



China, People's Republic of: Research on Qinghai's Integration into Belt and Road Tourism

Project Name	Research on Qinghai's Integration into Belt and Road Tourism	
Project Number	51390-001	
Country	China, People's Republic of	
Project Status	Proposed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA: Research on Qinghai's Interation to Belt and Road Tourism	
	Technical Assistance Special Fund	US\$ 400,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Industry and trade - Trade and services	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>The proposed knowledge and support technical assistance (TA) will assist Qinghai Province of the People's Republic of China (PRC) to formulate sustainable regional tourism strategies for the province to be integrated into the Belt and Road Initiative's economic opportunities that would be available within the PRC by capitalizing on the province's unique ecological and cultural assets. The PRC Government has requested the TA from the Asian Development Bank (ADB) as part of its effort to support the lesser-developed northwestern regions of the country to promote green and inclusive economic growth. The TA is included in ADB's country operations business plan for the PRC, 2018 2020.</p> <p>The Government of the PRC has requested the TA from the Asian Development Bank (ADB) as part of its effort to support the lesser-developed northwestern regions of the country to promote green and inclusive economic growth. Following a mission on 20 October 2018, ADB and the government reached an understanding on the TA objectives, scope, implementation arrangements, costs, and terms of reference for consultants. The TA is included in ADB's country operations business plan for the PRC, 2018 2020.</p>	

Project Rationale and Linkage to Country/Regional Strategy

The economic impact of travel and tourism is growing globally. The direct and indirect contribution of travel and tourism to the PRC's gross domestic product in 2017 was \$1,349.3 billion, or 11% of the total gross domestic product. This is forecasted to grow at 6.6% per year by 2028. It was also estimated that about 10.3% of the PRC employment was directly or indirectly supported by travel and tourism in 2017, and it is also forecasted to grow at 3.5% per year between 2018 and 2028. Well-targeted and managed tourism contributes to sustainable economic growth and job creation, and environmental protection and cultural preservation.

Qinghai is located on the Qinghai Tibet Plateau and is at the heart of the ancient Silk Road routes, together with other northwestern provinces and regions of Gansu, Ningxia, Shaanxi, and Xinjiang. Qinghai has a land area of about 720,000 square kilometers with an average altitude of over 3,000 meters. Qinghai is one of the least densely populated regions in the PRC with a population of approximately 6.0 million, of which 46.9% live in rural areas. About 47.7% of the population belong to more than 50 ethnic minorities, whose origins are often related to cultures outside of Qinghai. The eastern part of the province is on a highland with altitudes ranging from 1,800 to 2,700 meters, and about 65% of the Qinghai population is concentrated in the provincial capital Xining City and Haidong City. The rest of the population is dispersed in the remaining 97% of the land area administered by six autonomous prefectures. In the northwestern part of the province lies Qaidam Basin, a barren desert with salt lakes and rich oil, coal, and mineral resources. The southern part of the province includes high altitude grasslands with high mountain peaks of over 6,000 meters. Qinghai is home to rare and unique wildlife and significantly important wetland, grasslands, and forests. Three of Asia's major rivers namely the Yellow River, Yangtze River, and Mekong River originate from Qinghai.

In terms of development, Qinghai lags behind the east coast regions of the PRC, and there is large income inequality between urban and rural populations within the province. Among the major industries such as manufacturing, tourism is a potential growing sector in Qinghai. Because of its unique geographic location and rich culture and history, Qinghai has diverse natural and cultural assets. Qinghai has identified tourism as the key strategic industry to be promoted because ecological protection is the province's priority. Tourism also provides opportunities for local rural villages to highlight distinctive cultures. However, tourism development in Qinghai is not mature and not producing quality value additions despite the investments. The following aspects are identified to be weak in the Qinghai tourism sector: value addition and quality tourism products, regional cooperation, skilled human resources in tourism, enabling business environment for private tourism companies, institutional mechanism, tourism promotion, and balance between the supply of tourism product and services and increasing demand of tourists.

Challenges in tourism development in Qinghai are (i) tourism destinations within the province is geographically scattered which makes it difficult for tourists to visit multiple locations, and also for scattered tourism spots, cities, and villages to form tourism clusters to enjoy economies of scale; (ii) the industrial chain among tourism and associated industries and facilities is not strongly formed, and mutual effects or benefits between tourism industries are not fully utilized; (iii) Qinghai lacks strong pull factors for tourists despite its unique ecological and cultural characteristics and resources; (iv) institutional setting with the provinces and regions outside of Qinghai to implement tourism plans is weak, making it difficult for Qinghai or areas along the Silk Road to have regional or inter-provincial implementation of tourism projects; and (v) promotion of sustainable tourism through protection of ecology and preservation of local culture and character, and rural vitalization is becoming the priority. The Belt and Road Initiative launched in 2015 calls for a joint effort of the PRC regions to create competitive tourist routes and products with Silk Road features. Since 2016, Qinghai Government has issued policies, directions, and opinions on accelerating holistic and strategic tourism development, rural village tourism, poverty alleviation through tourism, and regional cooperation in tourism. The PRC government has launched in 2018 the Strategic Plan for Rural Vitalization, 2018-2022; and Action Plan for Promoting Quality Improvement of Rural Tourism Development, 2018-2022 that emphasizes the importance of protecting and promoting local and rural culture and ecological characteristics in tourism development. Therefore, it becomes absolutely essential for Qinghai to formulate practical policy recommendations to implement sustainable tourism for Qinghai and also for the northwestern provinces and regions in the PRC to coordinate for regional cooperation and integration in tourism development.

Impact	Competitive tourist routes and products with Silk Road features promoted Holistic tourism supporting local feature and ecological protection promoted
Outcome	Outcome Sustainable, inclusive, and regionally integrated tourism policies promoted
Outputs	Integrated institutional mechanism for regional tourism development proposed Sustainable, competitive, and practical regional tourism development strategy for Qinghai proposed Tourism-related action plans with investment priority list drafted
Geographical Location	Qinghai

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services The Asian Development Bank (ADB) will engage a total of 28.0 person-months of consulting services (4.0 person-months of international, and 24.0 person-months of national). An individual consultant (4.0 person-months of international) will be recruited using individual selection. A consulting firm consists of six specialists (24.0 person-months of national) will be recruited using consultants' qualification selection method due to a highly specialized assignment requiring familiarity with Qinghai's ecological and cultural features and situation of tourism industries. ADB will engage the consultants and carry out procurement following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.

Responsible ADB Officer	Maruyama, Hinako
Responsible ADB Department	East Asia Department
Responsible ADB Division	Urban and Social Sectors Division, EARD
Executing Agencies	<i>Qinghai Provincial Finance Department 30 Huanghe Road, Xining, Qinghai</i>

Timetable

Concept Clearance	16 Nov 2018
Fact Finding	20 Oct 2018 to 20 Oct 2018
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	26 Nov 2018

Project Page	https://www.adb.org/projects/51390-001/main
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