The 8th UNWTO International Meeting on Silk Road Tourism

Tourism Growth through Transnational Cooperation: Best-practices from the Silk Road and Beyond

Examples from World Bank Support

October 10, 2018  Thessaloniki, Greece

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Global Coordinator for Cultural Heritage & Sustainable Tourism
The World Bank Group
- **WBG’s Evolving Approach to Tourism**

- **World Bank’s Support to Sustainable Tourism Along the Silk Road With UNESCO and UNWTO**

- **World Bank Offer to Achieve the Twin Goals**

- **Case Studies**
  
  I. **South Caucasus: Georgia, Armenia and Azerbaijan**
  
  II. **Europe and Central Asia Region**
  
  III. **China**

- **WBG Case Study Support on Focus: Georgia**
WBG’s Evolving Approach to Tourism

- **1947**: First loan: Europe post-war reconstruction of infrastructure and city landmarks
  - France

- **1970s**: Large-scale enclave resort infrastructure developments
  - Egypt
  - Dominican Republic

- **1990s**: Social inclusion and cultural identity associated with infrastructure and service delivery
  - Bosnia
  - Georgia
  - Honduras
  - Peru

- **2000s**: Multi-sector approach, sustainability focus integrated with cultural heritage
  - Georgia
  - Georgia

- **Today**: Integrated programmatic approach by WBG (IBRD/IDA, IFC, MIGA)
  - India
  - Georgia
World Bank’s Support to Sustainable Tourism Along the Silk Road

**Promote shared prosperity**
Foster income growth of the bottom 40 percent of the population in every country

**End extreme poverty**
Reduce percentage of people living with less than $1.25 a day to no more than 3 percent globally by 2030

**COMPETITIVE & SUSTAINABLE CITIES**

**INCLUSIVE CITIES**
Tourism is a powerful force in fighting poverty in countries along the Silk Road

Employment, foreign exchange, tax revenues and income generation, MSME development, infrastructure and service improvement, capacity development, empowerment of marginalized groups
WBG Business Model Aligned with SDGs and New Urban Agenda 2030

We are committed to assist countries design operations that benefit both local communities and tourists

BENEFITS TO LOCAL COMMUNITIES

BENEFITS TO TOURISTS

SUSTAINABLE Cultural and natural heritage conservation and management

INCLUSIVE Priorities of local communities and their identity

RESILIENT Part of a broader strategy of economic diversification

COMPETITIVE Efficient and safe business operating environment
The World Bank has 146 projects focusing on tourism representing approximately $2.5bn in lending and technical assistance in 6 priority regions.

WB supports urban and rural tourism development, cultural and natural heritage conservation, urban regeneration of heritage towns and villages, infrastructure and services, policy advice and legal & regulatory reforms.

We collaborate with UNWTO and UNESCO as thought leaders to achieve the 2030 urban agenda and SDGs in countries along the Silk Road.
With the private sector, IFC has 55 projects and investment of US$2.1 bn in more than 272 hotels in 88 different countries, bringing very significant impact on economic growth and job creation.

IFC also has invested US$500 million in tourism related transport infrastructure, including airlines, airports, and port facilities.
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<th>Trade and Competitiveness</th>
<th>Environment &amp; Natural Resources</th>
<th>Social, Urban, Rural &amp; Resilience</th>
<th>Transport &amp; ICT</th>
<th>Agriculture</th>
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<td><strong>Strategy, growth &amp; business of tourism</strong></td>
<td><strong>Environmental dimensions &amp; natural assets of tourism</strong></td>
<td><strong>Cultural, historical &amp; urban assets of tourism</strong></td>
<td>**Transportation &amp; ** <strong>connectivity</strong> <strong>for tourism</strong></td>
<td><strong>Linkages to agriculture for tourism</strong></td>
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<td>Industry diagnostics &amp; PPD</td>
<td>Biodiversity</td>
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<td>Destination planning and development</td>
<td>Blue economy</td>
<td>Site management</td>
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<td>Tourism product development</td>
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<td>Community-based Tourism</td>
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**Cross Cutting Topics**
- Jobs
- Gender
- Climate Change
- Public-Private Partnership

**World Bank Group**
I. South Caucasus Segment of the Silk Road

**TA to GNTA to prepare a national tourism strategy**

**Vision:** By 2025, Georgia will be a premier, year-round, high quality tourism destination, centered on its unique cultural and natural heritage, world-class customer service, and timeless tradition of hospitality.
# Georgia Tourism Development Targets 2025

Baseline and Target Indicators (aligned with UNWTO Indicators)

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<th>Indicator</th>
<th>2014</th>
<th>2025</th>
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<tr>
<td>International Tourism Receipts</td>
<td>1.8 Bn</td>
<td>3.0 Bn</td>
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<tr>
<td>Tourism contribution to GDP</td>
<td>6%</td>
<td>6%</td>
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<tr>
<td>Average annual number of people employed in tourism</td>
<td>180,000</td>
<td>270,000</td>
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<td>Average spending per visitor</td>
<td>USD 320</td>
<td>USD 365</td>
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<tr>
<td>Average length of stay</td>
<td>4.3 days</td>
<td>5.3 days</td>
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<td>Foreign direct investment in tourism</td>
<td>380 M</td>
<td>575 M</td>
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<tr>
<td>% Arrivals from neighboring countries</td>
<td>88%</td>
<td>85%</td>
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<tr>
<td>% Arrivals from other source markets</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Ranking in WEF Tourism Competitiveness Index</td>
<td>66&lt;sup&gt;th&lt;/sup&gt;</td>
<td>35th</td>
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Revitalization of Silk Road Circuit
Connecting Georgia Routes and Black Sea with all Neighboring Countries
Georgia: Series of Regional Development Projects with a Tourism Focus

Programmatic TA and lending operations, focusing on regions with great tourism potentials but falling behind economically, targeting cities and rural areas, for an overall investment of US$ 150 million

- Based on VCA, tourism circuit/itinerary development and blended investments in infrastructure and heritage sites, aiming at enhancing livability and service delivery, with support to SMEs

- PPI component providing incentives to FDI and onward investors to locate in the region, while IFC helped with investment promotion and credit/equity sharing
Georgia: Silk Road Tourism Circuit

Tourism Circuit, Marketing, Branding & Promotion

WORLD BANK GROUP
Armenia: Revitalization of South Silk Road Corridor Connecting Armenia Tourism Routes with Georgia and Iran

**TA Support**

**Armenia South Corridor Tourism Development Vision**

To establish the Southern Corridor as a new responsible tourism destination that offers rich, authentic cultural and nature-based Armenian experiences by 2025

**Capital Investment: Armenia Local Economy and Infrastructure Development Project (LEIDP) 2016-2021**

IBRD: US$ 55 million, GoA: US$12 million

In partnership with Development Foundation Armenia (DFA), Armenia Territorial Development Fund, IDEA Foundation, and Smithsonian Institution
Azerbaijan: Revitalization of North Silk Road Corridor Connecting Azerbaijan Routs and Caspian Sea with Georgia

**TA Support**

**Azerbaijan North Corridor Tourism Development Vision 2023**

To establish the North Corridor as a new responsible tourism destination that a) offers unique Azerbaijani Silk Road, Caucasus Alban Heritage, Alexander Dumas and Unique Nature and Adventure experiences, and b) Strengthens the country’s position as a global destination.
II. Europe and Central Asia Region

Danube Reserve, Romania RAS

South Albania Coast and Hinterland SURR - T&C Collaboration

Macedonia SURR - T&C Collaboration

St. Petersburg, Russia
III. World Bank’s 25-years support to China Silk Road

World Bank Lending Projects for Cultural Heritage and Sustainable Tourism in China

China is the World Bank’s largest, single-country program supporting cultural heritage & sustainable tourism

- 23 years
- 16 projects
- 12 Provinces
- US$ 6.98 billion (Total Cost)
- US$ 1.87 billion (Total Bank Loans)
- US$ 728 million (Loans supporting cultural heritage and tourism)

Completed project
Project in the implementation stage
Project in the preparation stage
Shandong Confucius & Mencius Cultural Heritage Conservation Project (2011/2017)

- Assisted Shandong Province to enhance cultural heritage conservation and tourism services in Qufu and Zoucheng through 1) Cultural heritage conservation; 2) Urban regeneration and infrastructure upgrading; 3) Manuals, guidelines and other technical assistance; and 4) Institutional development

**Socio-economic impact**
- Increase in the number of customers and revenue for small businesses
- Basic infrastructure along 7.3km streets, serving 42% of old-city settlements in Qufu and 49% in Zoucheng
- Developed five manuals to support city-wide conservation and development
- Trained 1,926 tour guides, taxi drivers, homestay and restaurant owners, tourism management staff, residents, and 286 officials
Guizhou Cultural & Natural Heritage Protection and Development Project (2009/2017)

- Assisted Guizhou Province in protecting cultural and natural heritage, improving basic infrastructure, and fostering tourism development for 18 villages, 4 ancient towns, 4 natural conservation zones, and 5 gateway towns across 19 counties

Socio-economic impact
- Significant increase in employment: 3,023 to 13,551 employees in tourism/hospitality sector
- Trained 3,215 people in special and practical skills
- Significant increase (194%) in average per capita income
- Poverty reduction (44.3% → 27.87%)
- Basic infrastructure development and rehabilitation of traditional private houses
Two Gansu Cultural and Natural Heritage Protection and Development Projects

- Focuses on 1) Heritage conservation and tourism services improvement; 2) Community basic services delivery; and 3) Capacity building, institutional strengthening, and project management support

**Expected socio-economic impact**

- Strong community participation throughout the process
- Increase in the number of people with improved access to community services
- Increase in the number of tourism related small businesses supported by new community organizations
- Increase in tourism revenue
- Improved quality of conservation techniques and visitor management in project sites measured by number of site management plans
WBG Case Study Tourism Support on Focus: Georgia Regional Development Projects

Tourist Clusters and Logos

- Cultural Tourism
- Adventure Tourism
- Wine Tourism
Georgia: Capital Investments in Tourism Infrastructure, Urban Regeneration and CH Conservation (US$135m)
Georgia: Restoration of Cultural Heritage Site and Constructing of Tourism Facilities

Current situation

After
Georgia: Institutional Development

Institutional Development Priorities: US$51.00 million

- Workforce Development
- Destination Marketing & Promotion
- Monitoring & Evaluation of Tourism Performance
- Baseline and Post-Beneficiary Household Surveys
Georgia: Institutional Development

Marketing, Branding and Promotion
Online & Social Media

WWW.KAKHETI.TRAVEL
Georgia: Results

RDP Results

Tourism Economy
• ↑ volume of private sector investment by $50M in targeted areas
• ↑ hotel beds in circuit route areas by 30%
• ↑ international tourism arrivals by 60%

Institutional Capacity
• ↑ tourism SMEs in renovated sites and cities by 35%
• Establishment of Destination Management (DMO) for public-private dialogue festivals (events) and sustainability
Thank you