

Projet 2

Tourism development Gorno Badalchstan Tajikistan

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PAMIR – ALAY

Assistance to the development of the

Mountains Regions Gorno Badakhshan (GBO), Tajikistan

And Osh, Kirgistan



Tourism Development in Gorno Badakhshan (GBO)

Project Description

Tourism Development in Gorno Badakhshan (GBAO)

Program 2005 – 2007

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1. Summary

The Tourism Development Program was identified and started by Inter-Assist, Swiss Foundation for International Assistance. It is part of a program including also the improvement of the rescue capabilities. Its positioning was determined in collaboration with the local stakeholders, Oblast Government and with international projects in the region in order to create as much synergies as possible.

The Tourism Development Program has already launched a regional service providers association, "Pamirs Tourism Association" PTA, which was founded in May 2004, registered on June, 1st, 2004 and is operational since August 2004. Its task is to organize the tourism industry in the region (hosts' network, tour operator, welcoming, guiding, transport, ...) as well as to develop the markets, mainly abroad, in cooperation with international Tour Operators. Tourism is one of the very few possibilities to generate incomes in this very poor, but extraordinary beautiful and fascinating region.

As tourism is only beginning to be developed in GBAO and Tajikistan as a whole, a close cooperation is intended with neighboring Kyrgyzstan, where Swiss funded projects, such as Community Based Tourism, and especially the just started "Destination Management Organization" Project offer very good opportunities of knowledge transfer and cooperation. The implementing Agency of that project and Inter-Assist Khorog have established close contacts and intend to work together.

With the encouraging results in phase I, we intend to continue the program in phase II over a three year period from January 2005 to December 2007.

2. Background

2.1 Project rationale

Gorno Badakhshan (GBAO) is a high plateau situated in the eastern part of Tajikistan. The remote area is very poor and dependant on food aid. This situation is not sustainable and as food cannot be produced sufficiently, the population faces only two choices: either emigration, or creation of added value on the spot, which basically means developing export industry.

This can mainly be done by exploiting the mines, producing electricity and developing the services. One of the only service industry which can be developed on the basis of local resources is tourism, according to the principles of sustainable development. It will be a way to valorize and conserve the stupendous landscapes, the numerous hot springs, historical sites as well as creating opportunities of entering in contact with the extremely nice, educated and hospitable local population. Moreover it will contribute to the opening of the Badakhshani population to the rest of the world.

After a thorough identification phase in 2002 the project was started in 2003 and has made good progress:

- Networking with all main Swiss and international actors active in the region, the country and the Kyrgyz Republic.
- Organization of a project office in Khorog in May 2003.
- Registering of an Inter-Assist branch in Khorog in October 2003
- First ever workshop on tourism with representatives of all stakeholders in GBAO, in August 2003.
- Organization of three pilot trips of Swiss tourists (6, 8 and 7) in cooperation with two Swiss and two Tajik Tour Operators. 2003/2004
- Founding and registering of a local Association of Service Providers called "Pamirs Tourism Association" PTA in May/June 2004, which is operational since August 2004.

All these activities raised expectations as well as trust that something can be done together to develop the tourism business and improve the life of the local population.

Assistance to tourism development in Gorno-Badakhshan can be justified as follows :

- Use one of the few opportunities of economic development in the region by implementing fair business rules and processes in a philosophy of sustainable development . International tourism can play an important role as a key industry of GBAO and hard currency earner. As tourism is a network industry, it is very important to organize the stakeholders of the branch to design and promote the tourism products on the international markets. A cooperation can be organized with neighboring Kyrgyzstan which offers the easiest access to GBAO, and synergies can be found with its Destination Marketing Organization which is supported by SECO. Promising contacts have also been initiated with Kyrgyz Tour Operators.
- Contribute to poverty alleviation by organizing income generation in the poorest regions of GBAO, which happen to be the most interesting for tourism.
- Respond to the wishes of the population and authorities, as well as other Tajik and international tourism stakeholders and international projects such as MSDSP (Aga Khan Foundation), Pamir High Mountain Project (ACTED) etc.
- Continue the work which has been done till now by the Swiss government in the region, and especially the Pamir Strategy Project (CDE University of Bern).

2.2 Priorities

- **Institution building** by the creation of “Pamirs Tourism Association” for which a lot of aspects had to be cleared. Now that the Association is registered and operational, it will need help to become an efficient organization and to be linked to the tourism value added chain in Tajikistan, Central Asia and abroad. Democratic management processes and a cooperation between private and public sectors have to be installed.
- **Capacity building** is needed not only in the organization of the tourism product locally (hospitality, attractions, quality), but also in the field of market economy in general with a concentration on Destination Marketing. This will need training in workshops as well as training on the job. Synergies can easily be found with other Swiss funded projects such as Pamir High Mountain Integrated Project in Murgab district as well as with other Destination Marketing Organization and Community Based Tourism Projects in West Tajikistan and Kyrgyzstan.
- **Access to Swiss and World markets** which means creating business relationships with Tajik and Swiss Tour Operators who are going to promote and sell tours to Swiss tourists. Obviously, as Gorno Badakhshan can only offer niche tourism, the network of partner Tour Operators will have to be extended further in Europe and other continents. On the other side, in order to get a critical mass, alliances will have to be concretized with other neighboring destinations, in a first step with Kyrgyzstan, in order to execute Destination Management.

3. Objectives

The development objective is taken from "The Swiss Regional Mid - Term Program Central Asia 2002 – 2006" from the Swiss Government, under domain: "Development of the private sector”:

To create employment and income based on a more favorable business environment and improved key capacities within Micro, Small and Medium Enterprises (MSME).

It is completed by the general development objective shared by Inter-Assist which reads :

To contribute to the process of democratization and the development of a civil society in the oblast of Gorno Badakhshan (Tajikistan) through Institution Building and Training.

The specific objectives of the Inter-Assist program are:

To organize the tourism value added chain in a sustainable way.

With the strong local infrastructure of Inter-Assist in Khorog, these objectives may still evolve in the sense of broadening the program for example in the rescue and in the energy sector at village level. Both are complementary to tourism development.

4. Principles

The project shall be established according to the following approaches and principles. The project

- is planned and implemented participatory. Ownership of the local stakeholders is an integral part of any phase;
- has a multi stakeholder approach. Hence, stakeholders must not be excluded due to their financial purchasing power;
- aims at financial, economic and ecological sustainability;
- is politically and religiously neutral and requires tolerance concerning political, cultural, and religious differences.

Institutional and financial sustainability are of key importance to make the project successful. Donors financial and technical assistance must be considered as a temporary help to launch the tourism development and some principles must be applied from the beginning of the project's implementation in order to avoid surprises when the donor will stop its help :

- Transparency;
- Separation between the local Pamirs Tourism Association structure and the Inter-Assist project implementation structure, the latter having the right to control the operations as long as the project will last;
- Respect of the roles of the State
- Respect of the roles of the private tourism industry to be built;
- Private – public partnership between State and private tourism industry;
- Sound financing principles with contributions from the State and the private industry in order to reach institutional and financial sustainability;
- Targeted donor's help avoiding creation of dependencies.

5. Beneficiaries

Beneficiaries of the project are the actual and future stakeholders of the tourism industry:

- Private tourism service providers in priority.
- State bodies.
- Other tourism stakeholders such as public – private partnership institutions (social partnerships), NGOs as well as other complementary institutions and international projects.

The development of the tourism industry will also help indirect services providers such as food and beverage providers etc.

6. Expected results

More than only being locally organized, every tourism destination (be it an actual or potential one) depends on marketing (on the large sense) to develop its offer, secure its quality, create distribution channels for its products and to generate demand. Access to international markets and strengthening the key stakeholders inside the destination play a crucial role.

An integrated approach is needed by developing and implementing a sustainable destination marketing strategy, joining forces between the hospitality industry, tour operators and government bodies at all levels.

“Pamirs Tourism Association” (PTA) was created in GBAO to give an institutional framework for all the single stakeholders and foster development of demand oriented quality services, modern marketing management and its understanding through appropriate training according the principle of sustainable development.

The project wants to reach the following **Expected Results**:

- 1. Incomes from tourism activities have increased in the region and are distributed in a fair way.**
Incomes are generated mainly through organizing of trips in cooperation with European Tour Operators chosen in regard of their ethics, knowledge of Central Asia and practice of fair and sustainable tourism. Money flows are strictly controlled to be sure that incomes are well distributed and reach the right people. Tours are organized in such a way that non renewable local resources use such as energy is limited to a minimum and totally avoided as far as possible.
- 2. Quality of services and thus competitiveness of tourism actors has improved in the region.**
A hosts' network is being created and quality criteria were designed and are being implemented in all places visited by tourists coming through Pamirs Tourism. The quality criteria include environmental aspects.
A database of all interesting spots to visit including cultural, ethnological, geographical, historical and natural data is being created and used for guides' training.
- 3. A self sustainable Service Providers Association in Khorog (PTA) leads the tourism development in the GBAO and the promotion of tourism in their own country and abroad.**
As non profit organization, Pamirs Tourism uses the profit generated by its tour operating activities to promote the Gorno Badakhshan Province, as there is no money to expect from the public sector. Service providers from the villages are members of the association which gives them the opportunity to decide its development according to their mentality and culture, and also to learn on the job.
- 4. Necessary frame conditions have been granted for the project to succeed.**
Coaches and experts help Pamirs Tourism on demand in order to reach its goals (institution building, project management, training) and initiate business relations with Tour Operators abroad.

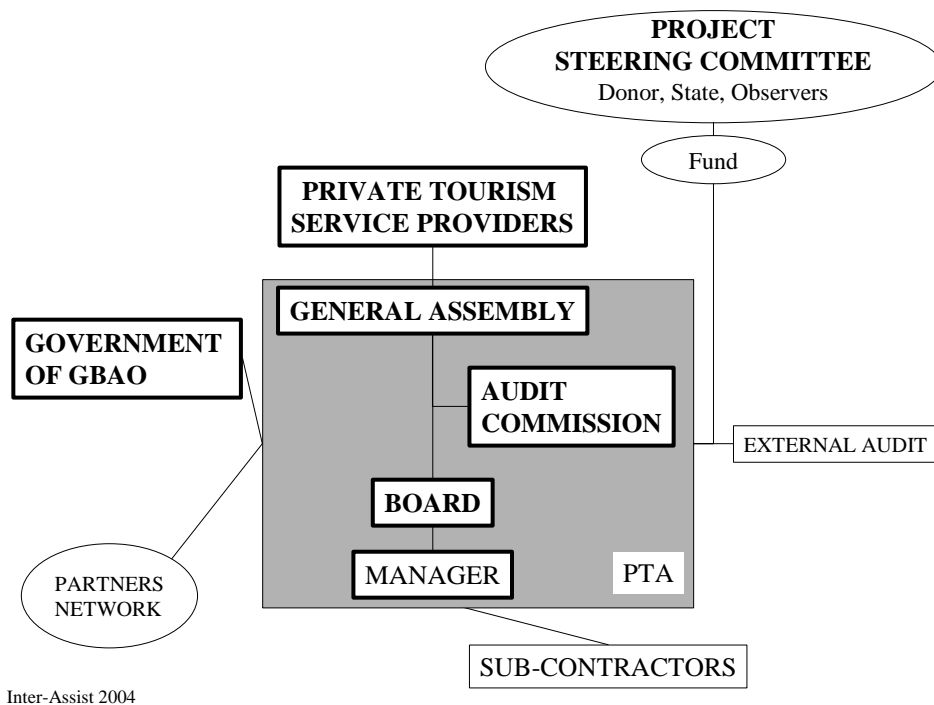
7. Organization

A local association of service providers excluding Tour Operators was created by an Initiative Committee, in order to set-up and operate the future gateway for tourists and co-ordinate the organizational and promotional efforts along the value-added chain. “**Pamirs Tourism Association**” (PTA), is registered in Khorog. Its office is working as a local Tourism Information Center.

An international partners' network is being set-up in order to organize the full tourism value-added chain (see Annex 1). It will also include local Tour Operators.

In parallel to the described local structure, a Steering Committee of influential people will be created by Inter-Assist in order to co-ordinate the project's implementation, assure appropriate coaching and co-

finance, through a fund, the projects presented by PTA. The fund will concretely be a bank account managed by Inter-Assist. The Steering Committee will be composed of representatives of the Donor, Government and Observers invited to assure the coherence of the project's actions and its good integration in the local environment.



The Partners Network is composed of the people, institutions and enterprises who contribute to the Value Added Chain.

The Implementing Agency and its role

The project is implemented by Inter-Assist, Swiss Foundation for International Assistance. The primary role of the implementing agency is to assist the tourism stakeholders, as process facilitator, in establishing and operating Pamirs Tourism Association and including it as an important Tajik player in the national and international Tourism Value Added Chain.

Coaching and training is provided in the following areas :

- **Institution building** (PTA's organization, management processes, marketing, etc.)
- **Training** stakeholders in the ways to implement destination management according to international standards of the tourism sector
- **Training** service providers to develop products and introduce minimal quality assurance
- Introduce **financing mechanisms** which aim at the financial sustainability of the DMO
- Facilitate **networking** with international and national partners such as Destination Marketing Organizations i.e. Kyrgyz Tourism, Tour Operators, etc.
- **Lobbying** for improving the frame conditions for tourism development in Tajikistan

The assistance by the implementing agency will be provided using in priority competencies in Tajikistan and neighboring countries. There is no permanent expatriate in Khorog. Foreign expertise is provided as needed. The project team is led by a local project manager assisted as far as possible by local consultants. As tourism knowledge is further developed in Kyrgyzstan, Kyrgyz experts and service providers can also be mandated.

The local team is coached and monitored by the Inter-Assist Pamir Program Team in Switzerland.

8. Implementation steps

The following implementation steps are planned:

- Organizing guided tours with different Tour Operators in Tajikistan and abroad. These trips will be organized by Pamirs Tourism Association and with local agents under close coaching of the Inter-Assist branch office in Khorog, in order to keep the project's philosophy and master the money flows.
- Creation of a Steering Committee (see previous chapter).
- Organization of the Pamirs Tourism Association (institution building, finance planning, project management, tourism business), training of its leaders and staff, and ongoing autonomisation according to its capabilities.
- Training and organization of the Service Providers on the spot.
- Supporting small infrastructure development in one or more pilot territories to be determined according to the tourism demand, as a kick off for further development (signalization, bathrooms, lodging, ...)
- The leading role of Inter-Assist will decrease in time and be then taken over step by step by the Association till it will be totally autonomous.

9. Risks and External Factors

Internal Factor of Risk concerning PTA:

- The project fails to build an institutionally and financially sustainable Service Providers' Association.

External Factors needed for reaching Expected Results

- Possibility for foreign experts to work in the Oblast.
- Comprehension and help from the local, oblast and national authorities.

External Factors needed for reaching Project Objective:

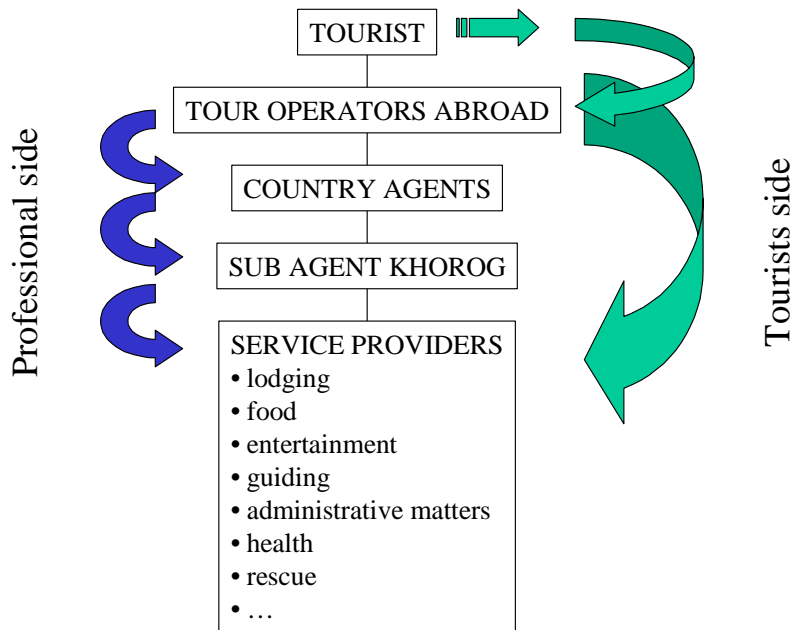
- Entrance of persons into the countries and oblasts as well as checkpoints formalities have been facilitated and became cheaper (visas, permits, registration).
- Foreign Tour Operators and Agencies sell the destinations and products promoted by the project.
- The local tourism operators are not overloaded by taxes and administrative hassles.
- National tourism organizations support the efforts of the local organizations and private enterprises.

External Factors needed for reaching development objective:

- Global economic conditions are in favor of tourism demand.
- Stable situation reigns in the country or in Central Asia.

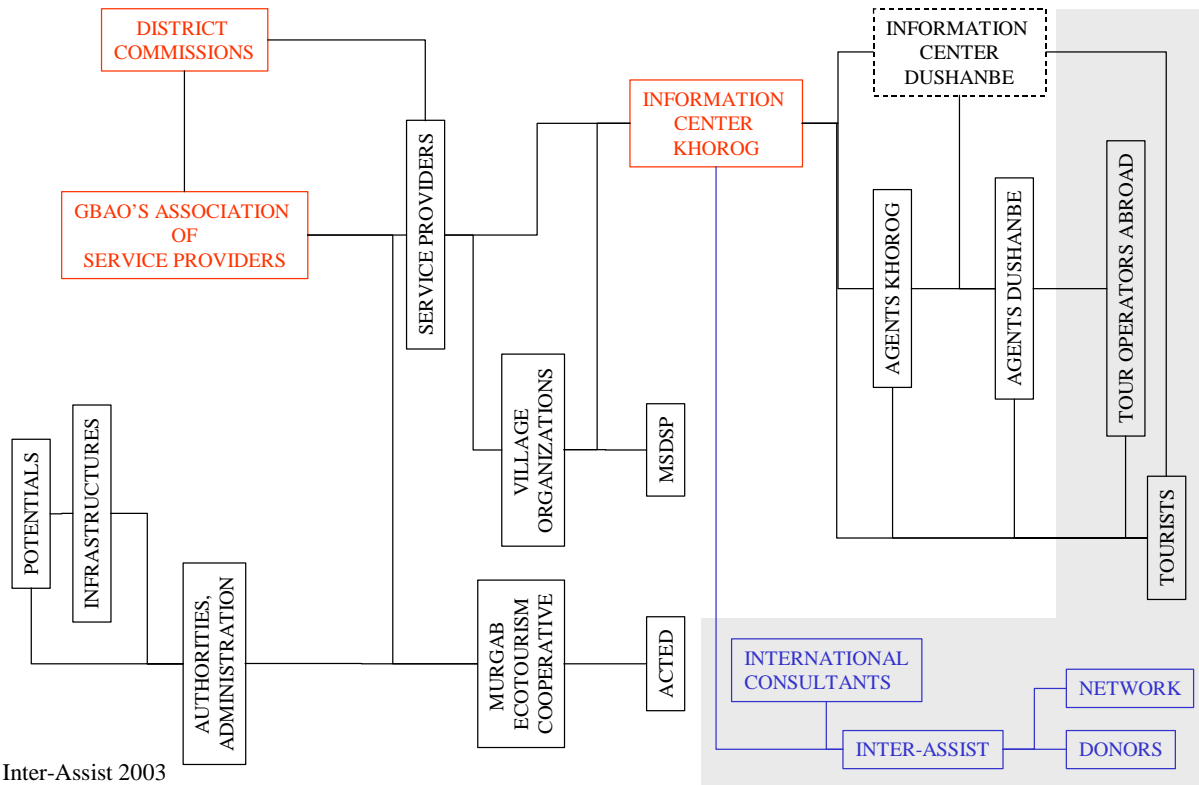
Annex 1 : Basic and proposed detailed Value Added Chains

Basic Tourism added Value Chain



Inter-Assist 2003

Proposed Detailed Value Added Chain



Inter-Assist 2003

Annex 2 : SWOT and USP of Gorno Badakhshan in the field of tourism

This SWOT analysis was made in cooperation with the tourists who made the first Pilot Trip as well as the two Tour Operators, Globetrotter and Horizons Nouveaux whom we work with to offer new tourism products in GBAO.

Strengths : Strategic success position; build on it!	Opportunities : Adapt to improve competitiveness
<ul style="list-style-type: none"> • Unique, very special destination • Natural environment : authentic mountain scenery and five passes over 4000 meters, fauna and flora, hot springs • Hospitable, authentic people in general • Nomadic tradition in the north (Kyrgyz) and pamiri culture (Ismaelis) in the south (real and authentic) • Boarder to Afghanistan • Dry and sunny, reliable climate • Quiet at the moment 	<ul style="list-style-type: none"> • A fascinating white spot on the world's map • Start from scratch and allows to build a modern and sustainable tourism economy • Cooperation with the Destination Marketing Organization and the tour operators in the neighboring Kyrgyz Republic (contacts exist). It would be great if Tajikistan, Uzbekistan and Kyrgyzstan would form some sort of touristic-union (only ONE Visa, easy border crossing, etc.). • Cooperation with many ONG already active in the field of development, i.e. Institutions of the Aga Khan Foundation (MSDSP, AKDN), Pamir High Mountain Project (ACTED) sponsored by SDC, etc. • Pamirs Tourism Association created, registered and operational • Silk Road tourism, new road to China opened in June 2004 • Off roads tourism • Immense possibilities for diverse touristy activities : hiking, trekking, mountaineering, image hunting, hot springs, river rafting, , adventure tours, 4x4, maybe even skiing in the future or just plain tours through the beautiful and ever changing landscape • Motivated people who desire to learn languages, management and service skills • Building a network of homesteads • Investment (foreign and domestic) • Raising number of individual tourists • Organizing charter flights Dushanbe – Khorog • Turkish airlines may soon land in Dushanbe
Weaknesses : Potential threats easy to resist / eliminate	Threats : Potential threats hard to resist/ eliminate
<ul style="list-style-type: none"> • Accessibility : remoteness and poor flight connections to Dushambe and Khorog • Partially missing infrastructures, roads quality • Telecommunications • Damaged image through negative headlines • Lack of integrated tourism plan • Few people have capabilities in the fields of management and tourism • Lack of tourism products and promotion • No cooperation between Kyrgyz Republic and GBAO in the field of tourism • Visa regulations and prices 	<ul style="list-style-type: none"> • Sensitive environment • Lack of built cultural assets • Competition in international tourism • Global tourism demand • Border tensions • Different perceptions between governments of Dushanbe and GBAO • War or civil unrest, terrorist attacks or any kind of negative headlines (as with almost any other central Asian country)

Unique selling proposition

The USP isn't yet fully defined, but some first ideas were gathered by different partners :

- Off Road Motorist in a moon landscape, you go, where nearly nobody has been, stay with locals a day in and around a Pamiri House or in a Kyrgyz Yurt, see the Afghan border over more than 300 km, trek in wonderful landscapes together with the donkey man and the donkey, or yak, or camel ...
- « Les montagnes au pied du soleil » : une des régions les plus isolées du monde ; les montagnes du Pamir, qui signifie en dialecte local "toit du monde" ou, selon certains, "au pied du soleil". Vous voyagerez ici dans les traces des plus grands explorateurs de l'histoire: Alexandre-le-Grand, Marco Polo et plus récemment Sir Francis Younghusband. (Horizons Nouveaux, Tour Operator, Verbier , www.horizonsnouveaux.com)
- Spectacular and unspoiled landscapes, friendly people, lots of touristy potential (Globetrotter, Berne, www.globetrotter.ch)
- Landscape changes every five minutes, every river has a different color (Yves Lecoultré, pilot tourist summer 2004)

Annex 3 : Indicators

The following table shows the objectives, expected results and indicators for the whole project :

<u>DEVELOPMENT OBJECTIVE / VISION</u>	<u>INDICATORS</u>
<p>To create employment and income based on a more favourable business environment and improved key capacities within Micro, Small and Medium Enterprises (MSME). ("The Swiss Regional Mid - Term Program Central Asia 2002 – 2006" from seco and SDC, under domain: "Development of the private sector") and To contribute to the process of democratization and the development of a civil society in the oblast of Gorno Badakhshan (Tajikistan) through Institution Building and Training. (Inter-Assist)</p>	<ul style="list-style-type: none"> - Administration work needed to get to and travel in the oblast has decreased (visas, registrations, ...) - Number of foreign tourists coming to the oblasts have increased - Private organizations created with the help of the project can survive without external help
<u>IMMEDIATE OBJECTIVE / MISSION</u>	<u>INDICATORS</u>
To organize the tourism value added chain in a sustainable way.	<ul style="list-style-type: none"> - Offers of tourism in the oblast
1. Incomes from tourism activities have increased in the region and are distributed in a fair way	<ul style="list-style-type: none"> - Explicit value added chain and money flows which are consolidated in contracts with different partners - Number of brochures of Tour Operators abroad and in Tajikistan which present the product - Number of tourists brought into the region by the system and number of nights spent (local, foreigners) - Number of persons having received incomes from the system's tourism activity
2. Quality of services and thus competitiveness of tourism actors has improved in the region	<ul style="list-style-type: none"> - Number of lodging places homologated - Number of tourism products homologated - Number of training certificates distributed
3. A self sustainable Service Providers Association in Khorog (Tajikistan) leads the tourism development in the concerned oblast and the promotion of tourism in their own country and abroad	<ul style="list-style-type: none"> - Percent of self financing of the association - A marketing strategy exists and is implemented - An Information Center exists in Khorog
4. Necessary frame conditions have been granted for the project to succeed	<ul style="list-style-type: none"> - Steering Committee to coach the project - Decreasing need of external assistance to the chief of Pamirs Tourism Association in Khorog to execute his mission properly and efficiently - Number and type of successful interventions to improve the frame conditions for the program and its target groups