



CAREC TOURISM STRATEGY 2030

FINAL DRAFT FOR ENDORSEMENT

TABLE OF CONTENTS

Abbreviations	1
Executive Summary	2
I. Introduction	5
II. Global Tourism Trends and Impact of COVID-19	6
III. Tourism in the CAREC Region	9
A. Domestic, Inbound and Outbound Tourism	9
B. Tourism Contribution to Gross Domestic Product and Competitiveness	11
C. CAREC's Region Potential for Attracting Core Tourism Segments	12
D. National Tourism Priorities and the Need for a Regional Tourism Strategy	16
IV. CAREC Tourism Strategy 2030	17
A. Vision	17
B. Guiding Principles	17
C. CAREC Tourism Development Concept and Regional Tourism Priority Clusters	18
V. Strategic Pillars of the CAREC Tourism Strategy 2030	21
A. Connectivity and Infrastructure	22
B. Quality and Standards	23
C. Skills Development	24
D. Marketing and Branding	25
E. Market Intelligence	26
F. Cross-Cutting Issues	27
VI. Institutionalization and Implementation Arrangements	29
A. Phased Implementation Approach	29
B. Institutional Structure	30
C. Financing	31
D. Partnerships	32
E. Results Framework	32
Appendix I: Summary of CAREC Countries' Tourism Strategies	33
Appendix II: Indicative List of Provinces and Cities under each Priority Tourism Cluster	37
Appendix III: Regional Tourism Investment Framework (2021-2025)	38
Appendix IV: Results Framework	43

FIGURES

Figure 1: Distribution of domestic tourists in CAREC countries	9
Figure 2: Inbound tourists in CAREC countries	10
Figure 3: Outbound tourists from CAREC countries	10
Figure 4: Travel and tourism competitiveness and direct contribution to GDP.....	12
Figure 5: CAREC Tourism Development Concept and Clusters	20
Figure 6: CAREC Tourism Strategic Pillars	22
Figure 7: CAREC Institutional Framework.....	31

TABLES

Table 1: Main motivations for traveling to CAREC countries	11
Table 2: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis.....	21

ABBREVIATIONS

AI	artificial intelligence
AR	augmented reality
B2B	business-to-business
CAGR	compounded averaged growth rate
CAREC	Central Asia Regional Economic Cooperation
CBT	community-based tourism
COVID	novel coronavirus disease
EU	European Union
GDP	gross domestic product
GWII	Global Wellness Institute
ICT	information and communication technology
IMAR	Inner Mongolia Autonomous Region, PRC
IoT	internet of things
IRTS	International Recommendations for Tourism Statistics
MC	Ministerial Conference
MICE	meetings, conventions, conferences, and events
INSTO	International Network of Sustainable Tourism Observatories
OECD	Organization for Economic Cooperation and Development
PPP	public-private partnership
PRC	People's Republic of China
SME	small and medium-sized enterprises
SOM	Senior Officials' Meeting
SWOT	strengths, weaknesses, opportunities and threats
TSA	tourism satellite account
TVET	technical and vocational education and training
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization
VFR	visiting friends and relatives
VR	virtual reality
WEF	World Economic Forum
WTTC	World Travel and Tourism Council
XUAR	Xinjiang Uygur Autonomous Region, PRC

EXECUTIVE SUMMARY

The Central Asia Regional Economic Cooperation (CAREC) Tourism Strategy 2030 provides a common strategic and holistic framework to guide tourism operations in the CAREC region until 2030. It sets out the long-term vision, guiding principles, strategic pillars, and targets to promote sustainable, safe, and inclusive tourism development in the region and enhance its attraction as a competitive tourism destination globally. It builds on the findings and recommendations of the scoping study on “Promoting Regional Tourism Cooperation under CAREC 2030” conducted in 2018. The tourism strategy is aligned with the overall directions of the CAREC 2030 strategy as well as with countries’ tourism priorities and plans; and seeks to ensure close coordination among tourism initiatives being implemented by development partners in the region.

The novel coronavirus (COVID-19) outbreak in early 2020 has placed significant pressure on CAREC economies, with tourism being one of the most severely impacted sectors. International tourist arrivals have decreased by 56% globally in the first five months of 2020 compared to the same period in 2019. According to estimates of the United Nations World Tourism Organization (UNWTO), the overall reduction in international tourist arrivals worldwide in 2020 could range between 58% and 78%, depending on when travel restrictions are lifted. As a result, the preference of travelers is shifting towards closer, safer, and uncrowded destinations, and countries are adapting their tourism strategies and plans to focus on domestic and intraregional tourism in the short-term. The CAREC tourism strategy 2030 takes into consideration the impacts and trends resulting from the COVID-19 pandemic. Through the implementation of regional projects and initiatives across its five strategic pillars in a gradual manner, it seeks to help CAREC 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.

The CAREC region possesses a wide range of historical and cultural heritage, unique gastronomy and local traditions, a rich and unexplored network of cities, and arresting natural endowments that traverse national boundaries. In 2019, the CAREC countries generated a total of 424 million domestic tourists and received 41 million foreign tourists. Domestic tourists and visitors from neighboring countries travel mainly for business purposes and for visiting friends and relatives, particularly on short trips of 2-3 days. On the other hand, foreign tourists from distant countries tend to be motivated by culture and religion, followed by nature and adventure, and business. Thus, the CAREC tourism strategy 2030 aims at supporting the development of unique tourism products and experiences catering to various tourism segments such as business, culture, nature and adventure, sun and beach holidays, health and wellness, and domestic weekenders.

Vision, Guiding Principles and Priority Tourism Clusters

The CAREC Tourism Strategy 2030 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”*.

Five guiding principles underpin the development of comprehensive and effective regional tourism programs, and the promotion of tourism cooperation in the region. These include: (i) prioritizing quality over quantity to ensure environmental, social and cultural sustainability; (ii) adapting to global trends and building resilience by promoting the uniqueness of countries’ tourism products while building regional synergies to effectively respond to new global and regional developments; (iii) reducing regional imbalances and empowering local communities;

(iv) promoting multi-seasonal tourism through product diversification and promotion of multi-country trips to help address seasonality and provide all-year-round opportunities for businesses in the region; and (v) adopting a holistic and phased approach for developing the CAREC tourism network along the Silk Road and ensuring sustainable development of the regional tourism clusters.

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. The priority tourism clusters have been selected based on their regional relevance, visitation levels, and the future development potential to attract increasing number of tourists, increase spending per tourist, and improve contribution of the tourism sector to countries' GDP.

The seven priority cluster groups are: (i) Caspian, covering Georgia, Azerbaijan, Kazakhstan, and Turkmenistan; (ii) Heart of Central Asia, covering Uzbekistan, Kazakhstan, Kyrgyz Republic, Turkmenistan, Tajikistan, and Afghanistan; (iii) Almaty–Bishkek, referring to the area of the Almaty–Bishkek Economic Corridor and the Tian Shan mountains, covering Kazakhstan, Kyrgyz Republic, and North Xinjiang in PRC; (iv) Golden coast, located in the southwest of Pakistan; (v) Karakorum–Wakhan, covering the Eastern part of Afghanistan, Southeast Tajikistan, North Pakistan, and Northwest Xinjiang; (vi) Altai, covering Mongolia, Kazakhstan, and PRC; and (vii) Gobi and Grasslands, covering Mongolia and Inner Mongolia.

Strategic Pillars

While CAREC countries possess outstanding natural and cultural resources, there are still several factors that hinder the development of their tourism sectors. These include limited access to and between CAREC countries, complex and non-uniform 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. To achieve the long-term vision and overcome these challenges through enhanced cooperation, the CAREC tourism strategy identifies five strategic pillars:

- (i) **Connectivity and infrastructure**, including improvement of air and land connectivity, simplification of border crossing procedures, harmonization of visa requirements, and improvement of tourism infrastructure and facilities in areas with potential for all year-round activities within the priority tourism clusters;
- (ii) **Quality and standards**, including the development and implementation of effective and harmonized minimum quality, hygiene and environmental standards. This could include the development of a “Silk Road Quality Label” for tourism services, to be adopted on a voluntary basis;
- (iii) **Skills development**, focusing on addressing the existing gaps between industry practices and tourism education and training provision and developing integrated regional trainings and programs for both public and private tourism stakeholders, maximizing the use of digital technologies;
- (iv) **Marketing and branding**, including building the common brand “Visit Silk Road” through development and operationalization of the CAREC tourism web portal, and organization of

joint tourism promotion activities and events and business-to-business initiatives for tour operators and other tourism services business providers.

- (v) **Market Intelligence**, including development and implementation of common methodologies for data gathering and production of tourism statistics in accordance with international best practices, and promotion of partnerships between public and private tourism stakeholders in the region for conducting joint market research to better understand customers' preferences, desired experiences and needs.

In addition, several themes are cross-cutting to all the strategic pillars. These are: (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 through the adoption of sustainability practices to protect the region's tourism assets; and (vi) universal access to integrate into destination planning and management the needs of disabled people and elderly travelers.

Implementation and Institutional Arrangements

A phased approach will be adopted for the implementation of the CAREC tourism strategy 2030 and the prioritization of initiatives and projects under the strategic pillars. During the initial phase, from 2021 to 2023, regional interventions will focus on domestic and intra-regional tourism. The second phase, from 2024 to 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, from 2029-onwards, expansion towards secondary destinations beyond the seven priority regional tourism clusters will be considered. To support this, a regional tourism investment framework has been developed, covering regional projects and initiatives under the five strategic pillars to be implemented during the first five years of the strategy implementation period.

The CAREC tourism work will be led and coordinated by the CAREC Tourism Focals group. An incremental approach is envisioned to effectively build countries' ownership and devise the most appropriate institutional structure based on progress made over time. As a first step, focused and demand-driven technical expert groups will be formed either at thematic or cluster level to further develop regional projects and initiatives within the strategic pillars. When progress is considered sufficient and based on countries' demand, a small centralized tourism office and/or an independent regional tourism agency with common funding mechanisms could be established.

The CAREC Tourism Focals group will be responsible for monitoring the implementation of the tourism strategy and the regional investment framework. Recognizing the global changing nature of the sector and the fact that progress may be different within the strategic pillars and/or tourism clusters, adjustments will be made as needed based on countries' emerging needs and priorities.

Given the cross-cutting nature of the tourism sector, careful consideration will be given to establish an effective mechanism for coordination among the wide range of stakeholders, including government agencies, private sector, academia, and civil society. Technical, analytical and organizational support will be provided by the CAREC Secretariat, development partners and the CAREC Institute. Efforts will be devoted to mobilizing greater financing from a wide range of sources, including from development partners, state budgets, private sector, and PPP

arrangements. In addition, the establishment of a regional investment fund to support tourism investments with regional scope and impact will be explored.

I. INTRODUCTION

1. The Central Asia Regional Economic Cooperation (CAREC) program is a partnership of 11 countries¹ and development partners working together to promote development through cooperation, leading to accelerated economic growth and shared prosperity. CAREC operations are guided by the CAREC 2030 strategy endorsed at the 16th CAREC Ministerial Conference in October 2017.¹ CAREC 2030 focuses on five operational clusters, including the “trade, tourism and economic corridor development” cluster.

2. Tourism transcends national borders and there are a range of benefits for countries within a geographic region working with each other in the development, management, and promotion of their tourism sectors. Regional tourism cooperation can help strengthen economic, social and cultural ties among countries, thereby enhancing the region's image and making it more attractive for foreign visitors and investment. Developing a regional approach also creates a larger market for supply and demand of tourism services and offers greater diversity and a wider range of experiences for travelers and tourists. The overall goal of such cooperation is to improve living standards for the populations of CAREC countries and accelerate inclusive economic growth in the region.

3. In 2018, the CAREC Secretariat undertook a scoping study on “*Promoting Regional Tourism Cooperation under CAREC 2030*”², to assess the potential of CAREC as a regional cooperation platform to promote a coordinated approach to tourism development. The study identified opportunities for enhancing and expanding tourism cooperation among CAREC member countries and maximizing economic opportunities while safeguarding ecosystems.

4. Building on the findings of the scoping study, the CAREC Tourism Strategy 2030 sets out the long-term vision, objectives, programs, and targets to promote sustainable, safe, and inclusive tourism development in the region and enhance its attraction as a competitive tourism destination globally. It builds upon countries' efforts in this field as well as existing initiatives being implemented by development partners. It adopts a holistic approach, covering travel facilitation and connectivity, human resources and skills development, tourism infrastructure and services, digitalization, tourism marketing and promotion, and regional institutional arrangements for tourism, including the roles of both public and private sectors.

¹ ADB. 2017. “CAREC 2030: Connecting the Region for Shared and Sustainable Development”. Manila.

² ADB. 2019. “*Promoting Regional Tourism Cooperation under CAREC 2030*”. Manila

II. GLOBAL TOURISM TRENDS AND IMPACT OF COVID-19

5. The global tourism industry has been growing robustly over the past decades, showing strong resilience through several crisis periods. Since 2000, international tourism growth (5.8% CAGR³) has outpaced the global economy's growth (5.4% CAGR). The tourism industry has produced a direct impact of 3.9% (\$3.35 trillion) to the world's GDP, of which 71% corresponds to domestic tourism and 29% to tourism exports.⁴ Its value-added stands at 58.8% of the revenues (\$5.7 trillion).⁵

6. The growth of the tourism industry globally has been driven mainly by the increasing middle-class from emerging economies. Moreover, countries in Asia and South America have experienced robust growth in per capita income, which has enabled consumers in these regions to take more overseas trips.

7. The global spread of the novel coronavirus disease (COVID-19) outbreak in early 2020 has severely impacted the tourism sector. Between January and May 2020, global international tourist arrivals decreased by 56%. Asia and the Pacific region has been hit the hardest with a 60% decline in tourist arrivals during the same period. According to estimates of the United Nations World Tourism Organization (UNWTO), the overall reduction in international tourist arrivals worldwide in 2020 could range between 58% and 78%, depending on when travel restrictions are lifted. This will result in a loss of export revenues from tourism between \$910 million and \$1.2 trillion and could put at risk up to 120 million jobs in the tourism industry.⁶ Prospects are that, while domestic tourism is expected to recover more quickly, regional and international travel will not show any signs of recovery until 2021.

8. The global COVID-19 pandemic is expected to create new patterns and trends in the tourism sector going forward, particularly in the short-term. These include:

- **Increased importance of domestic and regional tourism.** The COVID-19 outbreak will shift travelers' priorities to closer, safer, and uncrowded destinations. Thus, domestic and regional tourism could be the more sought-after alternative, with car being the preferred mode of transport to avoid contact with large groups of people. Villas or accommodation units with self-catering facilities compliant with social distance requirements will experience the highest demand during the recovery period. This trend also means a more regionalized pattern of business travel. Long-haul air travel will potentially resume at a fast pace only once the contamination risks disappear and when an anti-COVID vaccine is put into use.
- **Emergence of safe travel corridors.** Although COVID-19 cases are continuing to rise, some countries have been successful in containing the pandemic through the adoption of several public health and social measures. Such measures, however, have negatively affected economic growth. In an attempt to revamp the economy and reactivate the tourism industry, countries are re-establishing connections and partnering to develop virus-free

³ Compounded Averaged Growth Rate. Source: UNWTO and World Bank Group; Analysis of JCF Strategy Consulting.

⁴ WTTC 2019 (Travel and Tourism Economic Impact, March 2019 with data from 2018). Tourism exports correspond to inbound tourism or international tourism arrivals, covering overnight staying (tourists) and one-day trips from foreign nationals travelling to a destination outside the usual environment, for less than a year, whose main purpose is (business, leisure or other personal purpose) other than to be employed by a resident entity in the country.

⁵ WTTC 2019 Travel and Tourism Economic Impact, pp 3-7; Analysis JCF Strategy Consulting.

⁶ Source: UNWTO Tourism Data Dashboard.

travel bubbles⁷, which offer a safe environment for the development of tourist activities, protecting both tourists and the local population.

9. In addition, the following trends are also foreseen to influence the tourism sector globally in the coming years:

- **Greater focus on sustainability and responsible travel.**⁸ An increasing portion of tourists is currently paying more attention to the environmental footprint and the socioeconomic impact of their travels. Tourists increasingly prefer destinations and businesses with clear sustainability policies, recycling procedures and circular economy, and there is a growing interest in tourism products and experiences that can help protect the environment and bring tangible benefits to local communities.
- **Technological innovations.** The process of digitalization of the tourism sector is changing the business model of suppliers and the expectation of customers. The emergence of new players in the accommodation (e.g. AirBnB, Homeaway), transport (BlablaCar, Uber), catering (EatWith) and guiding (Tours By Locals) services has revolutionized the tourism sector. Smart tourism destinations⁹ are comprehensively managing tourist visits, augmented reality¹⁰ solutions are improving the experience of customers, virtual reality¹¹ is increasingly being applied to meetings and conferences, services are beginning to be paid in cryptocurrencies, 5G connections and Wi-Fi are becoming necessary services, and internet of things (IoT) and artificial intelligence (AI) are already being applied by many hotel chains and other tourism services providers.
- **Customers as the main source of information through online platforms.** Word-of-mouth has been always the most important factor when tourists select their travel destinations. Most travelers are now fully relying on online platforms for planning and booking their trips. The increase in the use of social media and travel blogging has accentuated such trend, reducing the influence of institutional and traditional communication channels in destination choice. This represents a cost-effective marketing opportunity for lesser-known destinations to build a strong tourism brand and image perception among consumers in target markets and segments globally.
- **Experiential traveling**¹². The traditional travel motivation of spending time away from home to relax is declining. Instead, tourists look for authentic experiences, learning while traveling, and spending a memorable time in the destinations by interacting with local people and

⁷ Virus-free travel bubbles refer to partnerships among countries that have been successful in containing the pandemic and agree to open-up borders and re-establish connections among them to allow entry of virus-free travelers and reactivate the tourism industry and the economic activity.

⁸ According to UNWTO, sustainable tourism refers to “tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities”.

⁹ A smart tourism destination is one that responds to the requirements of the present global mobile elites by facilitating access to tourism and hospitality products, services, spaces and experiences through ICT-based tools. It also promotes innovative and entrepreneurial businesses and fosters interconnectedness of businesses. Source: igi-global.

¹⁰ Augmented reality (AR) is an interactive experience of a real-world environment where the objects that reside in the real world are enhanced by computer-generated perceptual information, sometimes across multiple sensory modalities, including visual, auditory, haptic, somatosensory and olfactory.

¹¹ Virtual reality (VR) is the use of computer technology to create a simulated environment which can be similar to or completely different from the real world.

¹² Experiential travel aims at getting a deeper understanding of a travel destination by closely connecting with its culture, people and history. The traveler usually blends with locals (a friend, an accommodation host, etc.) who give guidance on how best to experience a place.

Experiential travel tends to focus on travel that is inspirational, personalized and/ or creates a path to self-discovery.

immersing themselves in the local culture, history, gastronomy, and traditions of the country. Destination management organizations, tour operators and businesses need to adapt accordingly by developing and planning a set of unique and diversified experiences and providing personalized services. Increasing engagement with local communities is key for this purpose.

- **Further increase of middle-income class population and growing influence of generations Y and Z.** It is expected that the middle-income class population will reach 4.9 billion by 2033,¹³ with most of the growth occurring in People's Republic of China (PRC). This is expected to have a positive impact on the tourism sector going forward given the high travel propensity and increased disposable income of such population group. Furthermore, tech-savvy and technology-driven age groups – such as millennials (also known as Gen Y¹⁴) and Gen Z– have specific needs for communication, consumption, and tourism experiences. It is expected that this group will represent 50% of all travelers by 2028.¹⁵

¹³ OECD Development Center, "The Emerging Middle Class in Developing Countries", 2010.

¹⁴ Gen X defines a generation that was born between 1965 - 1980 and are currently between 41-55 years old. Gen Y or Millennials were born between 1981 and 1996. They are currently between 26-40 years old. Gen Y.1 corresponds to people with 25-29 years old. Gen Y.2 corresponds to people aged 29-39. Gen Z is the newest generation to be named and corresponds to people born between 1995 and 2015. They are currently between 5-25 years old.

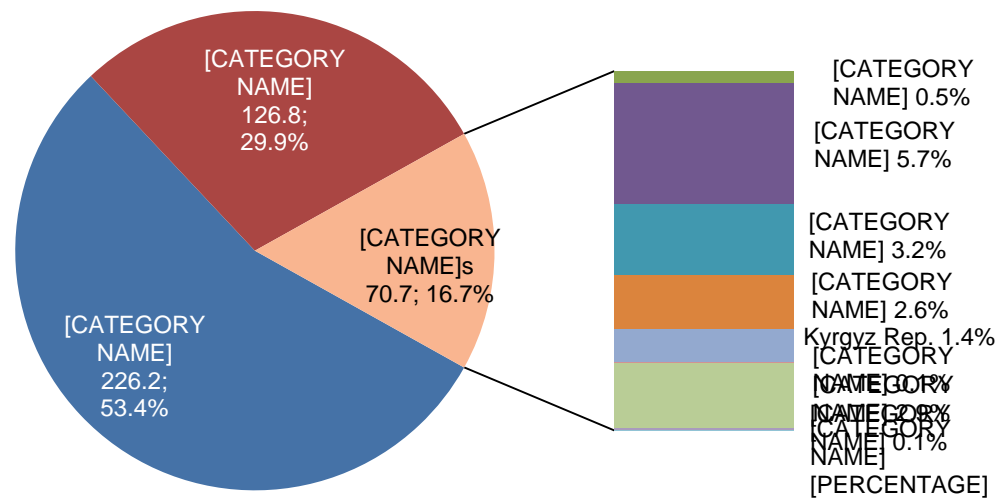
¹⁵ Source: Horwath HTL. Figure assumes that 2019 levels are achieved within a 3-year post-pandemic period.

III. TOURISM IN THE CAREC REGION

A. Domestic, Inbound and Outbound Tourism¹⁶

10. Tourism in the CAREC region is mainly driven by domestic tourism, followed by tourists from neighboring countries¹⁷ and lastly from geographically distant markets. In 2019, the region generated 424 million domestic tourists, highly concentrated in Uzbekistan (29.9%) and the two provinces of the People’s Republic of China (PRC) – Inner Mongolia Autonomous Region and Xinjiang Uyghur Autonomous Region (53.4%) (Figure 1).

Figure 1 - Distribution of domestic tourists in CAREC countries (2019; million trips; %)



Source: Data estimated for 2019 using data from UNWTO, World Bank (2020), Statistical bulletin of IMAR and the Bureau of Statistics of XUAR (2020), Ministry of Environment and Tourism of Mongolia (2020). IMAR = Inner Mongolia Autonomous Region; XUAR = Xinjiang Uyghur Autonomous Region.

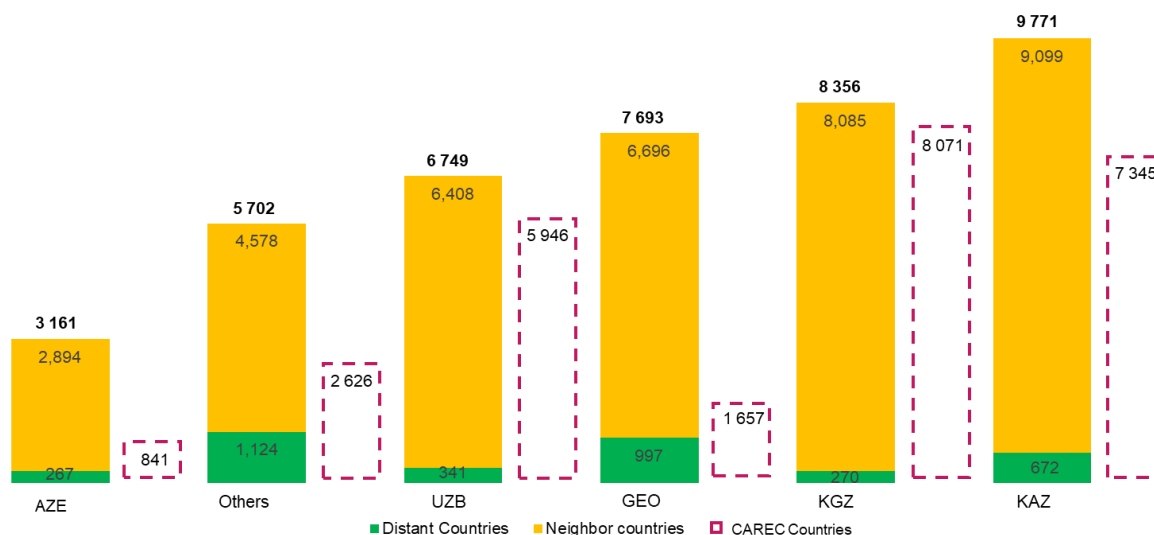
11. In 2019, the region sent 70 million outbound tourists but only received 41 million tourists. International tourism in the region (both inbound and outbound) is highly concentrated in neighboring countries, particularly in the Russian Federation. More than three-quarters of the total foreign arrivals are concentrated in four countries: Kazakhstan (23.6%), Kyrgyz Republic (20.2%), Georgia (18.6%), and Uzbekistan (16.3%). Of the total inbound tourists, 91% come from neighboring countries, of which two-thirds of the total arrive from other CAREC countries (Figure 2).

¹⁶ According to UNWTO International Recommendations for Tourism Statistics (IRTS) 2008: domestic tourism comprises tourism-related activities of a resident within its country of reference; inbound tourism comprises tourism-related activities in a country by visitors who are not residents of that country; and outbound tourism comprises tourism-related activities by residents outside their country of reference. A country issues outbound visitors and receives inbound visitors. Inbound visitors (arrivals) include both overnight tourists and same-day visitors (excursionists).

¹⁷ Neighboring countries refer to those that are at less than 3-hour flight time from each CAREC country. This includes other CAREC countries if they meet the 3-hour flight time criteria

12. Outbound tourism is less concentrated than inbound, still tourists from four CAREC countries represent two thirds of the total: PRC (23.3%)¹⁸, Uzbekistan (17.9%), Kazakhstan (15.6%), and Azerbaijan (10.2%). Of the total outbound tourists, 83% travel to neighboring countries, although only half of them go to other CAREC countries (Figure 3). There are, however, some notable differences across countries. For instance, almost all outbound tourists from Uzbekistan travel to other CAREC countries while, in the case of Pakistan, only 4.5% travel within the CAREC region. Other main destinations for outbound tourists include Russian Federation, Turkey, Iran, and Republic of Korea.

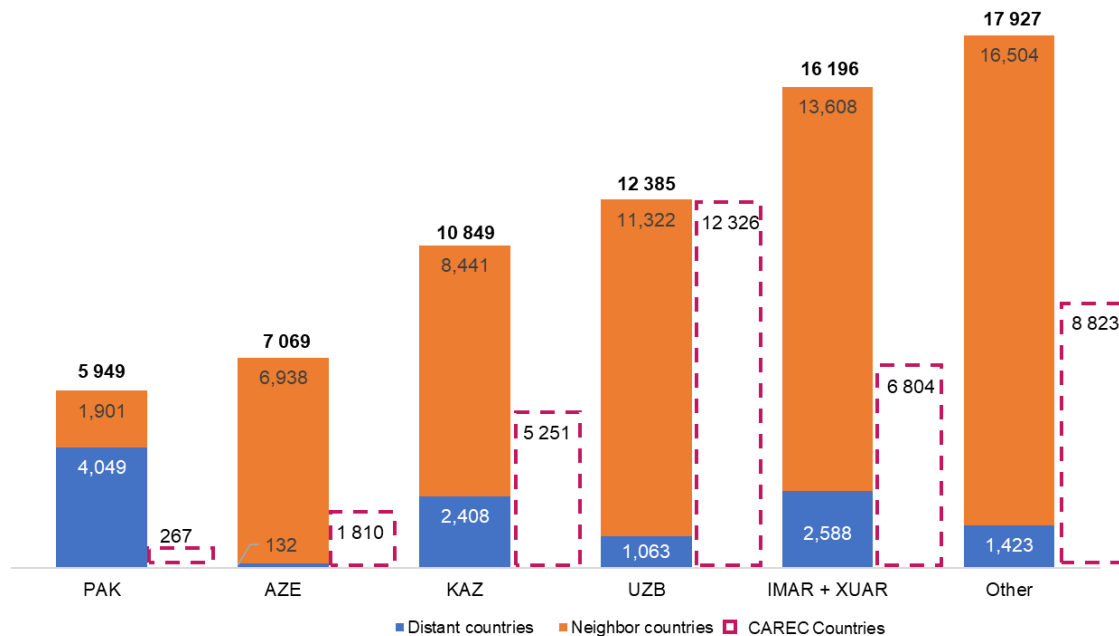
Figure 2 - Inbound tourists in CAREC countries (2019; thousand trips)



Source: Data estimated for 2019 using data from UNWTO, World Bank (2020), Statistical bulletin of IMAR and the Bureau of Statistics of XUAR (2020), Ministry of Environment and Tourism of Mongolia (2020). AZE= Azerbaijan; GEO= Georgia; KAZ= Kazakhstan; KGZ= Kyrgyz Republic; UZB= Uzbekistan.

Figure 3 - Outbound tourists from CAREC countries (2019; thousand trips)

¹⁸ This refers only to the two PRC provinces that are part of the CAREC Program: Inner Mongolia and Xinjiang Uygur.



Source: Data estimated for 2019 using data from UNWTO, World Bank (2020), Statistical bulletin of IMAR and the Bureau of Statistics of XUAR (2020), Ministry of Environment and Tourism of Mongolia (2020). AZE= Azerbaijan; IMAR= Inner Mongolia Autonomous Region; KAZ= Kazakhstan; PAK= Pakistan; UZB= Uzbekistan; XUAR= Xinjiang Uyghur Autonomous Region.

13. Travel motivations in the CAREC countries (Table 1) vary substantially between domestic tourists, and tourists from neighboring countries and distant markets. Domestic and tourists from neighboring countries travel mainly for business purposes and for visiting friends and relatives (VFR), while foreign tourists from distant countries tend to be motivated by culture and religion, followed by nature and adventure, and business.

Table 1 – Main motivations for traveling to CAREC countries

Market segment, 2019	Inbound tourists		
	Domestic	Neighboring countries	Distant Markets
Business/MICE	20,94%	23,52%	16,63%
Visit friends and relatives (VFR)	20,01%	20,85%	7,40%
Nature/ sports/ adventure	13,10%	16,17%	26,95%
Culture/religion	13,63%	15,82%	32,80%
Holiday/ Sun and Beach	17,01%	14,88%	7,91%
City breaks	15,31%	8,76%	8,31%

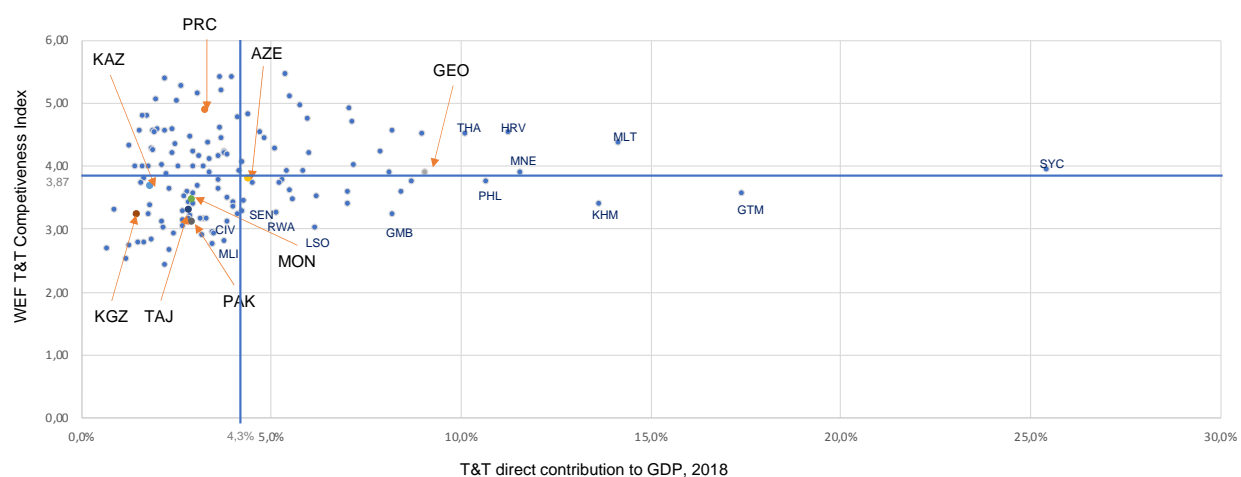
Source: Tour operator's survey under ADB TA-9776-REG: Sustainable Tourism Development in the CAREC Region.

B. Tourism Contribution to Gross Domestic Product (GDP) and Competitiveness

14. Tourism impact on GDP is a function of the quantity of tourists, their spending and the value added generated by that spending.¹⁹ Figure 4 shows the international competitive positioning of CAREC countries. The vertical axis represents the score of the Travel and Tourism Competitiveness Index from World Economic Forum (WEF) with a world average of 3.87. The average score of CAREC countries is 3.66, ranging from 3.1 in Pakistan to 4.88 in PRC.²⁰ The horizontal axis corresponds to the direct contribution of the tourism sector to the GDP in each country, with world average of 4.3%. Internationally, compared to similar economies²¹, CAREC countries' tourism sectors tend to have lower direct contributions to their respective GDP, ranging from as high as 9.4% in Georgia to as low as 0.1% in Turkmenistan.²² In terms of appropriation of revenues from the tourism sector, there are also notable differences, from high appropriation in Pakistan (63.7%)²³, medium appropriation in Azerbaijan (36.9%) and Uzbekistan (54.1%), and low appropriation in the two PRC provinces (around 20%), and Kyrgyz Republic (15.7%).

15. Countries can increase the tourism direct impact on GDP through two distinct strategies: (i) volume-based strategy (i.e. mass tourism with little spending and appropriation of value added), or (ii) high-value strategy (i.e. low tourism volume but high spending and appropriation of value added). Although the GDP effects derived from both strategies could be the same, the social and environmental sustainability impacts are quite different, as more tourists tend to produce higher social and environmental negative externalities. Well-designed tourism strategies, therefore, strike a good balance between volume of tourists, spending per tourist, appropriation of value added and sustainability from a social and environmental perspective.

Figure 4 - Travel and Tourism Competitiveness and Direct Contribution to GDP



Source: World Economic Forum (WEF) Travel and Tourism Competitiveness Index, 2019; WTTC (2018 data); and World Bank.

¹⁹ This refers to what part of every dollar spent by tourists (domestic and foreign) in the country contributes directly to the GDP through national value added. Countries with high percentages of national value added in the spending levels have a greater appropriation of value in the value chain than countries which have low levels of value added from tourism revenues.

²⁰ Travel and Tourism Competitiveness Index scores not available for Afghanistan, Turkmenistan and Uzbekistan.

²¹ Examples are Philippines, Senegal, Cambodia, Egypt, Algeria, Morocco, Rwanda, Côte D'Ivoire, Guatemala, Colombia, Costa Rica, etc. The primary reason for the choice of such countries are the size of their economies, the level of development of the tourism industry and the tourism products offered.

²² World Economic Forum (WEF) Travel and Tourism Competitiveness Index, 2019; WTTC (2018 data); and World Bank. For Turkmenistan and Afghanistan, data has been estimated by the TA team.

²³ The appropriation is measured as a ratio between direct contribution of tourism to GDP (numerator) and tourism revenues (denominator). The world average is at 58.8%.

16. Tourism is considered a priority sector in CAREC countries' strategies and plans. However, the current level of global competitiveness²⁴ of their tourism sectors is quite low.²⁵ Albeit CAREC countries score high in the attractiveness of their natural and cultural assets, they present a very modest result in other critical dimensions such as transport and tourism services infrastructure. Tackling these dimensions is, therefore, key to improve the overall visitation and spending levels. Strengthening the tourism value chain by improving the range and quality of tourism services and increasing participation of local SMEs and private sector will allow to improve the national appropriation of tourism revenues.

C. CAREC's Region Potential for Attracting Core Tourism Segments

17. CAREC is a heterogenous region with areas and routes rich in history and culture and arresting natural endowments that traverse national boundaries. The set of capitals and important metropolitan areas in the region constitute a rich and unexplored network of cities capable of providing unique experiences catering to various tourism segments such as business, culture, nature and adventure, sun and beach holidays, and health and wellness, among others. In addition, domestic weekenders are critical for sustainable tourism development, particularly considering the challenges being faced by the tourism industry because of the current COVID-19 outbreak. Domestic weekenders can help flatten the seasonality curve, generating all-year round business to the sites and SMEs associated with those, while being the driving force of domestic tourism in a region with the majority of the population living in urban areas. Thus, CAREC countries can also cater for this market segment through 2–3-day trips around the major cities, with activities that engage families or groups in different activities (e.g. adventure, religion, culture, nature, shopping, etc.).

18. **Business and Meetings, Incentives, Conferences and Exhibitions (MICE):** The CAREC region is located between Europe, Northeast Asia and the Middle East, which comprise of some of the largest economic regions, attracting more than 11 million air trips per year.²⁶ Internationally, city and business trips account for 27.6% of the total global outbound trips.²⁷ Several capitals or major cities (e.g. Tbilisi, Baku, Tashkent, Islamabad, Bishkek, Almaty, Urumqi, Hohhot, Karachi) in the CAREC region offer unique potential of all year-round²⁸ city-break and business-related opportunities. Other cities offer good part-of-year potential, such as Lahore, Kashghar, Nur-Sultan, Cholpon-Ata, and Batumi. Currently, however, less than 1% of global meetings²⁹ take place in the CAREC region. This is mostly due to the limited air connectivity between CAREC countries and with international markets and the complex visa regimes and entry requirements in the region. Currently, less than half of all country pairs within CAREC are served with direct flights and frequencies are generally low.³⁰

²⁴ The World Economic Forum's Travel and Tourism Competitiveness Index is used to measure the international competitiveness of the tourism sector of a country, and can be used as: (i) indicator of the effectiveness of countries' planning processes; (ii) guidance for key issues and areas that need to be tackled; and (iii) means of prioritizing the utilization of scarce resources to maximize the benefits.

²⁵ PRC as a whole is highly competitive internationally. However, the two CAREC provinces seem to fall behind the national results, and therefore being more in line with the reality in the rest of CAREC countries.

²⁶ JCF Strategy Consulting.

²⁷ UNWTO and IPK. Analysis JCF Strategy Consulting.

²⁸ The abovementioned cities have the unique feature of allowing multi-seasonal city-related tourism with the attractiveness of their respective outskirts, which would result higher occupancy rates for hotels and resorts. Other major cities in the region are only suitable for city tourism, stopovers, or activities complementary to business trips 9 out of the 12 months of the year.

²⁹ International Congress and Convention Association.

³⁰ CAREC. 2018. Aviation and the Role of CAREC: A Scoping Study. Manila

19. Business customers look for personalized service, safe and comfortable transport, clean and comfortable accommodation, good catering, and meeting venues. With the development of communication technologies, business events are becoming hybrid, combining the traditional aspect of physical presence of participants with remote contributions and online presentations. Thus, state-of-the-art technology and high-speed internet capability are a must. CAREC countries need to further improve the quality of these tourism-related services to further unleash the potential of MICE tourism in the region.

20. Small/medium scale meetings and conventions could be the core sector in which CAREC countries may compete, considering that it would be complicated to divert large scale events from major capitals of Europe, East Asia, and America. Events in CAREC should be as less standardized as possible, engaging business travelers intellectually and emotionally and linking the objective of the event with the local community, cultural traditions, and gastronomy.³¹ The attractiveness of lesser known and minor cities in CAREC countries could be improved by providing grants or facilitating promotional rates to attract MICE buyers. In terms of promotion and business development activity, MICE intermediaries could be targeted³² and specialized MICE trade shows could be attended.

21. **Nature and Adventure.** In 2016, the adventure market was worth \$445 million³³ globally and growing at a 17.6% annual growth rate. Soft adventure, the largest segment, is expected to represent 62.4% of the total market by 2023.³⁴ Despite the COVID-19 situation, adventure tourists have a resilient motivation, they are less sensitive than other segments to sanitary issues and they typically travel to remote areas. Hence, their demand is likely to recover faster than other segments. Adventure travelers are increasingly seeking a personal connection with locals, interacting amicably around shared experiences. Among adventure tourists, solo travelers are a relatively small group, but an important target for operators, as their spending tend to be higher, and so do margins.

22. The variety and multiplicity of natural endowments across the CAREC region offer potential for nature-based tourism (adventure, sports, eco-tourism) through the mountain ranges, coastal areas, deserts, lakes, rivers, natural parks and protected areas on an all-year-round basis. The development of nature-based tourism in the region should include community-based tourism (CBT) initiatives that allow the interaction of visitors with locals and provide an authentic and unique travel experience (e.g. skills development programs for communities on preservation of tourism assets, tour guiding, foreign languages, etc.).

23. In addition, the region has a unique ski and winter tourism potential, which could be combined with city trips around main air hubs (e.g. Almaty, Baku, Bishkek, Tashkent, Islamabad) and other unique areas such as North-Georgia, Altai, Afghanistan, Karakol, Pamir, Karakorum, Khyber Pakhtunkhwa, and Wakhan Corridor. Skiing is mostly based on domestic markets, complemented by tourists from neighboring countries. CAREC countries should focus

³¹ For example, silk road traveling, going through a caravanning adventure, yurt living, enjoying horse culture, tasting unique local food, etc.

³² European Federation of Associations of Professional Congress Organizers, International Association of Professional Congress Organizers, International Congress and Convention Association, Joint Meetings Industry Council, Society of Incentive and Travel Executives, etc.

³³ Adventure Travel Trade Association (ATTA).

³⁴ Soft adventure refers to low risk activities requiring little experience or skills, such as bird watching, fishing, hunting, joining a research expedition or safari, etc. On the other hand, hard adventure refers to high risk activities requiring higher skill levels, such as caving, climbing, hiking, horseback riding, kayaking, sailing, scuba diving, snorkeling, skiing and snowboarding, surfing, and trekking, among others.

on fostering a ski culture amongst its national travel audience, while seeking to attract customers from neighboring countries and markets with high national ski participation rates (e.g. Latvia, Poland, Slovakia, Czech Republic). Investments in specialized state-of-the-art infrastructures and complementary services will be required for this purpose.

24. **Culture³⁵ and Religion.** The Silk Road is the most important tourism asset linking countries in the CAREC region. It is the world's longest cultural route network connecting Asia and Europe with hundreds of historic buildings and monuments, caravanserais, ports, and cities, linking religions, cultures, ideas, knowledge, trade, and businesses. In 2018, the total number of international tourists who identified culture as the main travel motivation was 170 million (14% of total international arrivals), and 396 million (32.8%) considered cultural activities as part of their trip.³⁶ The average annual growth rate of the segment during 2014 – 2018 was 4.5%, compared to 3.8% of the total world's international arrivals. It can therefore be inferred that the interest of customers towards cultural tourism, prior to the COVID-19 outbreak, was growing faster than the overall sector.

25. The cultural heritage of the CAREC countries reflects the legacy of the Silk Road and other relevant historical elements and figures (e.g. Alexander the Great, Indo-Islamic and Mughal architecture, Buddhist heritage³⁷, some of the world's most ancient Christian heritages in Georgia, and Karakol as a multi-religious center in the Kyrgyz Republic. All this rich heritage provides unique potential opportunities for cultural base circuits linking various CAREC countries. Moreover, the CAREC region is deeply imbedded in the Islamic culture. In 2019, the Islamic tourism market was estimated to be worth \$175 billion³⁸ (excluding Hajj and Umrah³⁹), of which Central Asia has only a small share of 7%, mostly concentrated in Uzbekistan and Azerbaijan. This market has been growing at an average annual rate of 8.3% since 2016 and is expected to outpace the global tourism sector growth rate during the next decade.⁴⁰

26. The existing cultural links between CAREC countries should be further promoted to reinforce the regional cultural image and stimulate visits across various countries. Intangible cultural aspects such as local lifestyle, and traditions should be put into value, with the aim of creating authentic experiences of tourist-resident interactions (e.g. cooking courses, experiencing yurts and nomadic living, etc.). Local tour operators and travel agencies are key for the development of this tourism segment, especially in CAREC countries where many tourism attractions are difficult to reach, the connection with the local population may be difficult, the standards of various accommodation structures are low and it is crucial to manage the expectations of visitors. As in the adventure and nature market segment, CBT initiatives such as improving local communities' skills on tour guiding and preservation of assets will be key for

³⁵ According to UNWTO, cultural tourism is defined as “a type of tourism in which the visitor's essential motivation is to learn, discover, experience and consume the tangible and intangible cultural attractions/products in a tourism destination. These attractions/products relate to a set of distinctive material, intellectual, spiritual and emotional features of a society that encompasses arts and architecture, historical and cultural heritage, culinary heritage, literature, music, creative industries and the living cultures with their lifestyles, value systems, beliefs and traditions”.

³⁶ United Nations World Tourism Organization (2018), Tourism and Culture Synergies, UNWTO Madrid; Analysis JCF Strategy Consulting.

³⁷ Prevalent in Pakistan, Xinjiang Uyghur Autonomous Region, Afghanistan, Turkmenistan, Tajikistan, Uzbekistan, Kyrgyz Republic, Kazakhstan, and Mongolia. In Pakistan, there are 8 relevant monasteries: Dharmarajika Stupa, Jaulian, Jinnah Wali Dheri, Kalawan, Kunala Stupa, Mohra Muradu, Patan minara, and Sawal Dheri.

³⁸ The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC).

³⁹ Hajj and Umrah are Islamic pilgrimages. Hajj is one of the five pillars of Islam. It is obligatory for every Muslim once in their lifetime, provided they are physically fit and financially capable. Hajj is performed over specific days during a designated Islamic month. Umrah, however, can be performed at any time. Although they share common rites, Umrah can be performed in less than a few hours while Hajj is more time-consuming and involves more rituals.

⁴⁰ The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC).

enhancing the experiences of tourists, increasing their satisfaction, and ultimately their spending.

27. **Sun and Beach.** Holiday leisure and recreation is by far the largest tourism market segment in the world, accounting for 818 million international outbound trips or 56% of the total global international trips in 2019.⁴¹ This market is highly competitive and price sensitive. Destinations and facilities in this segment need to be able to constantly innovate their products to avoid losing their clientele and achieve strategic positioning and differentiation. The demand in this segment is mature, requires quality and has a relatively high elasticity both to price and time to reach destination. The increased competition, associated with the boom of new intermediation business models, has generally reduced the profit margins in the value chain of sun and beach tourism.

28. In the CAREC region, the black seacoast of Georgia, the Caspian Sea, Issyk-Kul lake, and the south Pakistan coast are the most relevant tourism assets for this segment. Sun and beach customers are more risk averse than other type of customers. Hence, to mitigate the impact of COVID-19 in this tourism segment, a label guaranteeing the hygiene of facilities could be developed and certified at regional level in the CAREC region, creating synergies and cross visitation among countries, and exploiting the image of uncrowded and exotic destinations. New waterside developments in Asia and Middle East are increasingly considered as “trendy” and fashionable, but the boom in such destinations is related to connectivity and service quality. Therefore, the availability of flights at reasonable prices, as well as the presence of recognized accommodation brands that ensure high standards of services should be considered as key pre-requisites for success for destinations catering to this segment in the region.

29. **Health and Wellness.** According to the Global Wellness Institute (GWI), health tourism represents 14.8% of the global wellness industry and it has grown at a CAGR of 6.5% from 2015 to 2017. The number of wellness tourism trips totaled 830 million in 2017, generating \$639 billion worldwide (\$770 per trip). Wellness customers look for differentiation and authenticity. Thus, destinations should develop products focused on own wellness traditions and typical products to compete successfully. CAREC has the potential for promoting itself as a “fresh air” and “open spaces” destination, especially in those source countries where overpopulation and air pollution are major issues. Strict hygienic standards should be applied in accommodation and transport facilities to promote CAREC as a destination with a highly aseptic environment. This will be particularly important in the post COVID-19 period. Exclusive services should be created, personnel should be trained, and facilities should be structured to develop a complementary offer for tourists coming to the region for other purposes such as business and adventure.

D. National Tourism Priorities and the Need for a Regional Tourism Strategy

30. In recent years, all CAREC countries have developed national tourism strategies and plans to guide the development of their tourism sectors. The vision and objectives outlined in countries’ national tourism strategies present common features such as increased focus on sustainability, preservation of natural and cultural resources, and improvement of international competitiveness and innovation within the tourism sector. Their main goals are to foster economic growth, generate jobs and improve the quality of life of their citizens.

⁴¹ United Nations World Tourism Organization.

31. Most CAREC countries focus their respective national strategies in the following priorities: (i) sustainable development of tourism assets through responsible planning and management, and sound environmental and social protection; (ii) improved tourism institutional structures and governance; (iii) reduction of seasonality effects; (iv) improvement of air and land connectivity, and accessibility; (v) effective tourism branding and promotion in international markets; (vi) improvement of tourism infrastructure and tourism services and quality standards; (vii) digitalization of the sector; and (viii) attraction of private sector investments and development of public-private partnerships. A summary of countries' national strategies is included in Appendix I.

32. While individual CAREC countries possess outstanding resources for the development of their tourism sectors, their potential can be significantly increased through enhanced cooperation. Cooperation on visa and cross-border arrangements can facilitate travel between CAREC countries and enhance movement of people and goods across borders, bringing increased mutual benefits for each of the countries. Harmonization of tourism education and training systems and operating standards of tourism services can produce the requisite numbers of qualified personnel and help address supply-demand gaps in the regional market. Joint market research, common statistical systems and collaborative marketing activities can lead to better understanding of visitors' needs and greater customization of services, leading to increased tourism flows in the region.

33. Overall, regional tourism cooperation provides greater opportunities for economies of scale, reduced costs, and optimization of resources, and can facilitate the development of competitive and resilient all-year round destinations. Adopting such a regional approach to tourism revenue generation is particularly important given the adverse impacts of the COVID-19 pandemic in countries' tourism sectors and the substantial resources and investments that will be required as part of the recovery process.

IV. CAREC TOURISM STRATEGY 2030

A. Vision

34. The proposed vision for the CAREC tourism region is: ***“A sustainable, safe, easily accessible, 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”.***

B. Guiding Principles

35. The following guiding principles will underpin the development of comprehensive and effective regional tourism programs, and the promotion of tourism cooperation in the region:

- **Prioritizing quality over quantity.** Traditionally, countries' tourism strategies and actions have been oriented towards increasing the number of visitors to accelerate economic growth. However, a vast influx of tourists can put severe burden on countries, particularly on those lacking the necessary infrastructure and capacities to effectively manage it. This can have a detrimental social and environmental impact and can result in a negative experience for visitors. Thus, careful consideration will be given to ensuring the right balance between development of touristic assets in the CAREC region to attract visitors and preservation of the social, cultural, and ecological values of the tourism areas to be developed. Improving the perceived quality of tourism services provision and increasing CAREC countries' capacity and awareness on the use and integration of sustainable practices in tourism programs and projects is key for this purpose.
- **Adapting to global trends and building resilience.** The CAREC Tourism Strategy 2030 will be aligned with national tourism priorities and will help promote the uniqueness of each country's tourism products while focusing on building regional synergies to effectively respond and adapt to global emerging trends. Strengthening collaboration between countries to create safe travel corridors that enable a smooth and safe flow of tourists across the region and with far-distant markets, developing common health and safety tourism protocols and standards, building capacity of tourism stakeholders, increasing private sector's participation and leadership roles in tourism development initiatives, and implementing joint tourism promotion initiatives are key elements to build resilience of countries' tourism sectors going forward.
- **Reducing regional imbalances and empowering local communities.** Many of the tourism assets of the region are integrated in rural contexts in all CAREC countries. The CAREC Tourism Strategy 2030 will contribute to bridging regional inequality gaps by fostering sustainable tourism growth in both urban and rural areas and providing an opportunity for local communities to flourish. Gender equality through generation of jobs and income opportunities for private sector small and medium-sized enterprises and entrepreneurs, including women and the youth, will be promoted.
- **Promoting multi-seasonal tourism through product diversification.** Based on its resources, the CAREC region can cater to diverse tourist segments and experiences: adventure tourism, ecotourism, cultural tourism, religious tourism, recreational tourism, and business and city break tourism. Under the CAREC Tourism Strategy 2030, regional clusters that combine different tourism products and experiences across countries will be

developed to help address seasonality and provide year-round opportunities for businesses in the region.

- **Adopting a holistic and phased approach for developing the CAREC tourism network.** The CAREC Tourism Strategy 2030 will seek to expand the touristic trail network and strengthen the linkages between routes in a gradual manner to ensure sustainable and adequate growth of the regional tourism clusters. The development of safe travel corridors and tourism clusters will build upon existing routes such as the transnational historical Silk Road and other routes such as the Pamir Highway, Karakorum Highway, Chinggis Khaan trail, and Trans-Siberian railway. Development of new cultural and religious routes will also be considered. Initiatives and projects to develop the tourism clusters will be prioritized based on countries' needs and priorities with the aim of generating large regional benefits and attracting markets that will yield the highest returns. Given the cross-cutting nature of the tourism sector, careful consideration will be given to ensure close coordination across the wide range of stakeholders, including government agencies, private sector, academia, and civil society.

C. CAREC Tourism Development Concept and Regional Tourism Priority Clusters

36. The proposed regional tourism concept under CAREC is based on the Silk Road as the most important tourism asset for the entire region and the basis for a common regional tourism umbrella brand. It aims at maximizing the international recognition of the “Silk Road” brand to further develop the tourism market segments mentioned in chapter III through the development of regional tourism priority clusters. The following main routes and bypasses within the Silk Road are proposed (Figure 5):

- **Silk Road North Route:** it connects Urumqi, Almaty, Bishkek, Shymkent, Tashkent, Samarkand, Buchara, Merv, Ashgabat, Turkmenbashi, Baku, Tbilisi, and Batumi. Two bypasses are proposed for the north route: one through the Issyk-Kul lake to Osh, Fergana, Khujand, Samarkand; and another from Shymkent, Turkestan, Kyzlorda, Aral, Kulsary, Atyrau, and then by sea or air to Baku.
- **Silk Road South Route:** it connects Hotan, Kashgar, Islamabad, Lahore, Hyderabad, Karachi, and Gwadar. The south route also has two bypasses: one from Kashgar, Sary-Tash, Osh; and another from Islamabad, Peshawar, Kabul, Herat, and Merv.

37. In addition, two other important routes directly connected with the Silk Road are taken into consideration: (i) a segment of the Trans-Siberian railway, and (ii) the “Chinggis Khaan Trail”. The Trans-Siberian Railway connects North Mongolia with Inner Mongolia, and Northeast Inner Mongolia with Beijing which, although not being part of CAREC, is a major gateway for the region. The Chinggis Khaan trail provides an adventure and culture-driven experience between Delüün Boldog in the Khentii aimag, the place where Chinggis Khaan was born, through Ulaanbaatar (Mongolia) and West Kazakhstan.

38. Based on regional relevance, visitation levels –in terms of both domestic visitors and foreign visitors from neighboring countries and far distant markets– and the future development potential to attract increasing number of tourists, increase spending per tourist, and improve

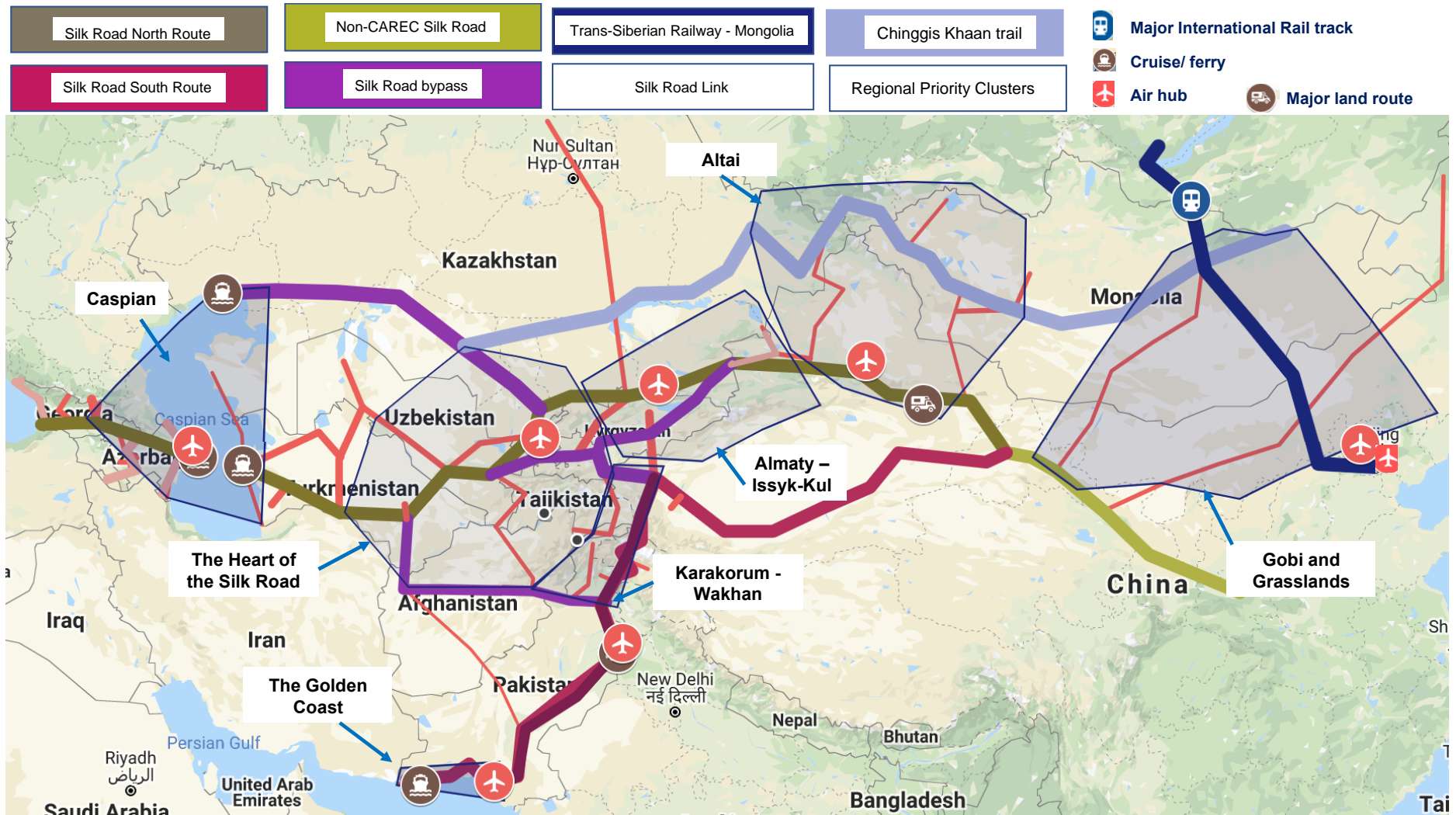
contribution of the tourism sector to countries' GDP, seven priority tourism clusters⁴² have been identified in the CAREC region (described in para 39).

39. The abovementioned routes comprise the major national and transnational roads in the region, linking CAREC countries' major cities and tourism assets within the priority clusters (see Appendix II for the list of provinces and cities under each priority cluster group). Each priority cluster has at least an air hub located in a major city with the potential to serve the overall cluster and connect the tourism assets within such cluster through various multimodal transportation options. The seven priority cluster groups are:

- **Caspian:** it covers four countries –Georgia, Azerbaijan, Kazakhstan, and Turkmenistan– linked by air and sea. This cluster is oriented towards the adventure, city, business, culture, and sun and beach tourism segments.
- **Heart of Central Asia:** a circle of 650 km covering six countries –Uzbekistan, Kazakhstan, Kyrgyz Republic, Turkmenistan, Tajikistan, and Afghanistan. It focuses on the tourism segments of culture, adventure, city, and business.
- **Almaty–Bishkek:** it refers to the economic corridor between Almaty and Bishkek and the area around the Tian Shan mountains, including the lake Issyk-Kul, Alaol, Illi, and Aksu. It covers three countries –Kazakhstan, Kyrgyz Republic, and North Xinjiang in PRC–, and it caters to the business, city, culture, adventure, and sun and beach tourism segments.
- **Golden coast:** located in the southwest of Pakistan, with a greenfield coastal area spanning in some 700km from Karachi to the Iranian border at the Arabic sea. It has great potential for sun and beach, cruise shipping, adventure, culture and business.
- **Karakorum–Wakhan:** it covers the Eastern part of Afghanistan, Southeast Tajikistan, North Pakistan, and Northwest Xinjiang. This cluster focuses on the adventure, business, city, and culture segments.
- **Altai:** it is the area spanning from Urumqi to the Altai region, covering three countries – Mongolia, Kazakhstan, and PRC. It is suitable for adventure, ecotourism, business, and culture.
- **Gobi and Grasslands:** it is the triangle ranging from Delüün Boldog Bayan-Ovoo, Ulaanbaatar (Mongolia) to Hohhot (Inner Mongolia). The main tourism segments are business, city, culture, and adventure.

⁴² A cluster consists of an organized stock of touristic assets in a short-spatial distance, combining a series of touristic activities, which can range from one-day to longer periods of time. A mapping exercise of 1,447 tourism assets in the region was performed between March-June 2020. These assets were initially grouped into 49 small-scale clusters and scored in terms of visitation levels, regional relevance (priority was given to clusters covering more than one country and/or single country clusters with important spillover effects on other CAREC countries either through improved image of the region, potential of the core market segments addressed by the cluster, and/or potential to generate tourism flows to other CAREC countries), and the clusters' future development potential. Based on the scoring, the 49 small-scale clusters were further grouped into seven larger regional tourism priority clusters.

Figure 5 - CAREC Tourism Development Concept and Clusters



V. STRATEGIC PILLARS OF THE CAREC TOURISM STRATEGY 2030

40. CAREC countries' strengths as tourism destinations arise from their wide range of unspoiled natural assets, historic cities and UNESCO World Heritage sites, diverse ethnic groups and cultures, quality of lodging in capital cities, and strong support from government for tourism development. Of particular importance is the countries' low population density, which allows to promote the region as a safe tourism destination and accelerate post-COVID recovery of countries' tourism sectors. In spite of the current slowdown in tourism due to the COVID-19 pandemic, the growing interest of travelers in new experiences and off-the-beaten track destinations, and the use of information technologies to access tourism-related information and purchase tourism products and experiences will continue playing a key role once international travel resumes. CAREC countries can take advantage of these trends while further exploiting the international recognition of the Silk Road by expanding the range of itineraries based on it.

41. Several factors, however, represent a significant barrier to the development of the tourism sector in the region. Access to and between CAREC countries is a fundamental requirement for national and regional tourism to take place. Transport facilities need to be of internationally accepted standards, with services on a regular and reliable basis. Border control arrangements and visa requirements should be tourist-friendly and more uniform across countries to facilitate intra-regional tourism and multi-country trips. This is currently not the case in all CAREC countries. Inconsistent quality of tourism infrastructure and services, skills shortages, and a challenging business environment are also key factors hindering tourism development in the region. Furthermore, market knowledge of CAREC countries is generally low, though growing in some instances, and necessitates promotional actions to create awareness of and interest in the tourist attractions of the countries on a region-wide basis.

42. To achieve the long-term vision described in Chapter IV, it is necessary to develop a strategic framework that builds on the region's main tourism strengths, addresses its main weaknesses, captures the main opportunities, and is resilient to the main threats. The strengths, weaknesses, opportunities and threats (SWOT) analysis is summarized in Table :

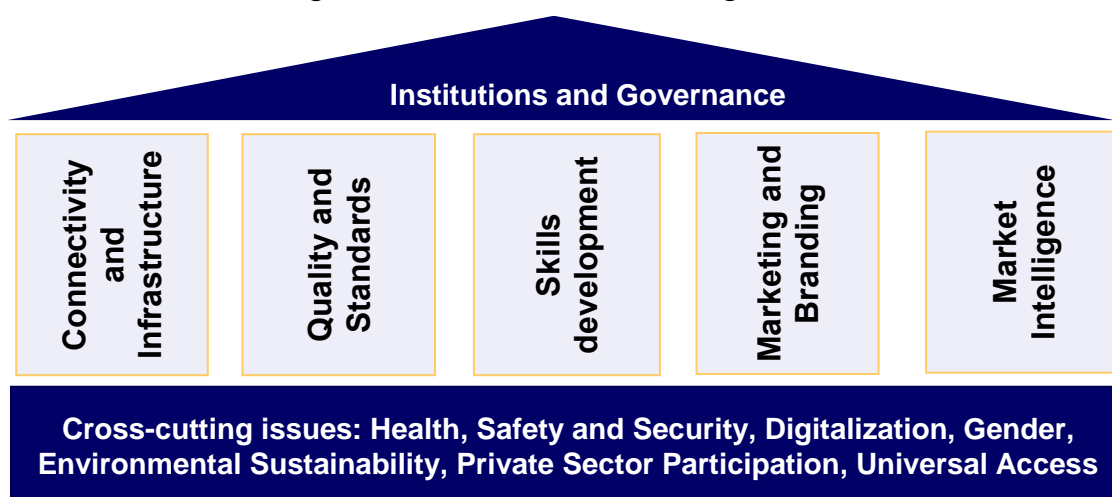
Table 2 – Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Outstanding unspoiled natural assets, and unique tangible and intangible cultural heritage and diversity in all CAREC countries. • Low population density, even in capital cities, making it a safe tourism destination. • Diversity and uniqueness of nomadic and settled cultures across the entire region, ethnic groups and religions. • Historic cities, legacy from ancient empires, and UNESCO World Heritage Sites in all countries. • Quality of lodging and other tourism facilities in capital cities. • Unknown destination suitable for discovery. • Internationally recognized common brand: Silk Road • Local populations highly receptive to welcome tourists. • Political goodwill and support from governments for tourism development. 	<ul style="list-style-type: none"> • High cost and poor air connectivity between CAREC capital cities and with distant markets. • Inadequate transport infrastructure, roadside facilities on tourist routes, last-mile access, tourism services and signage in tourist sites. • Cumbersome and time-consuming border crossing and visa procedures (including in airports). • Lack of brand awareness and image resulting in little knowledge of CAREC countries and a weak perception of them as tourism destinations. • Limited capacity on social responsibility practices and preservation of tourism assets. • Limited multi-seasonal product development and tourism experiences to appeal to the most attractive market segments. • Language barriers and shortages of skilled workers, destination managers, and tourism guides.

Opportunities	Threats
<ul style="list-style-type: none"> • Growing international interest and exposure of the Silk Road. • Continued expansion of international tourism, particularly the fast-growing Asian markets, and the travelers' quest for new experiences and off-the-beaten track destinations. • Major regional infrastructure projects under development in the region. • Continuing rise of information technology enabling prospective travelers to gather information and interact digitally with potential service providers. • Tourism as an industry capable of supporting post-pandemic economic recovery. • Donor support for bankable tourism projects. 	<ul style="list-style-type: none"> • Growing international health risks and geopolitical conflicts, with high potential impacts in the travel and tourism industry. • Climate change with global warming and environmental degradation. • Safety, security issues and political instability in some CAREC countries. • Economic downturns in primary tourist-generating markets. • Natural and human-created disasters.

43. Based on the SWOT analysis, the CAREC Tourism Strategy 2030 identifies five key strategic pillars with regional scope and where the implementation of regional initiatives and projects can help countries reap the socio-economic benefits of sustainable tourism development (Figure 6). These include (i) connectivity and infrastructure, (ii) quality and standards, (iii) skills development, (iv) marketing and branding, and (v) market intelligence. Cross-cutting themes will be mainstreamed in all interventions under the five strategic pillars, including safety and security, digital technology, gender, environmental sustainability, private sector participation, and universal access to the tourism services. In addition, appropriate institutional and governance arrangements need to be in place to ensure an effective implementation, monitoring and evaluation of the CAREC Tourism Strategy 2030.

Figure 6 - CAREC Tourism Strategic Pillars



A. Connectivity and Infrastructure

44. **Key challenges.** Air connectivity is key for the development of the tourism sector in CAREC countries given the landlocked nature of the region. High transportation costs, limited air connectivity, cumbersome border crossings, and poor road conditions represent major obstacles to the development of intraregional and international tourism in the CAREC region. The development of the aviation sector in CAREC countries is constrained by high ground costs, limited competition and protectionist aviation policies, and ineffective regulatory frameworks. Difficulties in land connectivity arise from poor last-mile access conditions to tourism sites, and road and rail infrastructure require upgrading in terms of

quality and provision of roadside services. Although investments in upgraded rail connections in CAREC countries are taking place with support from international donors, freight movement has been the priority. In addition, complex border crossing arrangements (i.e. visa requirements and cost, immigration and passport control systems and time for clearance) act as a significant deterrent to the development of the tourism sector in the region. Furthermore, most tourism assets are focused in the spring and summer months in regions with good potential to all-year-round activities, thus require investments in capacity and quality to reduce the seasonality and improve private sector profitability in tourism businesses.

45. Proposed actions. The Tourism Strategy 2030 will focus on making CAREC countries more accessible by facilitating border crossing procedures, easing visa requirements, and improving air connectivity by reducing ground costs and harmonizing aviation regulatory frameworks. Regional initiatives and projects under this pillar will be implemented in close coordination with the work being conducted under other CAREC operational clusters, such as transport and trade.⁴³ Proposed areas of intervention will include:

- Improvement of air connectivity to and between CAREC countries, with development of affordable non-EU banned⁴⁴ air services into gateway airports and capital cities in the region;
- Liberalization of visa regimes and automation of entry requirements that are common across CAREC countries;
- Simplification of border crossing procedures for foreign tourists, improvement of technological means of processing people and vehicle crossings, and upgrade of infrastructure and immigration facilities;
- Improvement of ferry crossings between major Caspian cities for passengers and vehicles, including accessibility from the seaports to the nearest tourist centers;
- Improvement of road and rail connectivity to reduce travel time between tourism clusters and key tourism assets in the region;
- Improvement of last mile access, signage, information points, roadside services, and quality and availability of sanitary facilities and toilets⁴⁵ in key tourism attractions and rest areas along tourist routes;
- Improvement of existing and/or development of new tourism infrastructure and facilities in areas with potential for all year-round activities within the priority tourism clusters. These initiatives could be implemented through private sector investments or through PPP arrangements with means of de-risking the investments;⁴⁶
- Improving of basic services such as water supply, sewage, and solid residues collection, selection and treatment in urban and rural areas around the most visited tourism assets of the priority tourism clusters; and
- Development of a common registry of tourism assets, their content, and its management to allow effective and cost-efficient use by public entities, government officials, travelers, guides, and tour operators.

⁴³ These will include priority investment projects included in the CAREC Transport Strategy 2030; and projects and activities included in the Rolling Strategic Action Plan under the CAREC Integrated Trade Agenda 2030.

⁴⁴ Airlines allowed to fly to the EU, the strictest aviation regulations in the world, and a strong trustworthiness instrument for third countries in relation to reliability, safety, and security.

⁴⁵ These could include eco-friendly solutions for toilets in remote areas specially tailored for cold weather.

⁴⁶ Such means could be concessions with exclusive right to exploit mineral water springs for human consumption in exchange for the investments in infrastructure for tourists, as an example.

B. Quality and Standards

46. **Key challenges.** Tourism services in the CAREC region are mostly provided by small and medium-sized enterprises (SMEs), except for the international large hotel chains. SMEs do not have either the resources or the know-how to implement quality standards. Development and implementation of harmonized service quality and environmental standards aligned with international best practices, including those related to health and safety, are key to raising the competitiveness of the region as a global tourism destination, and attracting tourists from high-spending markets.

47. **Proposed actions.** One of the main features of the CAREC Tourism Strategy 2030 is the establishment of a common brand “Silk Road”, which requires member countries to work in a coordinated and collaborative manner to protect and foster its value. This can be achieved, among other actions, through the establishment of effective and harmonized minimum service quality standards. Regional projects and initiatives within this pillar could include:

- Development of common minimum quality, hygiene and environmental standards of tourism facilities, attraction sites, hotels, restaurants, means of transport, airports, trains and bus stations. This could include the implementation of the star system for accommodation, which allows tourists to have an overall intuitive understanding of the expected quality level prior to booking, as well as the development of a “Silk Road Quality Label” for other tourism services, to be adopted on a voluntary basis;
- Development and implementation of a system for registration of tourism businesses, and effective regionally harmonized inspection mechanisms for tourism service providers to ensure standards compliance;
- Development and implementation of a formal claim management system for tourists in relation to tourism service providers, rewarding the best performers through effective promotion and positive reviews, and penalizing the poor service providers; and
- Support to tourism businesses, particularly SMEs and women-owned enterprises, to increase their capacity in the implementation of quality standards and access to efficient promotional tools. The abovementioned “Silk Road Quality Label” will also help support promotion and marketing of those tourism businesses providing high quality standards.

C. Skills Development

48. **Key challenges.** All CAREC countries suffer from important shortcomings with regards to tourism skills. Public sector officials need more specialized and up-to-date knowledge in the development of effective tourism policies and strategies as well as in destination management and digital marketing, standards, safety and hygiene-related regulations, and environmental and socioeconomic sustainability policies. The private sector also requires improved knowledge in the development, management, and marketing of tourism products, services, and experiences. There is also a need to improve tourism education and training systems to ensure the necessary quantity and quality of graduates that can meet both the current and future skills demand in the region. Online tourism skills development is in its infancy in CAREC countries, but this mode of learning is increasingly recognized as a credible tool for tourism skills development, being a cost efficient model to invest in the massive skills gap reduction in the tourism sector, where a regional collaborative approach has the potential to generate important impacts. The COVID-19 outbreak is accelerating the already existing trend of remote work and distance learning, giving further impetus to develop online learning solutions for the region.

49. **Proposed actions.** The CAREC Tourism Strategy 2030 will support its member countries in addressing the skills gap and developing integrated tourism skills and training offerings through regional programs, maximizing the use of digital technologies. Initiatives under this pillar will be developed and implemented in close coordination with the private sector to help close the existing gaps between industry practices and tourism education and training provision. Regional projects and initiatives within this pillar could include:

- Development of distance-learning tourism programs to allow remote educational experiences for students and teachers, private sector representatives and public officials, with certification issued by internationally accredited institutions and organizations, allowing for international skills recognition and acceptance;
- Development of common curricula and qualifications for TVET and higher education levels to allow an effective equivalence system for students who choose the TVET path and later on choose to proceed with further studies, as well as the acceptance of diplomas and professional certificates of tourism professionals across CAREC countries;
- Improvement of the quality of tourism education and skills development programs in CAREC countries in alignment with international standards and best practices. This could be operationalized by setting up a joint tourism program in the region certified by the UNWTO through the TedQual Certification;⁴⁷
- Development of a platform that supports twinning programs between tourism education and training institutions within the region, and knowledge sharing across CAREC countries. Existing tourism education and training institutions in the region⁴⁸ as well as the CAREC Institute will be used for the provision of demand-driven capacity building activities for tourism professionals on best practices in the development and management of tourism destinations;
- Promotion of intra-regional student mobility, including work and internship placements, and faculty exchanges; and
- Improvement of tourism professionals' skills through specialized training programs with international accreditation by reputable institutions and organizations with recognition in all CAREC countries. These could include tour guides (World Federation of Tourist Guide Associations), ski instructors (International Ski Instructor Association), travel agents (International Air Transport Association), and specialized training programs for MICE tourism, among others.

D. Marketing and Branding

50. **Key challenges.** The Silk Road is the most important tourism asset shared by CAREC countries. Given its international recognition, it provides the natural branding for the CAREC tourism region. One of the most fundamental needs for CAREC countries is building a perception that the countries are, both individually and in combination, destinations that (i) offer a wide range of outstanding tourism experiences with high-quality facilities and standards; (ii) are easy to reach, and travel around in and between; and (iii) provide a safe and secure environment. This necessitates investments in marketing and promotion targeted at the most promising tourism segments, and oriented towards building back confidence in tourism destinations during the post-COVID recovery period. However, CAREC countries

⁴⁷ The UNWTO. TedQual Certification is a quality certification for tourism education and training programs offered by the UN World Tourism Organization. The certification pays particular attention to ensuring that tourism education and training programs incorporate tourism industry and student's employability needs in their programs.

⁴⁸ This could include, for example, the Silk Road International University in Samarkand.

currently face the challenge of budgetary restrictions for tourism marketing, promotion, and branding activities, which are key for effectively positioning the region globally.

51. **Proposed actions.** Investing in joint tourism promotion activities and sharing costs in this field will substantially benefit all countries in the region. The CAREC Tourism Strategy 2030 will support regional tourism marketing and promotion initiatives focused on a common brand, including:

- Creation and promotion of a common umbrella brand (“Visit Silk Road”) through the development and management of a CAREC tourism web portal. 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 by allowing the booking of package tours and experiences through the portal itself or through links to their own websites;
- Design of marketing strategies and promotional activities on a regional and/or cluster basis aiming at reinforcing the countries’ image as safe tourism destinations to visit, restoring travelers’ confidence, and reactivating tourism investments and demand in the region. As domestic and regional tourism is likely to return first, marketing and promotion activities will focus on neighboring countries in the short-term, followed by international markets once travel restrictions are lifted;
- Development of partnerships with major digital tourism platforms to run all-year-round campaigns for the entire region in selected target markets, in coordination with offline promotional initiatives in such markets;
- Organization of and/or participation in tourism events with high promotional effects regionally and internationally (e.g. joint exhibitions and events to promote the tangible and intangible cultural diversity and uniqueness of the region, Silk Road rally, etc.) that can contribute to the brand building process. Special attention will be given to initiatives that support business-to-business (B2B) networking and information-sharing for tour operators and other tourism services business providers; and
- Promotion of affordable multi-country travel on the Silk Road through common initiatives such as a Silk Road Pass. The Silk Road Pass could include special fares for air and/or land transportation within the CAREC region, visas, as well as discount coupons in other accredited tourism attractions and service providers in CAREC countries.

E. Market Intelligence

52. **Key challenges.** Tourism intelligence and knowledge are essential for the development of targeted and innovative tourism products and services. Improving gathering and analysis of tourism data and statistics and knowledge of customers’ behavior are paramount for improving the international competitiveness of the CAREC region. Currently, most CAREC countries fall behind in having in place effective systems of data collection, statistics production and collection of primary data to evaluate the performance of their products in relation to current and future customers’ expectations. These shortcomings are a central problem that can be minimized with regional cooperation. For example, Tourism Satellite Accounts (TSA)⁴⁹ are currently international best practice and a key instrument to measure and monitor the impact of tourism policies and strategies in the national economies.

⁴⁹ The Tourism Satellite Account is the main tool for the economic measurement of tourism. It allows for the harmonization and reconciliation of tourism statistics from an economic (national accounts) perspective. This enables the generation of tourism economic data (such as Tourism Direct GDP) that is comparable with other economic statistics. (OECD. Tourism Satellite Account: Recommended Methodological Framework).

53. **Proposed actions.** To address the existing challenges and shortcomings faced by most CAREC countries in terms of availability and quality of data, market intelligence and production of statistics, the CAREC Tourism Strategy 2030 will focus on:

- Support development and implementation of common methodologies for data gathering and production of tourism statistics, such as UNWTO's International Recommendations for Tourism Statistics (IRTS) 2008, to allow both public and private sectors to make evidenced-based decisions;
- Development of methodologies and capacity strengthening of countries to conduct surveys on customers' satisfaction and spending patterns per tourist segment;
- Development and implementation of Tourism Satellite Accounts to measure and monitor the impact of tourism policies and strategies in the national economies;
- Support establishment of UNWTO observatories in CAREC countries to monitor the environmental and social impact of tourism at the destination level⁵⁰;
- Utilization of data collection and statistics production tools powered by effective digital solutions at the regional level to allow cost-sharing across countries and achieve economies of scale; and
- Promotion of partnerships between public and private tourism stakeholders in the region for conducting joint research and analyses focused on customers' behavior, preferences, desired experiences and needs.

F. Cross cutting issues

54. Several themes are cross-cutting to all the above-mentioned strategic pillars, requiring that each of the regional programs and initiatives is shaped with the necessary considerations of such themes. These include:

- **Health, safety and security.** To support countries' efforts to respond to the COVID-19 pandemic and build resilience of their tourism sectors to future global crisis, careful consideration will be given to the development and implementation of safety assurances and effective controls and health protocols, including through capacity building and information and data sharing mechanisms to avoid the spread of infectious diseases. The development of a pilot safe travel corridor / travel bubble in the short-term will be paramount for rapid replicability across clusters.
- **Digitalization.** Digital and communication technologies are at the center of the most lucrative activities of the tourism value chain. The CAREC tourism strategy will support the development and implementation of innovative solutions for provision of tourism services, increased connectivity, improved destination marketing and promotion, and development of educational tools and digital tourism content.
- **Gender equality.** Tourism policies, programs, and initiatives to ensure that both women and men have equal rights and equal access to resources, economic opportunities, education, training, and decision-making processes will be promoted.
- **Private sector development.** Particular focus will be placed on increasing private sector participation and promoting private investments to implement regional programs and

⁵⁰ The International Network of Sustainable Tourism Observatories (INSTO) was created in 2004 by UNWTO to provide a framework for systematic, timely and regular monitoring of resource-use, the implementation of sustainable development plans and policies, and the impact of tourism at the destination level. In the CAREC region, there is only one observatory at the moment in Xinjiang Uygur Autonomous Region –the Kanas Observatory– which focuses its monitoring efforts especially on monitoring tourism impacts in remote and border areas (Kanas lake nature reserve in Altai mountains borders Kazakhstan, Mongolia and the Russian Federation).

projects under the five strategic pillars. Support will be provided to strengthen tourism investment policies, laws, and regulations to create an enabling business environment and provide a level playing field for domestic and international investors, while fostering the development and implementation of innovative solutions in the sector.

- **Environmental sustainability.** Adoption of appropriate safeguard measures and sustainability practices to protect the region's natural tourism assets will be taken into consideration when developing and implementing regional tourism programs and projects.
- **Universal access.** People with disabilities need to have access to tourist attractions and recreation facilities as well as tourism-related economic opportunities. Special needs of the increasing proportion of elderly travelers will also need to be incorporated into destination planning and management⁵¹, and marketing and promotion initiatives.⁵²

⁵¹ ADB. 2020 (forthcoming). *Georgia- Inclusive Cities: Urban Area Guidelines*. Manila.

⁵² It should be noted that the senior tourism market segment may not be that familiar with online tools and, therefore, it is important that online marketing initiatives are combined with traditional communication channels.

VI. Institutionalization and Implementation Arrangements

A. Phased Implementation Approach

55. To support the implementation of the Tourism Strategy 2030, a regional tourism investment framework 2021-2025 has been developed, covering regional projects and initiatives under each of the five strategic pillars (Appendix III). In alignment with the overall directions of the CAREC 2030 strategy, and in recognition of the varying levels of development and capacities of CAREC countries, flexibility will be built into the investment framework by allowing two or more countries to implement regional projects and initiatives agreed on by all member countries. The regional tourism investment framework will serve as a tool for prioritization of projects and will allow for greater coordination among development partners and mobilization of resources. The CAREC tourism focals group will be responsible for monitoring the implementation of the regional tourism investment framework on an annual basis and proposing adjustments as needed based on countries' emerging needs and priorities. A phased approach is suggested for the implementation of the proposed strategy for developing tourism in the region, as follows:

56. **Initial phase “Readiness Improvement” (2021-2023).** The COVID-19 outbreak is shifting travelers' priorities to closer and safer destinations in the short-term. Thus, focusing on the development of domestic and intra-regional tourism will be key during this phase, while building up the foundations to attract high-spending tourists from international markets in the medium to long-term. Initiatives during this phase will focus on skills development, including through the use of technology; adoption and implementation of common quality standards for tourism services, including health and safety protocols; improvement of data collection, statistics, and market intelligence; and development of the common brand “Visit Silk Road”, including through the development of the CAREC tourism web portal.

57. **Second Phase “Rapid market share growth” (2024-2028).** During this phase, the main target will be increasing market share in lucrative international markets by improving connectivity, infrastructure and regulatory procedures in the priority tourism clusters. Initiatives during this phase could include, among others, improvement of the aviation sector and air connectivity at low fares⁵³; development of hubs with stopover features in the priority clusters; improvement of last mile access, and border crossing points procedures within the priority cluster groups; harmonization of visa regimes and introduction of e-visas in all countries; improvement of the ferry crossings through the Caspian for passengers and cargo; establishing the feasibility of setting-up of a tourism investment fund with regional scope to support private sector, PPP development and public investment; and strong product development with emphasis on digitalization of supply and product offerings (e.g. “Silk Road Pass”).

58. **Third phase “Consolidation of competitive positioning and improvement of value added” (2029-onwards).** In this third phase, the main target should be to strengthen the development programs of the previous phases within the priority cluster groups, and consider expanding towards the development of secondary destinations / clusters, provided that there is the necessary demand and ownership from member countries. Initiatives during this phase could include, among others, tourism promotion targeting specific areas within the priority clusters and/or sub-sections of the Silk Road; further improvement of infrastructure and accessibility through the development and implementation of second priority projects; and development of new tourism products to further diversify the offer of the different clusters.

⁵³ This could include the development of a regional airline owned by various countries, following the SAS – Scandinavian Airlines model.

B. Institutional Structure

59. The overall CAREC institutional framework will be taken as a starting point for setting up the appropriate institutional arrangements for tourism in the CAREC region (Figure 3). At the top, the CAREC Ministerial Conference (MC) functions as the main high-level policy and decision-making body, responsible for providing strategic guidance on issues of regional relevance and accountable for the overall results of the CAREC Program. The Senior Officials' Meeting (SOM) monitors progress on all operational clusters and sectors, recommends operational improvements, and ensures that the high-level decisions made at the CAREC MC are effectively implemented.

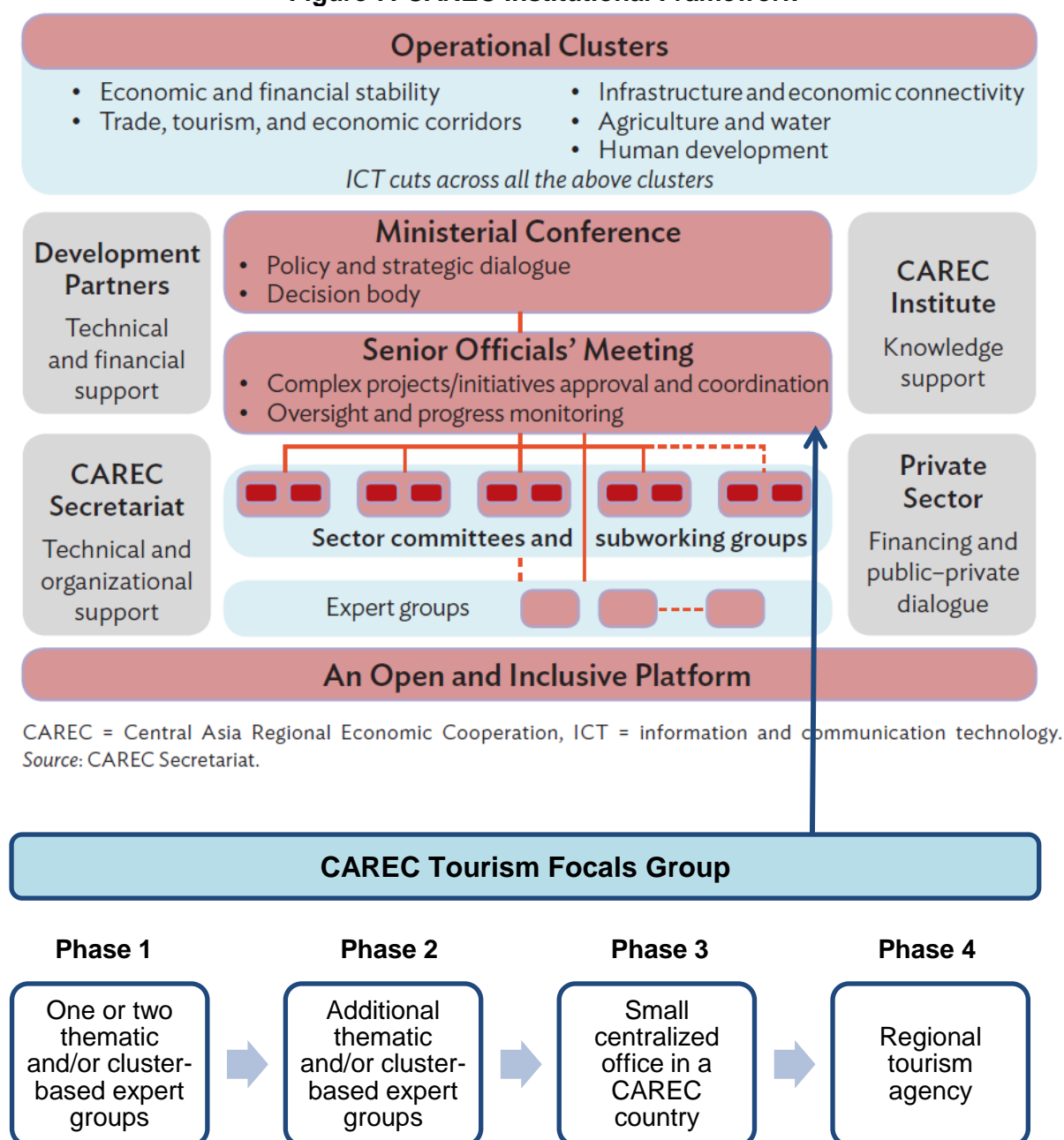
60. At the sectoral level, the overall CAREC tourism work will be led by a tourism focals group. This group is composed of the tourism focals appointed by each CAREC country since 2018.⁵⁴ The CAREC Secretariat will provide technical, administrative, and organizational support during the implementation of the Tourism Strategy.

61. The CAREC 2030 strategy advocates adopting an incremental approach in new operational areas such as tourism to effectively build countries' ownership and devise the most appropriate institutional structure based on progress made over time. The following four phases are proposed for the institutionalization of the CAREC tourism sector:

- **First phase:** Technical expert groups with both public and private sector representatives will be formed to further develop and coordinate the implementation of regional projects and initiatives within the strategic pillars. Such technical expert groups will be focused and demand-driven to effectively support countries' emerging priorities and most pressing needs. At this first stage, only one or two technical expert groups will be constituted either at the thematic level (based on the themes / sub-themes within the strategic pillars) and/or at the tourism cluster level should there be interest and demand from the countries that are part of such cluster.
- **Second phase:** When progress is considered sufficient and based on countries' demand, additional expert groups in other themes / sub-themes and/or tourism clusters could be introduced. The additional expert groups would work on the same manner as those referred to in the first phase above. The tourism focals group will continue overseeing the work of the focused expert groups and coordinating the overall work in the tourism sector.
- **Third phase:** When progress is considered sufficient by member countries and participating development partners in one or more themes of the strategic pillars and/or tourism clusters, a small office could be set-up in a CAREC country to function as a centralized organizational unit to coordinate such thematic and/or cluster work.
- **Fourth phase:** A more permanent arrangement could be set-up in the form of an independent regional tourism agency. Depending on the progress achieved and the willingness of countries to deepen their cooperation, common funding mechanisms could be designed, and member countries could share the institutionalization costs. CAREC, as a neutral body, could support the establishing of such regional tourism agency, including supporting the appointment process of its executive board.

⁵⁴ The tourism focals were appointed by all CAREC countries in 2018 to support the formulation of the scoping study on "*Promoting Regional Tourism Cooperation under CAREC 2030*". Since then, two meetings of the tourism focals group have been held in October 2018 and December 2019.

Figure 7: CAREC Institutional Framework



C. Financing

62. Financial resources are necessary to implement initiatives and projects of regional scope, as well as those at the national level which can contribute positively to the overall development of tourism in the region. Financing is also needed to support the work of the tourism focals group and the expert groups. Efforts will be devoted to mobilizing greater financing from a wide range of sources, including from development partners, state budgets, private sector, and PPP arrangements. ADB will strive to maintain technical assistance financing for the tourism sector. To support investments with regional scope and impact, the establishment of regional investment fund will be explored in subsequent phases. Such an investment fund could involve equity and lending components at affordable rates to promote the role of SMEs and the private sector in the development of the regional tourism industry.

D. Partnerships

63. A coordinated approach among all CAREC countries and development partners is required to implement the CAREC Tourism Strategy 2030. There are several tourism initiatives and projects being implemented by various development partners and institutions at national level in CAREC countries.⁵⁵ Building synergies among such initiatives through regular exchange of information and developing a collaborative partnership framework to combine financial and technical capabilities is key for maximizing the benefits of regional collaboration. In addition, mechanisms for developing partnerships with private entities in key areas such as data collection and statistics, education and skills development, and marketing and promotion will be promoted. CAREC Institute can also play an important role in providing knowledge and analytical support across the five strategic pillars, particularly in the area of tourism skills development.

E. Results Framework

64. A results framework has been developed to periodically monitor and evaluate the implementation progress of the Tourism Strategy 2030 and its accompanying Tourism Investment Framework 2021-2025 (Appendix IV). The CAREC tourism results framework is aligned with the overall CAREC 2030 results framework and seeks to contribute, to the extent possible, to achieving performance targets and indicators in countries' national tourism strategies. The results framework includes indicators based on the SMART criteria⁵⁶ to monitor the strategy implementation progress at the outcome (vision) and output (strategic pillars) levels. Recognizing the global changing nature of the sector and the fact that progress may be different within the strategic pillars and/or tourism clusters, flexibility will be built into the results framework and the necessary adaptations will be reflected in the tourism investment framework on an annual rolling basis. Progress reports will be prepared and discussed among the CAREC tourism focals on an annual basis and will be presented to the SOM. Progress reports will be made available online in the CAREC website and the regional tourism web portal.

⁵⁵ These include tourism initiatives under the Almaty–Bishkek Economic Corridor and the trilateral economic corridor initiative among Kazakhstan, Uzbekistan, and Tajikistan; ongoing and planned ADB tourism projects in Georgia, Tajikistan, Uzbekistan and Mongolia (including the Strategic Framework Agreement for Sustainable Tourism Development 2020-2021 between the Government of Mongolia and ADB); and tourism projects from other development partners such as UNWTO and UNESCO, among others.

⁵⁶ SMART refers to indicators that are specific, measurable, achievable, relevant and time bound.

APPENDIX I – SUMMARY OF CAREC COUNTRIES' TOURISM STRATEGIES

Country	Main document	Strategic priorities	Goals
Afghanistan	Draft Tourism Policy of Afghanistan	<ul style="list-style-type: none"> • Sustainable development; increased tourism revenues; and employment growth. • Improvement of tourism products based on market needs • Infrastructure development based on international standards. 	Not specified
Azerbaijan	<p>Tourism Strategy 2023 and key projects 2019</p> <p>Strategic Road Map for the Development of Tourism Industry in the Republic of Azerbaijan</p>	<ul style="list-style-type: none"> • Sustainable and growth-oriented tourism strategy • High diversity and competitiveness • Well balanced regional and private sector development. 	<ul style="list-style-type: none"> • Increase number of foreign tourist overnights in Baku in 2020 to a minimum of 3.65 million • Increase average length of stay from 2 to 3 days • Increase foreign tourist arrivals to 0.9 million in 2020, and foreign daily visitors to 1.5 million in 2020 • Gradually accommodate 265,000 additional budget tourists • Increase capacity utilization rate to ~65% (occupancy rate) in wellness facilities • Attract 180,000 tourists to touristic attractions
Georgia	Georgian Tourism Development Strategy 2025	<ul style="list-style-type: none"> • Building the image of the country as a modern and safe tourist destination and increasing awareness • Increasing international arrivals and overnight stays, average spending by tourists and revenues from tourism • Increasing the satisfaction of tourists and their loyalty • Improving international cooperation with tourism organizations, tour operators, MICE organizers and international airlines. 	Not specified
Kazakhstan	The State Program for the Development of the Tourism Industry of the Republic of Kazakhstan for 2019-2025	<ul style="list-style-type: none"> • Development of tourism assets • Transport accessibility of tourist destinations and assets • Quality and accessibility of tourism products and services • Favorable tourism climate • Effective system for promoting the country's tourism potential in domestic and international markets • Effective management system of tourism sector 	<ul style="list-style-type: none"> • Share of tourism in Kazakhstan's GDP of at least 8% • 9 million inbound visitors and 8 million domestic tourists • 650,000 people employed in the tourism industry • 2.5 times increase in the volume of tourist services • 3 times increase in investment in fixed assets • Better ranking in various tourism index
Kyrgyz Republic	Tourism Development Program of the	<ul style="list-style-type: none"> • Marketing and promotion of the Kyrgyz Republic as a center of tourism in the Central Asian region • Tourism digitization 	<ul style="list-style-type: none"> • The tourism sector should contribute 7% to the GDP by 2023.

	Government of the Kyrgyz Republic for 2019-2023	<ul style="list-style-type: none"> • Tourism development in the regions / provinces of the country • Creation of favorable conditions for doing business in the tourism sector and attracting investments 	
Mongolia	<p>Sustainable Development Concept 2030</p> <p>National Strategy on Tourism Development 2015-2025</p>	<ul style="list-style-type: none"> • Increasing regional competitiveness by improving tourism infrastructure • Positioning Mongolia as tourism brand internationally • Conducting activities to improve the public knowledge and awareness on travel and tourism • Amending the tourism law • Providing tourism service providers with tax incentives • Providing better accessibility such as new and more frequent air routes, offering e-visa at borders and supporting cross-border tourism 	<ul style="list-style-type: none"> • Increasing number of tourists in a phased manner • Implementing 5 new projects and programs in partnership with the UNWTO and other international development institutions • Improving Mongolia's ranking at the World Economic Forum tourism competitiveness index
Pakistan	Pakistan National Tourism Strategy Vision 2020-2030	<ul style="list-style-type: none"> • Tourism economic growth • Delivering a world-class visitor experience • Positioning Pakistan as a globally recognized tourism destination brand • Promoting 'responsible tourism' practices within the sector 	<ul style="list-style-type: none"> • Direct contribution of travel and tourism to GDP should be 3.0% of total GDP in 2028 • Total contribution of travel and tourism to GDP should be 7.4% of GDP in 2028 • Rise by 2.7% in travel and tourism directly supported jobs while rise by 2.3% in travel and tourism indirectly supported jobs • Increase to PKR 192.5 billion visitor exports in 2028
People's Republic of China	<p>At national level:</p> <p>Thirteenth Five-Year Tourism Development Plan (2016-2020)</p> <p>At provincial level:</p> <p>Thirteenth Five-Year Tourism Development Plan of Inner Mongolia Autonomous Region (2016-</p>	<p>At national level:</p> <ul style="list-style-type: none"> • Preparing strategic plans for the optimization of resources and market opportunities • Promoting innovation and quality • Setting a tourism system that works in harmony with nature • Promoting inclusive growth by enhancing the quality of life and the satisfaction of people <p>Reforming destination management, tour guide and travel agency systems</p> <ul style="list-style-type: none"> • Strengthening coordination and cooperation with provincial and local governments <p>Inner Mongolia Autonomous Region:</p> <ul style="list-style-type: none"> • Preserving natural resources for sustainable development 	<p>Inner Mongolia Autonomous Region:</p> <ul style="list-style-type: none"> • To receive more than 130 million domestic and foreign tourists, with an average annual growth of more than 12% • Total revenue of the tourism industry will exceed 530 billion yuan (\$74.2 billion), with an average annual growth of more than 20% • The comprehensive contribution rate of tourism to the provincial GDP will reach 15% <p>Xinjiang Uygur Autonomous Region:</p> <ul style="list-style-type: none"> • Total number of tourists will reach 300 million • Total tourism consumption will reach 600 billion yuan (\$84 billion).

	<p>2020)</p> <p>Thirteenth Five-Year Tourism Development Plan-Xinjiang Uygur Autonomous Region (2016-2020).</p>	<ul style="list-style-type: none"> Promoting diversity of resources Promoting the integrated development of tourism, agriculture, culture, sports and industry, focusing on quality and efficiency Coordinating strategic planning to encourage all-year-round activity and to jointly promote the development of tourism products and routes Stimulating innovation by assigning a decisive role to the market in terms of allocation of resources Improving the effectiveness of government services and enhancing the provision of financial services. <p>Xinjiang Uygur Autonomous Region:</p> <ul style="list-style-type: none"> Opening-up towards foreign tourism by taking advantage of the Silk Road Economic Belt Improving transportation systems and visa facilitation Attracting capital investments and developing human resources Innovating and developing tourism products Building up a tourism industry that enriches people and aims at poverty alleviation, generating employment and entrepreneurship Promoting the development of smart tourism and the modernization of tourism industry Promoting structural reforms in the tourism sector 	<ul style="list-style-type: none"> The number of tourism employment will reach 2.5 million, including 1 million in rural tourism poverty alleviation, driving 300,000 poor people out of poverty.
Tajikistan	<p>Development Strategy of Tourism in the Republic of Tajikistan for the period until 2030</p>	<ul style="list-style-type: none"> Strengthening tourism institutional framework Developing modern tourist infrastructure Strengthening tourism potential and proper organization of a comprehensive promotion Ensuring competitiveness of tourism products by improving the quality of service Developing and promoting the national brand as well as sub-brands of tourist areas Marketing of tourism products Development, protection and rational use of natural recreational resources, as well as historical and cultural heritage Strengthening human resources for a productive employment 	<ul style="list-style-type: none"> 2,500,000 tourists visiting the country 8% GDP and 15% exports contribution to tourism 10% share of capital in the tourism industry in the investment complex and 3% share of tourism in state budget revenue \$1,223.6 million services provided in the tourism industry 500 registered entities providing services in the field of recreation and treatment 10% (of total) employment in the tourism industry ranking 50th of hospitable countries assessed by the World Economic Forum

		<ul style="list-style-type: none"> in the tourism industry • Complying with international standards and ensuring the safety of tourists • Creating and developing tourism clusters and providing innovation and investments for the development of the tourist industry. 	
Turkmenistan	National Programme of Support and Development of Tourism in Turkmenistan for 2011-2020	<ul style="list-style-type: none"> • Establishment and development of a modern tourism system • Extensive tourism promotion in the country and abroad • Wide attraction of foreign investments • Development of tourism according to the strategies of environmental protection and reduction of seasonality 	Not specified
Uzbekistan	Decree of the President of the Republic of Uzbekistan on additional measures to encourage tourism development in the Republic of Uzbekistan	<ul style="list-style-type: none"> • Improving the regulatory framework in tourism • Developing tourism infrastructure • Enhancing domestic routes and regional routes with neighboring countries • Adopting measures to reduce the influence of seasonal factors • Developing domestic tourism • Enhancing tourism promotion in domestic and foreign tourism markets • Improving the system of training highly qualified specialists, and advanced training of tourism service workers. 	<ul style="list-style-type: none"> • 11,810 (thousand) number of foreign tourists visiting Uzbekistan • 2,170 (million USD) export of tourist services • 25,010 (thousand trips) number of domestic tourists • 3,050 number of hotels and similar accommodation facilities • 64 (thousand) number of rooms in accommodation facilities • 128 (thousand) number of places in accommodation facilities • 1,450 number of tour operators

**APPENDIX II – INDICATIVE LIST OF PROVINCES AND CITIES UNDER EACH
PRIORITY TOURISM CLUSTER**

CLUSTER	COUNTRY	PROVINCES	MAIN CITIES
Caspian	Azerbaijan	Absheron, Guba-Khachmaz, Aran, Daglig-Shirvan, Lankaran	Baku, Sumgayit, Guba, Khachmaz, Shabran, Ganja, Mingachevir, Gobustan, Lankaran, Astara
	Georgia	Tbilisi, Kakheti	Tbilisi, Telavi, Gurjaani, Sagarejo
	Kazakhstan	Atyrau, Mangystau	Atyrau, Kulsary, Aktau, Zhanaozen
	Turkmenistan	Balkan	Serdar, Balkanabat, Turkmenbashi
The Heart of Central Asia	Afghanistan	Herat, Badghis, Ghor, Bamyan, Wardak, Kabul, Parwan, Kapisa, Laghman, Nuristan, Badakhshan, Panjshir, Baghlan, Takhar, Kunduz, Samangan, Sar-e Pul, Faryab, Jawzjan, Balkh	Kabul, Herat, Mazar i Sharif, Fayzabad, Qala I Naw, Puli Khumri, Bamyan, Maymana, Chaghcharan, Sheberghan, Mahmud-I-Raqi, Kunduz, Mihtarlam, Parun, Charikar, Samangan, Sar-E Pol, Taloqan, Maidan Shar
	Kazakhstan	Turkistan, Jambyl, Almaty, Atyrau, Mangystau, Kyzylorda, Aktobe	Turkistan, Shymkent, Taraz, Almaty, Atyrau, Mangystau, Kyzylorda, Aktobe
	Kyrgyz Republic	Batken, Osh, Jalal-Abad	Batken, Osh, Jalal-Abad
	Tajikistan	Sughd, Dushanbe, Khatlon, Kuhistani Badakhshan	Khujand, Dushanbe, Kurganteppa, Khorugh;
	Turkmenistan	Akhal, Mary, Lebap	Ashgabat, Mary, Turkmenabad
	Uzbekistan	Karakalpakstan, Bukhara, Navoi, Kashkadarya, Surkhandarya, Tashkent, Samarkand, Djizzak, Syrdarya, Andijan, Ferghana, Namangan, Khorezm	Nukus, Bukhara, Navoi, Karshi, Termez, Tashkent, Samarkand, Djizzak, Gulistan, Andijan, Ferghana, Namangan, Urgench
The Golden Coast	Pakistan	Sindh, Balochistan	Karachi, Ormara, Gwadar, Jiwani
Karakorum - Wakhan	Afghanistan	Nangarhar, Kabul, Laghman, Kunar, Nuristan, Badakhshan	Jalalabad, Kabul
	Pakistan	Punjab, Azad Jammu And Kashmir, Gilgit Baltistan, Khyber Pakhtunkhwa	Islamabad, Muzaffarabad, Gilgit, Peshawar
	PRC	Xinjiang	Kashgar, Tashkurgan
	Tajikistan	Kuhistani Badakhshan	Murghab, Shaymak, Rangkul
Almaty - Issyk-Kul	Kazakhstan	Almaty, Zhambyl	Almaty, Uzynagach, Kaskelen, Kastek, Masanchi, Korday, Samsi, Shelek, Turgen, Talgar, Kegen, Satti, Esik, Karabulak, Kolsai, Charyn, Chunja.
	Kyrgyz Republic	Chuy, Naryn, Issyk-Kul	Bishkek, Naryn, Karakol, Cholpon-Ata
	PRC	Xinjiang	Aksu, Illi
Altai	Kazakhstan	East Kazakhstan	Üst Kamenogorsk, Zaysan, Ayagoz
	Mongolia	Bayan Ulgii, Hovd, Uvs, Govi-Altai	Ulgii, Ulaangom, Hovd, Altai
	PRC	Xinjiang	Urumqi, Karamy, Altay
Gobi and Grasslands	Mongolia	Ulaanbaatar, Bayankhongor, Omnogovi, Dornogovi, Dundgovi, Darhan, Töv, Govisumber, Selenge, Khentii	Ulaanbataar, Bayankhongor, Sainshand, Mandalgovi, Zuunmod, Dalanzadgad, Darkhan, Choir, Sükhbaatar, Chinggis
	PRC	Inner Mongolia	Hohhot, Ulanqab, Xilingol, Baotou, Bayannur, Hami, Turpan

APPENDIX III – REGIONAL TOURISM INVESTMENT FRAMEWORK (2021–2025)

65. The following tables contain a list of projects and initiatives under each of the strategic pillars of the CAREC tourism strategy 2030. The list is based on (i) analytical work conducted during the preparation of the strategy, (ii) feedback received from CAREC countries during the consultation workshops conducted in August / September 2020, and (iii) other projects / initiatives included under the strategies and actions plans of other operational clusters under CAREC. The list of projects will be subject to a prioritization process based on a set of criteria, including projects' alignment with the strategic pillars and integration of cross-cutting themes as well as projects' regional scope by either involving more than one country or having positive impacts in the tourism cluster and/or in at least another CAREC country. The prioritization process will be conducted by the CAREC Tourism Focals group with support from the CAREC Secretariat. The CAREC Tourism Focals group will also be responsible for monitoring the implementation of the regional tourism investment framework on an annual basis and adjustments will be made as needed based on countries' emerging needs and priorities.

STRATEGIC PILLAR 1: CONNECTIVITY AND INFRASTRUCTURE				
Project / Activity	Description	Cluster / Countries	Status	Indicative implementation period
Improvement of air connectivity and air travel cost reduction to and between CAREC countries ^a	Analysis on opportunities and challenges for introduction of low-cost carriers in the CAREC region, including regulatory environment needs.	All countries	Proposed	2021-2023
	Capacity building activities on best practices in airport management, and aviation regulations and policies, including open skies agreements.	All countries	Proposed	2021-2023
	Development of an air hub in Tashkent to serve as main gateway to the priority cluster “the Heart of Central Asia”.	UZB with possible links to KAZ, KGZ, TAJ, TKM and AFG	Proposed	2021-2025
Liberalization of visa regimes and automation of entry requirements that are common across CAREC countries	Study on feasibility, requirements, and implications of a common and/or multi-country Silk Road visa in the CAREC region	All countries	Proposed	2021-2022
	Implementation of pilot Silk Road visa and/or analogue in some countries/ priority cluster groups.	At least three countries	To be defined	2022-2023
Improvement and automation border crossing procedures	Improvement of Sust border crossing point (Pakistan–PRC border).	PAK, PRC	Proposed ^b	2021-2022
	Development of a new border crossing point (Abreshumis Gza–Ipek Yolu friendship border crossing point).	AZE, GEO	Proposed ^c	2021-2022
	Improvement of facilities in the key border crossing points of the Silk Road routes.	UZB	Proposed	2022-2025

Improvement of ferry crossings between major Caspian cities for passengers and vehicles	Development of tourism road map for the Caspian littoral states	AZE, KAZ, TKM	Proposed	2021-2023
	Pre-feasibility study of alternative models for the ferry services, including PPP arrangements.	AZE, KAZ, TKM	Proposed	2022-2023
Improvement of road and rail connectivity to reduce travel time between tourism clusters and key tourism assets in the region	Construction of Tajikistan–Afghanistan–Turkmenistan railway	AFG, TAJ, TKM	Proposed ^b	2023-2025
	Bukhara Region Road Network Improvement Project: M-37 Samarkand–Bukhara–Osh	KGZ, UZB	Proposed ^b	2021-2024
	Reconstruction of M-39 Road (Almaty–Bishkek–Tashkent–Termez)	KAZ, KGZ, UZB	Proposed ^b	2021-2022
	Improvement of road conditions from Caspian seaports to the main touristic areas	AZE, KAZ, TKM	Proposed	2023-2025
Improvement of tourism infrastructure, and support services and facilities for all year-round activities.	Improvement of existing and/or development of new tourism infrastructure in Jizzakh region, bordering with Tajikistan and Kazakhstan, including the Aydar-Arnasay lakes area.	UZB with possible links to TAJ and KAZ	Proposed	2021-2025
	Improvement of existing and/or development of new tourism infrastructure in mountain zones "Beldersay-Chimgan-Nanai" of Bostanlyk district in Tashkent region	UZB with possible links to KAZ and KGZ	Proposed	2021-2025
	Improvement of existing and/or development of new tourism facilities and infrastructure in Koytendag mountain area, bordering with Afghanistan and Turkmenistan	TKM with possible links to AFG and UZB	Proposed	2021-2025
	Improvement of sanitary facilities and toilets in key tourism attractions and rest areas along tourist routes.	MON	Proposed	2023-2025
	Construction of tourist centers along the Silk Road, particularly in strategic border locations (e.g. Panjakent area near Samarkand)	TAJ with possible links to UZB	Proposed	2023-2025
	Development of recreational areas near Kowata underground lake near Ashgabat	TKM	Proposed	2023-2025
Development of a CAREC tourism assets' inventory	Establishment of a common digital database containing information about all tourism assets in CAREC countries, which can be hosted in the CAREC tourism web portal.	All countries	Proposed	2021-2022

^a These initiatives will be implemented in coordination with the aviation pillar under the CAREC Transport Strategy 2030.

^b Proposed project under the CAREC Transport Strategy 2030.

^c Proposed project under the Rolling Strategic Action Plan 2019-2021 under the CAREC integrated Trade Agenda 2030.

STRATEGIC PILLAR 2: QUALITY AND STANDARDS				
Project / Activity	Description	Cluster Countries /	Status	Indicative implementation

				period
Development and implementation of common minimum quality standards	Development of a “Silk Road Quality Label” for tourism services (pilot project for demonstration)	AZE, GEO	Proposed	2022-2025
	Implementation of the star system in accommodation services	AZE, PAK	Proposed	2022-2024
	Development and implementation of common health and safety protocols under Almaty-Bishkek Economic Corridor	KAZ, KGZ	Proposed	2020-2021
Development of a registry of tourism businesses	Establishment of a system for registration of tourism business. The registry could be connected to the CAREC Tourism Portal.	Pilot project in at least two countries	Proposed	2023-2024
Capacity building and knowledge sharing on quality standards	Capacity building for tourism businesses, particularly SMEs and women-owned enterprises, on the implementation of quality standards and access to efficient promotional tools.	AZE, PAK	Proposed	2022-2024

STRATEGIC PILLAR 3: SKILLS DEVELOPMENT				
Project / Activity	Description	Cluster / Countries	Status	Indicative implementation period
Harmonization of tourism education and skills standards	Development of common curricula and qualifications for TVET and higher education levels to allow recognition of diplomas and professional certificates of tourism professionals across CAREC countries.	AZE, UZB, TKM	Proposed	2022-2024
Capacity building and intra-regional knowledge exchange	Trainings and capacity building programs for tourism professionals (both public and private sector), teachers and students on best practices in the development and management of tourism destinations.	All countries	Proposed	2021-2022
	Development of twinning programs between tourism education and training institutions within the region	AZE, UZB	Proposed	2022-2023
	Capacity building for both public and private sectors on the implementation and monitoring of health and safety measures and procedures	KAZ, KGZ	Proposed	2020-2021
	Improvement of local tour guides’ skills to effectively meet the needs and expectations of visitors from neighboring countries and other distant markets while preserving natural and cultural tourism assets.	All countries	Proposed	2022-2023
Online training and skills development	Development of an online tourism skills development program for CAREC countries, including tailor-made courses to address	AZE, KGZ, UZB	Proposed	2021-2023

	new and emerging tourism skills. Cooperation with the UNWTO Academy could be established for technical support and certification purposes.			
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STRATEGIC PILLAR 4: MARKETING AND BRANDING				
Project / Activity	Description	Cluster / Countries	Status	Indicative implementation period
Building and promoting a common umbrella brand “Visit Silk Road”	Development and operationalization of the CAREC tourism web portal as a regional tool for sharing and consolidation of tourism-related information, and generating business opportunities for the private sector in CAREC countries	All countries	Ongoing	2020-2021
	Development of the “Visit Silk Road” brand guidelines and strategy (positioning, guiding principles, logos, stationary, communication guidelines, etc.).	All countries	Proposed	2021-2022
	Organization of and/or participation in tourism events (e.g. joint exhibitions and events to promote the tangible and intangible cultural diversity and uniqueness of the region, Silk Road Rally, etc.), and support for B2B networking and information-sharing.	All countries	Proposed	2021-2023
	Development of partnerships with major digital tourism platforms to run all-year-round promotional campaigns for the entire region in selected target markets, in coordination with off-line promotional initiatives in such markets.	All countries	Proposed	2022-2024
Promotion of multi-country travel	Development of a Silk Road Pass to provide a more affordable option for visitors to undertake affordable multi-country trips within the region. ^a	AZE, MON, UZB	Proposed	2022-2023

^a This initiative will be implemented in coordination with the aviation pillar under the CAREC Transport Strategy 2030.

STRATEGIC PILLAR 5: MARKET INTELLIGENCE				
Project / Activity	Description	Cluster / Countries	Status	Indicative implementation period
Data collection, statistics and measuring impacts of tourism sector	Development and implementation of common methodologies (e.g. IRTS 2008) for data gathering and production of tourism statistics	All countries	Proposed	2021-2023
	Development and implementation of Tourism Satellite Accounts	AZE, TAJ,	Ongoing (TAJ)	2020-2022

	to measure and monitor the impact of tourism policies and strategies in the national economies.	UZB	/ Proposed (AZE, UZB)	
	Support establishment of UNWTO observatories in CAREC countries to measure and monitor the environmental and social impacts of tourism at the destination level.	AZE, GEO, MON	Proposed	2022-2024
Market research	Capacity building for tourism agencies on the development and implementation of regular surveys on customers' satisfaction and spending patterns per tourist segment.	Pilot project in at least two countries	Proposed	2022-2023
	Development of partnerships between public and private tourism stakeholders within the region for conducting joint research and analyses focused on customers' behavior, preferences, desired experiences, and needs.	AZE, UZB	Proposed	2021-2022

APPENDIX IV – RESULTS FRAMEWORK

Vision		Outcome indicators	Source
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		By 2030: <ul style="list-style-type: none"> Increased tourism's direct contribution to GDP (baseline 2019: \$26.7 billion) International visitor arrivals in the CAREC region increased (baseline 2019: 41.43 million) CAREC countries' Travel and Tourism Competitiveness Index increased (base 100 index in 2019: 3.66)⁵⁷ 	WTTC UNWTO, national tourism statistics WEF Travel and Tourism Competitiveness Reports
Strategic Pillars	Outputs	Output indicators	Source
Connectivity and Infrastructure	<ul style="list-style-type: none"> Improved multi-modal connectivity and efficiency in border crossing procedures 	<ul style="list-style-type: none"> WEF Global Competitiveness infrastructure sub-Index increased (base 100 index in 2019: 2.90) Air connections between CAREC countries increased and airfares reduced by X% (baseline 2019: tbd) Number of countries with e-visa systems increased (baseline 2019: tbd) 	WEF IATA, CAREC countries CAREC countries
Quality and Standards	<ul style="list-style-type: none"> Enhanced service quality and minimum common standards adopted 	<ul style="list-style-type: none"> Travel and Tourism Competitiveness index for Tourist Service Infrastructure increased (base 100 index in 2019: 3.66) Harmonized service standards, including safety and hygiene protocols, adopted in at least two CAREC countries (baseline 2019: 0) 	WEF CAREC countries
Skills development	<ul style="list-style-type: none"> Improved quality of tourism education and skills development programs and increased skilled workforce in the tourism sector in the region 	<ul style="list-style-type: none"> Travel and Tourism Competitiveness index for Human Resources and Labor Market increased (base 100 index in 2019: 4.59) Number of tourism professional certificates recognized in at least two CAREC countries increased (baseline 2019: 0) Number of TedQual certified programs with regional coverage (baseline 2019: tbd) 	WEF CAREC countries CAREC countries/ UNWTO
Marketing and branding	<ul style="list-style-type: none"> Improved image and positioning of the region as a global tourism destination 	<ul style="list-style-type: none"> Travel and Tourism Competitiveness index for effectiveness of marketing and branding to attract tourists increased (baseline 2019: 4.37) Increased number of visitors to the CAREC tourism web portal (baseline 2019: 0) Number of joint tourism marketing and promotion initiatives involving at least 2 CAREC countries (baseline 2019: 0) 	WEF CAREC Tourism Web Portal CAREC countries
Market	<ul style="list-style-type: none"> Strengthened and 	<ul style="list-style-type: none"> Increased number of CAREC countries with Tourism Satellite Accounts 	CAREC countries

⁵⁷ The base 100 index for the starting year (2019) results from the simple average of the score of each country.

intelligence	harmonized tourism data collection and analysis in CAREC countries	(baseline 2019: tbd) <ul style="list-style-type: none"> Partnerships between public and private institutions for conducting joint tourism research and analyses increased (baseline 2019: 0) 	CAREC countries
Cross-cutting issues	<ul style="list-style-type: none"> Improved digitalization, sustainability, and inclusiveness of the tourism industry in CAREC countries 	<ul style="list-style-type: none"> Travel and Tourism Competitiveness index for ICT readiness increased (base 100 index in 2019: 4.31) Travel and Tourism Competitiveness index for safety and security increased (base 100 index in 2019: 5.38) Travel and Tourism Competitiveness index for health and hygiene increased (base 100 index in 2019: 5.74) Travel and Tourism Competitiveness index for environmental sustainability increased (base 100 index in 2019: 3.84) Number of women employed in the tourism industry in CAREC countries increased (baseline: tbd)⁵⁸ 	<p>WEF</p> <p>WEF</p> <p>WEF</p> <p>CAREC countries</p> <p>CAREC countries</p>
Institutions and Governance	<ul style="list-style-type: none"> Institutional mechanism for implementing joint regional tourism initiatives in CAREC established 	<ul style="list-style-type: none"> Thematic and/or cluster-based technical expert groups between two or more CAREC countries established (baseline 2019: 0) 	CAREC Secretariat

⁵⁸ Data currently not available. Production of gender-disaggregated statistics will be part of the proposed initiatives on improvement of tourism data and statistics. Baseline for this indicator will be determined in coordination with CAREC countries at a later stage as the implementation of the strategy progresses.