



Regional: Sustainable Tourism Development in the Central Asia Regional Economic Cooperation Region

Project Name	Sustainable Tourism Development in the Central Asia Regional Economic Cooperation Region	
Project Number	53148-001	
Country	RegionalAfghanistanAzerbaijanGeorgiaKazakhstanKyrgyz RepublicMongoliaPakistanChina, People's Republic ofTajikistanTurkmenistanUzbekistan	
Project Status	Proposed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA: Sustainable Tourism Development in the Central Asia Regional Economic Cooperation Region	
	Technical Assistance Special Fund	US\$ 500,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Industry and trade - Industry and trade sector development - Small and medium enterprise development - Trade and services Information and communication technology - ICT strategy and policy, and capacity development Transport - Air transport - Rail transport (non-urban) - Road transport (non-urban) - Urban public transport Water and other urban infrastructure and services - Other urban services - Renovation and protection of cultural heritage	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The proposed regional knowledge and support technical assistance (TA) will support the development of a comprehensive framework to promote tourism development and cooperation in the Central Asia Regional Economic Cooperation (CAREC) region, including through the formulation of a CAREC tourism strategy leading to 2030 and an integrated investment action plan with concrete projects to be implemented over the strategy period. The TA will also seek to enhance the capacity of tourism agencies and promote dialogue between public and private tourism stakeholders in the region.</p> <p>The proposed TA supports the implementation of CAREC 2030 strategy, as tourism is one of its operational priorities under cluster 2 (trade, tourism and economic corridor development). It builds on and continues the work completed under TA 9156-REG and TA 9556-REG, which have supported the development of a scoping study on _Promoting Regional Tourism Cooperation under CAREC 2030_ and the conduct of the first regional tourism workshop under the CAREC Program in 2018. The proposed TA aligns well with ADB Strategy 2030 (operational priority 7: fostering regional cooperation and integration) as well as with the Operational Plan for Regional Cooperation and Integration (RCI) 2016-2020. Tourism development is also included in CAREC countries' national strategies as a means for achieving sustainable and inclusive economic growth.</p>	

Project Rationale and Linkage to Country/Regional Strategy

Since its inception in 2001, the CAREC Program has been a strong supporter of regional connectivity and economic corridor development. As of December 2018, the CAREC Program has financed 193 regional projects worth \$33.7 billion in the areas of transport, energy, and trade. As CAREC countries become more interconnected, they also need to work together to maximize the economic opportunities resulting from greater transport connectivity. The essence of tourism is to create and deepen socioeconomic and cultural ties across countries, improve connectivity, and foster better dialogue by bringing people and nations closer together. Thus, tourism development can be instrumental in promoting economic diversification and job creation, and can help improve the economic viability of undertaking regional connectivity and economic corridors investments.

Over the past decade, tourism has experienced continued growth and has become a major generator of jobs and a key driver of inclusive and sustainable socioeconomic development worldwide. In 2018, the tourism sector accounted for 10.4% of the world's GDP and supported 319 million jobs, which is one in ten jobs globally. International tourist arrivals reached 1.4 billion in 2018, a 6% increase compared to 2017. Asia and the Pacific was the second most visited region after Europe, with 343 million international arrivals. Many CAREC countries, however, are lagging behind other Asian economies when it comes to tourism development. In 2018, the aggregate volume of tourist arrivals amounted to almost 20 million and the tourism sector supported 6.3 million jobs in the CAREC region (excluding Afghanistan, the People's Republic of China [PRC] and Turkmenistan). Taken in a global context, however, these figures represent less than 2% of global tourist arrivals and total employment in the tourism sector. The CAREC countries possess both individually and collectively a vast range of natural and cultural resources to attract many segments of the international and domestic tourism market. However, to date, several factors hinder the development of the tourism sector in the region. These factors include the following:

- (i) access to CAREC countries is complex and time consuming due to limited air and land connectivity and cumbersome border control arrangements (visa requirements and cost, passport control systems, and time for clearance);
- (ii) tourism infrastructure and services are of inconsistent quality and not in accordance with international standards. Intercity and public transport services are not regular, reliable and inclusive, visitor information centers and effective signage on tourist routes are lacking, and there is limited access to basic utility services (e.g. water supply and sanitation, waste management, heating/cooling, etc.), particularly in rural areas. In many CAREC countries, the regulatory framework for attracting tourism investments is also challenging; and
- (iii) tourism planning, management and promotion is not effective due to the lack of coordination and dialogue between government agencies and private sector operators at both national and regional levels, the shortage of qualified tourism planning officials and managers, and the low capacity of tourism agencies to collect and analyze data and undertake market research. The involvement of local communities in tourism planning and development is currently low, which puts the preservation of the region's cultural and environmental heritage at risk. Insufficient knowledge of the CAREC region's tourist assets among international consumers hampers efforts in regional tourism promotion and branding.

These existing barriers result in low intraregional tourism flows and a weak image of the CAREC region as a competitive tourism destination in the international markets. Opportunities exist to overcome these shortcomings through collaboration among CAREC countries. The scoping study on Promoting Regional Tourism Cooperation under CAREC 2030 conducted in 2018 identified the following potential areas for collaborative actions in the tourism sector going forward: (i) simplification of visa and entry procedures, infrastructure development on cross-border routes, and improvement of air transport connectivity; (ii) development of common standards and certification schemes for tourist facilities; (iii) development of tourism education and training courses with common curricula and qualifications; (iv) joint marketing and promotion activities under the Silk Road umbrella in collaboration with the United Nations World Tourism Organization (UNWTO) Silk Road Programme; and (v) promotion of regulatory reforms and creation of an enabling environment for tourism investments.

The findings of the scoping study were discussed at the first CAREC regional tourism consultation workshop, which was organized in Tashkent, Uzbekistan on 23-24 October 2018. During the workshop, tourism officials and private sector representatives from the eleven CAREC countries emphasized the importance of establishing and maintaining a regular dialogue to advance tourism cooperation under CAREC and identified key activities to be supported through a technical assistance grant going forward. These include (i) preparation of a pipeline of investment projects for promoting sustainable tourism development in the region, (ii) development of standardized skills and training levels to ensure high quality and consistent service provision across the region, and (iii) standardization of tourism statistics. Other potential activities include developing a virtual portal for consolidating and disseminating tourism-related information; and enhancing public private coordination and collaboration.

Impact	Sustainable and more inclusive tourism development in the CAREC region
Outcome	Increased cooperation among CAREC countries to position the region as a globally attractive tourism destination
Outputs	CAREC tourism sector strategy 2030 developed Regional investment framework (2021- 2025) prepared Institutional capacity of tourism authorities and exchange of information enhanced
Geographical Location	Afghanistan - Nation-wide; Azerbaijan - Nation-wide; China - Nation-wide; Georgia - Nation-wide; Kazakhstan - Nation-wide; Kyrgyz Republic - Nation-wide; Mongolia - Nation-wide; Pakistan - Nation-wide; Tajikistan - Nation-wide; Turkmenistan - Nation-wide; Uzbekistan - Nation-wide

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 A consulting firm will be recruited using the fixed budget selection method for the formulation of the CAREC tourism strategy 2030, the preparation of the regional investment framework (2021-2025) and the development of a CAREC tourism portal. In addition, ADB will engage up to 6 person-months of international and up to 10 person-months of national consultants for capacity building and training events, and outreach activities. ADB will monitor and evaluate the TA based on the implementation of activities and satisfactory delivery of outputs following the agreed timeline and budget.

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Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Regional Cooperation and Operations Coordination Div, CWRD
Executing Agencies	ADB POHQ Regional

Timetable

Concept Clearance	27 May 2019
Fact Finding	22 Oct 2018 to 26 Oct 2018
MRM	-
Approval	-
Last Review Mission	-
Last PDS Update	30 May 2019

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