the challenges that countries' tourism sectors were facing pre-

COVID¹ but also the expected new patterns and trends derived from the pandemic. These include: (i) increased importance of domestic and regional tourism; (ii) emergence of safe travel corridors or travel bubbles; (iii) greater focus on sustainability and responsible travel; (iv) growing importance of developing unique and personalized local travel experience; and (v) increased use of digital technologies, online platforms, and social media. Through the gradual implementation of regional projects and initiatives across its five strategic pillars, the CAREC Tourism Strategy 2030 will help countries' tourism sectors bounce back stronger and faster and restore travelers' confidence and trust by promoting the region as a safe and resilient tourism destination.

III. WORK PROGRAM FOR JULY 2021–JUNE 2022

17. The implementation of the CAREC Tourism Strategy 2030 will continue over the next 12 months. Regional projects and initiatives as well as analytical and knowledge products to be completed and/or initiated from July 2021–June 2022 include the following:

- CAREC Tourism Virtual Portal (see paras. 7-9)
- Development and Implementation of Common Health and Safety Protocols and Standards under ABEC (see para. 10)
- Development of Accommodation Classification System for ABEC (see para. 11)
- Assessment of transport and urban infrastructure and services needs in the priority tourism clusters identified in the CAREC Tourism Strategy 2030, covering aspects such as accessible tourist infrastructure; road connectivity and sustainable urban transport; air connectivity; railway connectivity; border crossing points infrastructure; water supply and sanitation; solid waste management; and electricity and telecommunications. The analysis aims at assessing the current conditions of such tourism infrastructure and services in the priority clusters; identifying existing deficiencies and constraints, and formulating proposals for enhanced access and connectivity and improved tourism service delivery which could be included in the regional tourism investment framework 2021–2025.
- Conceptualization of at least two projects included in the regional tourism investment framework 2021–2025. Project concepts will include description, rationale, and scope of the project; initial financial and economic pre-feasibility; initial social and environmental impact assessment; and identification of implementation agencies, timeline, and potential financing options. Projects for conceptualization will be selected in consultation with the CAREC tourism focal points.

18. The next meeting of the CAREC tourism focal points will be organized virtually in Q3 2021. The objective of the meeting will be to (i) present the final version of the CAREC tourism portal based the information and suggestions received from the countries during Q1-Q3 2021, obtain countries' endorsement for the portal launch, and discuss options for updating and maintaining the portal going forward; (ii) present the findings of the assessment on transport and infrastructure and urban services needs in the CAREC tourism clusters; and (iii) review and update the CAREC regional tourism investment framework 2021–2025, including discussion on priority regional projects to be conceptualized over the next 12 months.

¹ These include limited access to and between CAREC countries, complex and nonuniform visa requirements and border arrangements, inconsistent quality of tourism infrastructure and services, skills shortages, lack of reliable tourism data and statistics, and low awareness and knowledge about the tourist attractions in CAREC countries.

IV. DELIVERABLES FOR 2021 MINISTERIAL CONFERENCE

19. The following list provides an overview of deliverables to be achieved until end of 2021.

Deliverables	Timing (2021)	Description	SOM/MC action
CAREC Tourism Portal launched	Q4	CAREC tourism portal (www.visitsilkroad.org) containing information on tourism regions and attractions in CAREC countries and promoting services of local tourism businesses.	For information
Assessment of transport and urban infrastructure and services in CAREC tourism clusters finalized	Q3	Report assessing current conditions of tourism infrastructure and services in the CAREC priority tourism clusters and identifying proposals for inclusion in the regional tourism investment framework 2021–2025.	For information
Project on “Development and Implementation of Common Health and Safety Protocols and Standards under ABEC” completed	Q3	Report on existing COVID-19 health and safety protocols and measures in Kazakhstan and the Kyrgyz Republic, and recommendations to be integrated in the countries’ regulations based on international best practices.	For information
Project on “Development of Accommodation Classification System for ABEC” completed	Q3	Report on unified Accommodation Classification System for Kazakhstan and the Kyrgyz Republic, including regulations, and recommendations for its implementation and enforcement.	For information