

Sustainable destination management

- a promising field of activity in development cooperation?

exemplified by an analysis of
the destination “Issyk Kul”, Kyrgyzstan



Thesis for the degree of
Master of Arts “Sustainable Tourism Management”
July 2008

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Abbreviations:

ADB	Asian Development Bank
AKDN	Aga Khan Development Network
BMZ	German Ministry for Development Cooperation
BR	Biosphere Reserve
BRA	Biosphere Reserve Administration
CBT	Community Based Tourism
CIM	Centre for International Migration and Development
CIS	Community of Independent States
DMA	Destination Marketing Association
DMO	Destination Management Organisation
EBRD	European Bank for Reconstruction and Development
ERA	Economic Research Associates
EU TACIS	European Union Program on Technical Assistance for CIS Countries
GKR	Government of the Kyrgyz Republic
GTZ	German Agency for Development Cooperation
JICA	Japan International Cooperation Agency
KATO	Kyrgyz Association of Tour Operators
KCBTA	Kyrgyz Community Based Tourism Association
LDC	Least Developed Countries
MSB	Marketing Service Bureau
SAT	State Agency for Tourism
UNCED	United Nations Conference on Environment and Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNWTO	United Nations World Tourism Organisation
USP	Unique Selling Point

Abstract

Since the 1990s international development cooperation has admitted sustainable tourism development in its portfolio – primarily though as a tool to achieve larger goals such as poverty reduction, economic development or natural resource conservation. Initially these activities were mainly focused on niche markets like community or nature based tourism. As the spectrum of activities broadened in recent years, linkages with destination management emerged, challenging development organisations into this new sphere of activity.

Traditional western destinations with high tourism intensity operate in a highly competitive context. Academic teaching in the field of destination management is therefore focusing on strategic management approaches including planning, lobbying, marketing and supply developing functions to ensure long term success on a global market.

The background of destinations supported by development cooperation, however, may differ enormously depending on a target area's stage of development, its historical or political context as well as its socio-cultural, ecological and economic environments. In this regard, the priorities and challenges faced by these destinations may vary considerably from mainstream academic teaching. The goal of the presented master paper is therefore to contribute to actual discussions of destination management as a field of activity of development cooperation. In this effect, the author is analysing what kind of activities and organisational structures related to destination management are supported by international development cooperation and sheds light on the projects' approaches and objectives. The thesis further outlines the opportunities and constraints in supporting sustainable destination management in a developing / transition context. Finally it tries to answer the global question: Is sustainable destination management a promising field of activity in development cooperation?

In the frame of the presented thesis the Kyrgyz Issyk Kul region has been chosen as sample case for the empirical study. As such, it exemplifies destination management in a post socialist context. In the Issyk Kul region the strong state involvement in all aspects of tourism during Soviet time was on the one hand a driving force of the development of the tourism industry, yet on the other hand the Soviet approach of tourism management lead to a couple of restrictions: Compared with western standards the service mentality and client orientation of personnel has been low. Because tourism planning and decisions were made in a top-down approach the empowerment of locals to participate in decision making remained marginal. Again, compared

with tourism development in western context the ability to adapt to changing fashions, to introduce innovations and market response has not been assisted.

During the past decade, however, the development of tourism in Issyk Kul has experienced a re-launch, particularly in terms of recreation and leisure, a development which has been prioritized by the Kyrgyz Government and the State Agency of Tourism, thus on highest level. The latter fact, but also the rethinking among international players of tourism as a component of sustainable development was a cause for several activities of international cooperation in this field. These interventions had in principle two directions: Some were successfully supporting structures and operations for newly emerging specialized tourism segments while others were assisting the government and its state institutions in strategic planning for the destination as a whole.

The experience of the past ten years shows that in view of the historical/political context public partners were lacking comprehension and commitment for a joined effort in global destination management and funding. Too often, efforts to strengthen cooperation between the public and private sectors were failing after the phase out of international donor agencies. Yet in certain geographical or sectoral niches, destination management achieved viable results.

As a result of the thesis the author is concluding that supporting sustainable destination management has in principle a good potential in development cooperation to achieve various development goals; but the complexity of the theme may push multi-sectoral development organizations to their limits of know-how. Independently from the historical and political context of the destination, willingness to cooperate and joint understanding among public and private partners of what a destination management organization is, is prerequisite. Financial integration of governmental funds is required to ensure sustainability of destination management and its related cooperative tourism organization after the phase out of the donor agency. In many cases a comprehensive approach also can conflict with the relatively short cycles of multi or bilateral funding that often impede the planning of a viable long term strategy. Many actors have reacted to this dilemma by picking out singular activities or niches, where they can reach tangible results. In many cases the latter, potentially is the better solution while it still contributes to important development goals such as poverty reduction and natural resource protection.

Part A: Introduction

1. Initial situation

Tourism is an important sector of the economy all over the world. According to the United Nations World Tourism Organization (UNWTO) the overall amount of international tourism arrivals in 2005 is estimated at an interim all-time high of some 800 million. The revenue generated by tourism has reached some 683 billion USD in total.¹

In light of an average annual growth rate of 4.1% between 1995 and 2020 current forecasts indicate that the number of international arrivals will double within the following 12 years.² Long haul travelling in particular notes a growth rate above the average (5.4% between 1995 and 2020) and especially in new markets like India, China or Kazakhstan the populations' travel intensity will continue to rise. Because of these and other trends not only destinations in developed countries but also less developed and so-called transition countries are currently enjoying increasing popularity and raising tourist numbers.

Although tourism in less developed countries is still characterized by comparatively low intensity, its importance becomes obvious when compared to total national economic indicators: while in 2000 the share of tourism receipts in total service revenue in developing countries has been 43.3%, in least developed countries (LDCs) it has even been 70,6%.³ Tourism became a main source of foreign exchange in every third developing country.⁴

Since the mid 1990th (influenced by the UN Conference on Environment and Development in Rio de Janeiro in 1992) **tourism-related development projects** have been increasingly admitted to the portfolio of international donor agencies and development organisations. Initially these activities were focused on niche markets such as community based tourism or nature-based (eco) tourism.⁵ The targeted destinations were mainly located at local or regional level, and often characterized by early stages of tourism development (pioneer or growing phase). During the past decade, however, the spectrum of tourism related activities of development organisations became broader, including various activities in the field of tourism destination management and marketing on all geographical levels (from local or regional up to national or trans-national

¹ Refer to <http://www.world-tourism.org> and Beyer, Häusler, Strasdas (2007): Tourism as a Field of Activity in German Development Cooperation; p.8

² Beyer, Häusler, Strasdas (2007), p.10 following the data of UNWTO (2005): Tourism Highlights 2005

³ Beyer, Häusler, Strasdas (2007), p. 12 following the data of UNWTO (2002): Tourism and Poverty Alleviation

⁴ GTZ (Publ.) (2007): Tourismus als Beitrag zu nachhaltiger Entwicklung. Eschborn

⁵ Beyer, Häusler, Strasdas/ GTZ (Publ.) (2007), p.19

levels).⁶ BEYER, HÄUSLER, STRASDAS who have been analysing tourism related activities of the German development cooperation on behalf of the German Agency for Technical Cooperation (GTZ) are recommending in this context *that “in determining fields of activities eligible for promotion, much greater priority should be given to the areas of marketing, sustainable destination planning and management, sustainable cooperate management and the training and education of local actors and experts by development workers.”*⁷

Subject of the presented investigation are international development projects which aim to support sustainable tourism development in the field of destination management.

2. Stage of research and teaching

Academic literature about destination management is in its vast majority drawing upon experience in western contexts. BIEGER (2007) and KASPER (1995) for example are basing their theories on case studies from the European Alps and HAFT (2004) on examples of the German Northern Sea region. Both are destinations with a high intensity of tourism which can look back to traditional tourism structures developed in the course of several decades.

The current situation of those destinations is characterized by increase of national and international competition. In order to strengthen the competitiveness of these regions strategic thinking and methodologies have become very important for the management of these destinations.⁸ As a result, strategic and conceptual approaches are a major subject of academic teaching in developed countries when it comes to destination management. The concept is based on the understanding that not a fragmented supply of products but only process and demand oriented packages (including all elements of the supply chain) and strategic positioning and branding will raise the competitiveness of a destination in the long term.⁹ Cooperation and networking have become key factors of successful destination management.¹⁰

⁶ Beyer, Häusler, Strasdas (2007), p. 28

⁷ Beyer, Häusler, Strasdas (2007), p. 57

⁸ Refer to Ullmann, Sonja (2000): Strategischer Wandel im Tourismus

⁹ Refer to Bieger, Th. (2007): Management von Destinationen; Luft H. (2004): Organisation und Vermarktung von Tourismusorten und Tourismusregionen. Destination Management; Kasper C. (1995): Management im Tourismus

¹⁰ Refer to Ullmann, Sonja (2000)

3. Purpose of the master's paper

International development cooperation, however, is acting in destinations with very different backgrounds: The stage of tourism development in the project areas may differ enormously, depending of the destination's historical context and its socio-cultural, ecological and economic environment. If destinations are still in an early stage of development (i.e. pioneer or growth phase), the region phases other challenges than those in a phase of stagnation or degradation. Moreover, modern approaches of destination management which are for example based on participatory planning and decision making require understanding and willingness to cooperate from both private and public sector stakeholders. In the context of developing and transition countries however, these prerequisites are not necessarily given. Lack of transparency, low level of participation, and an absence of understanding or willingness for cooperation may hamper sustainable destination management.

The past decades have seen considerable efforts directed at researching niche markets in developing and transition countries (i.e. CBT and Eco tourism) resulting in various publications and good-practice examples. Activities related to sustainable destination management, on the other hand, are a rather new subject of development cooperation. Altogether, the analysis of literature in the frame of this thesis showed that there are hardly any publications on the subject of „destination management in developing/transition countries“. A similar pattern emerges with regard to literature covering “destination management as a field of development cooperation” where the exchange of research and sample cases is limited.

This thesis will therefore look at the following questions in more detail.

- ⇒ What **kind of activities and organisational structures** related to destination management are supported by international development projects?
- ⇒ What are the **approaches and objectives** of development projects supporting activities and structures related to destination management?
- ⇒ What are the **opportunities and constraints for development agencies** to support sustainability in destination management?

The **overall goal** of this master paper is to make a contribution to the actual discussion of destination management as a field of activity of development cooperation in theory and practice.

4. Area of investigation

Frame conditions and project experiences from developing countries of different continents are likely to vary enormously. In order to get a more coherent picture which allows for valid conclusions, the geographical, political and historical context of the case study's area of investigation has therefore been limited. While the theoretical part is analysing the characteristics of destination management in the context of development cooperation as a whole, the empirical part of the presented paper is focusing on the development and management of a tourism destination in a **post - Soviet tourism context**.

Tourism in former socialist countries is not a new industry since the fall of the Iron Curtain. On the contrary: The so-called dispatch tourism was a part of the socialist ideology, with a strong link between tourism, health and recreation. Destinations like the Georgian Black Sea coast, the Baltic Sea Coast and the Kyrgyz Issyk Kul Lake have therefore a considerable tradition as federal leisure and recreation resorts. Since the countries' independence the tourism industry in these destinations is faced with the difficult transition from a command driven to a market oriented economy. Issues like privatization, decentralization or modernization have been major challenges for each of the destinations which continue to date. Various international donor agencies and development organizations have become important actors in assisting local counterparts in developing these former Soviet recreational zones.¹¹

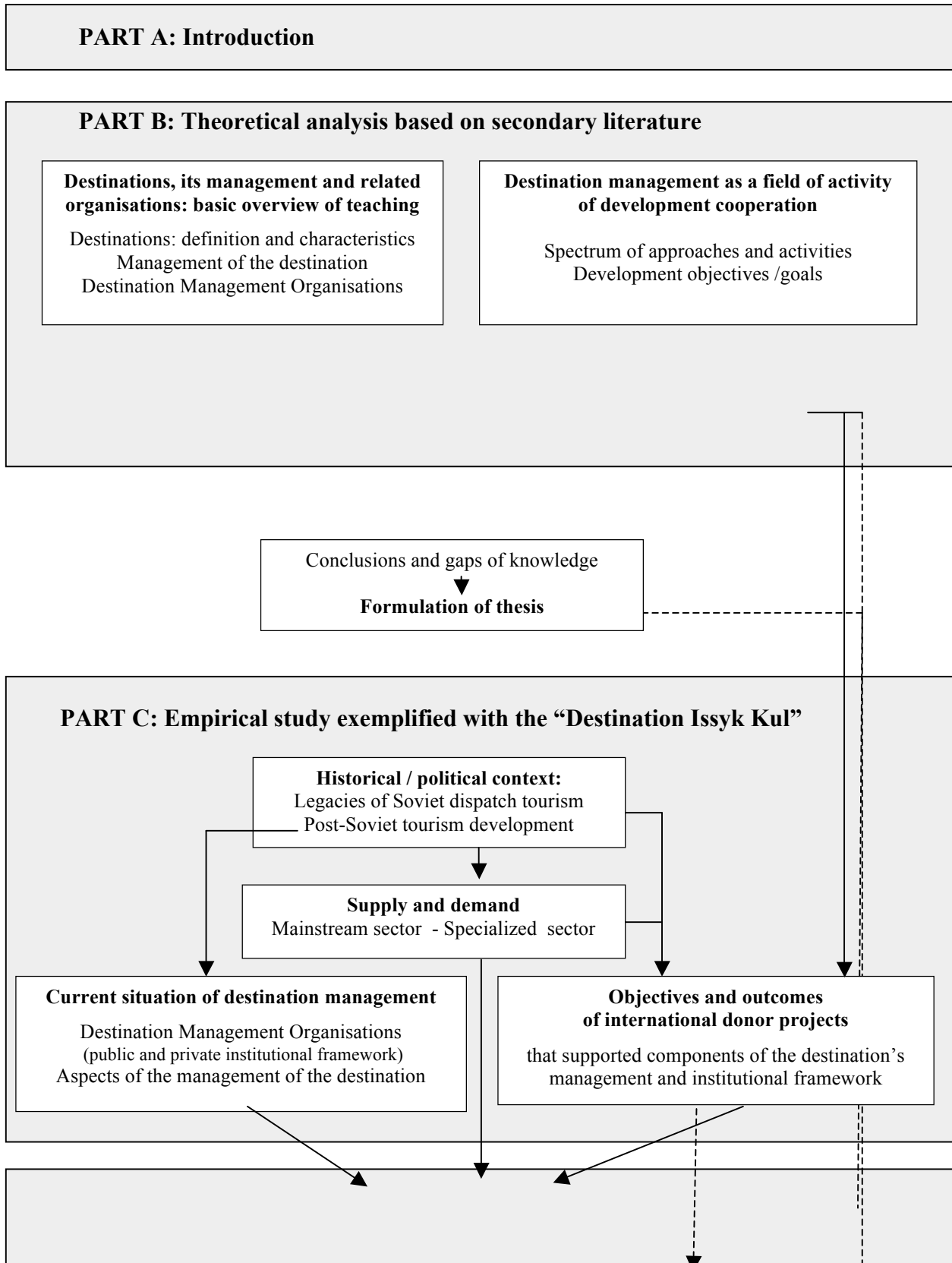
The **Kyrgyz Issyk Kul region** has been chosen as sample case for the field study because of the following features:

- The fact that more than a dozen tourism development programmes have been implemented in this destination in the past decade.
- The importance of tourism for the Kyrgyz economy
- The area's history as a major destination of the Soviet dispatch tourism
- The combination of mass and niche tourism within the destination
- The prevailing frame conditions with a typical mixture of post-socialist planning, unregulated privatisation and widespread corruption.

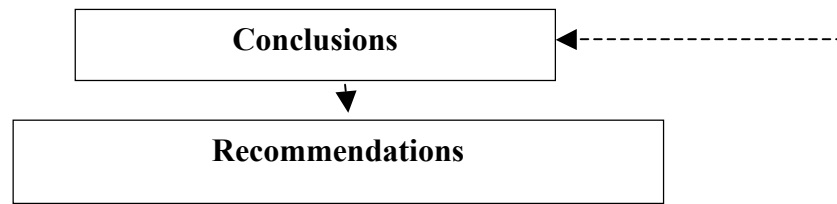
¹¹ Refer to Allen J. (2006): What about the Locals? The impact of State Tourism Policy and Transnational Participation on Two Central Asian Mountain Communities.

5. Organization and contents

The presented master paper is structured in three major parts: a theoretical analysis (part B), an empirical field study (part C) and the conclusions and recommendations as the synthesis of theory and practice (part D).



PART D



In the first chapter of the theoretical analysis (**part B, chapter 1**) the basics about the management of destinations will be summarized. The chapter is based on academic literature which outlines the current stage of research and teaching in German speaking countries. The terminology of the master thesis is defined accordingly. The main characteristics of a destination (chapter 1.1), relevant aspects of managing a destination (chapter 1.2) and structural frameworks of destination management organizations are outlined.

The second chapter of the theoretical part (**part B, chapter 2**) is dedicated to the actual subject of investigation: destination management as a field of activity of development cooperation. In this context only very limited academic literature has been found. Therefore surveys, project reports and evaluations which have been provided by various development organizations have been used as an additional source of information. The chapter outlines the spectrum of activities supported by international organisations as well as the overall objectives of development projects supporting activities and institutions related to a destination's management.

Based on the analysis of the literature (B1 and B2), conclusions and gaps in know-how are elaborated. Finally a thesis is derived (**part B, chapter 3**).

The empirical study (**part C**) constitutes the core of the presented research. By example of the destination Issyk Kul the theoretical issues will be reviewed in practice. In the introduction of part C general information is provided about the area of investigation (**part C, chapter 1**). Thereafter, the methodology of the empirical study will be described (**part C, chapter 2**). The findings of the field research are presented in five chapters (**part C, chapter 3.1-5**): First, the reader will learn about the destination's historical development from Soviet dispatch tourism to a post-Soviet market-oriented tourism destination. Looking back to the past decade, various development projects have supported the tourism industry in Issyk Kul region. These projects will be analysed in more details (approaches, objectives, activities, outcomes). In addition, the current situation of supply and demand, the destination's present institutional framework and the stage of realization of specific destination management functions will be analysed.

The last section of this paper (**part D**) is dedicated to the presentation of conclusions and recommendations by the author. Based on theoretical and empirical findings, specific activities are identified to come closer to sustainable forms of destination management in the research area.

Part B: Analysis based on (secondary) literature

1. Destination, management and organizational structures: a brief review of research and teaching

Compared with tourism companies such as tour operators or service providers the structures of “destinations” are very complex and difficult to define. There is no clear approach to measure whether a community, region or country is representing a destination or not. In addition the goals and tasks of the management of a destination and the structure of its related tourism organisations are varying depending on the destination's size and environments.¹² Within academic literature a set of criteria has been elaborated to define limits of tourist destinations depending on factors such as: *size, natural geographical boundaries, management goals and tasks* as well as related *organizational structures*.

The following chapters will present definitions of the paper's terminology and give an overview about the main characteristics of (1) a destination, (2) the management of a destination and (3) of tourism organisations in charge of destination management.

1.1 Destinations

The term “destination” has its origin in the English linguistic region and is a synonym for all forms and sizes of tourists' target areas and products. It describes a geographical space which provides all parts of a destination's supply (attractions, amenities and access) to satisfy the needs of specific tourism segments during their vacation. In other words, it includes all elements of the supply chain: accommodation and gastronomy, entertainment and leisure-time amenities, transportation, information, etc.. While these services may be delivered by different suppliers, they are offered to their consumers as one unit. Therefore, looking from an economic point of view destinations are also described as “macro-businesses”, “collective producers”, “tourism networks” or “competition units”.¹³

In the frame of the presented thesis BIEGER's definition of the term destination is used:¹⁴

¹² Refer to Freyer, W. (2006): *Tourismus. Einführung in die Fremdenverkehrsökonomie*. 8. Auflage, p. 259ff

¹³ Refer to Freyer, W. (2006), p. 252

¹⁴ Bieger, Th. (2007): *Management von Destinationen*. p.56 – The analogue in English: „A geographical space (village, region, hamlet), which a respective visitor (or segment of visitors) is choosing as target destination. It includes all essential facilities for the vacation in terms of accommodation, gastronomy, entertainment/activities. In this effect, it is a competition unit in incoming tourism that has to be managed as strategic unit of transaction.”

„Geografischer Raum (Ort, Region, Weiler), den der jeweilige Gast (oder ein Gästesegment) als Reiseziel auswählt. Sie enthält sämtliche für einen Aufenthalt notwendige Einrichtungen für Beherbergung, Verpflegung, Unterhaltung/Beschäftigung. Sie ist damit eine Wettbewerbseinheit im Incoming Tourismus, die als strategische Geschäftseinheit geführt werden muss.“

The dimension, respectively the **size of a destination** is perceived by visitors differently depending on three aspects: a) its distance to the visitors' place of origin, b) its popularity and image and c) the visitors' travel experience.

While a German inbound tourist, for example, would consider a specific region within the country (Northern Sea, Black Forest) as destination, tourists from other continents (i.e. Americans or Japanese) would consider a wider geographical space like Europe as their destination. A visit to the Black Forest, for them would only be a part of the superior destination.

From a western scientific perspective destinations are increasingly perceived as **touristic competition units**. The background of this perception is, that destinations – just like enterprises and products - are running through different phases of a life cycle. Like that progress towards a highly developed destination is passing several phases, starting for example with a new discovered landscape (as an insider tip). Tourism scientists describe the subsequent phases with the “**model of life cycles**”.¹⁵ In principle there are four phases:

1. pioneer / set-up phase,
2. growth / boom phase,
3. stagnation,
4. degradation or re-launch

Each of the phases is requiring different management activities. (1) In young destinations which are in a pioneer or growth phase the emphasis is on the set-up of the tourism industry (establishment of new tourism service infrastructure). At this stage the tourism-related organizational structures are often still absent or if existing, tourism institutions are often characterized by incipient/ unprofessional ways of management. (2) During the growth /boom phase the impact of tourism on its environmental and socio-cultural environments is increasing.

¹⁵ Compare with Freyer (2006), p. 252

Steering aspects, the balance of interests and participatory planning are becoming important issues of destination management which require better internal organisation. (3) After a while, the expansive boom-phase is leading to a phase of consolidation. In western countries, for example, the destinations with high tourism intensity are no longer characterized by the establishment of the tourism industry but by stagnation on a high level. This development automatically leads to increasing competition on national and international markets. Strategic positioning is becoming of major importance in order to strengthen the competitiveness of these destinations. In this stage of development destinations put main efforts in strategic planning, identification and development of core competences, positioning on the market and branding. (4) Finally, the success of strategic positioning and innovations will enable a destination to survive and to get into the re-launch phase. However, if no action is taken to strengthen the destination's competitiveness added values and revenues will decrease.¹⁶

1.2 Management of destinations

The term “management” is not only related to businesses with pure economical objectives but also to institutions such as a destination. KASPAR (following ULRICH) defines the term management as follows:¹⁷

“ Gestalten, Lenken und Entwickeln von zweckorientierten sozialen Systemen.“

Following ULRICH, also KASPAR and BIEGER are referring to the pyramid model of “Integrated Management in Tourism”, with subdivision into three vertical and three horizontal dimensions of destination management¹⁸:

(1) **Normative management** is dealing with the overall objective/vision, principles, norms and policies, which ensure the viability of the destination on a long-term view. In this context, a joint vision / comprehensive guideline should create orientation and sense to all relevant stakeholders involved in the planning and management of a destination. While a cooperate identity and cooperate mission are increasing the motivation of members and involved stakeholders, a cooperate image is externally oriented and affects the perception and legitimacy in public.

¹⁶ Compare with Bieger (2007), p. 288ff, Freyer (2006), p.358f

¹⁷ Kaspar, C. (1995): Management im Tourismus, p. 42 (translation of the definition: „To shape, to steer and to develop a purpose oriented social system“.)

¹⁸ Kasper, C. (1995), p.45f; Bieger, Th. (2007), p. 107f

(2) **Strategic management** is dealing with the conception and formulation of concrete activities and expected results. A concept/strategy is oriented towards pre-defined long-term objectives and goals.

(3) **Operative management** is dealing with the identification and controlling of ongoing concrete activities. It is oriented towards the implementation of activities primarily defined by the strategy.

From the vertical perspective the management concept is divided in the following dimensions:

(A) **Activities**, which according to the vision and policies have been formulated in strategic concepts.

(B) **Structures**, which on the upper level are defined in constitutions/statutes and put in practice by the respective organisational structure and management system.

(C) **Human behaviour**, which is including the aspects like cooperate culture, capacities and performances as well as the ability to react to problems.

Nowadays the **overall objective of sustainable development** is globally accepted in theory as well as in practice. In this perspective also the concept of sustainable destination management is build upon the principles of sustainability. It is built on the three pillars: a) ecological, b) socio-cultural and c) economical sustainability. UNWTO is defining sustainable tourism as follows:¹⁹

“Sustainable tourism is defined as a model form of economic development that is designed to

- improve the quality of life of the host community
- provide a high quality of experience for the visitor, and
- maintain the quality of the environment on which both, the host community and the visitor depend.”

The **goals** of destination management can be multifarious. The most common ones are summarized below:²⁰

¹⁹ UNWTO (1993), p. 11

²⁰ Compare with Linkenbach (2003), p.21, Bieger (2007), p.93f

- Strengthening the tourism industry as economic sector
- Development of joint visions and strategies and securing their implementation
- Decreasing competition thinking and strengthening the „sense of belonging together“
- Using joint creative and innovative potentials
- Increasing readiness for private and public investments
- Qualification of (political) decision makers
- Exchange of information and networking
- Enhancing / ensuring quality of services and infrastructure
- Increasing visitors satisfaction
- Safeguarding natural resources and biodiversity

In an effort to reach the overall objective modern concepts of destination management build on three **principles**.²¹

1) **Process orientation**: In the development of services, emphasis is given to the establishment of integrated supply chains for the various visitor segments rather than the traditional orientation along sub branches (hotels, restaurants, transportation services,...).

2) **Demand orientation**: product development is not anymore driven by the question “What can we offer?” but by the question “What do our (potential) visitors demand?” This approach requires a higher level of dynamic and flexibility.

3) **Stakeholder orientation**: destination planning and development is not only oriented towards the interest of shareholders, but it is aiming at the participation and satisfaction of the interests of all groups related to tourism.

The importance of the stakeholder approach can be explained as follows: Tourism development and management is always also connected with several effects on its external environment such as economy, ecology, society and politics. Tourism can for example create synergy effects with other economic sectors (agriculture, trade, transport, etc.) which again stimulate an increase of regional development and added value. At the same time it can cause increasing costs of living or increasing prices of estates and properties. In the ecological contexts tourism development is

²¹ Compare with Bieger (2007), p. 62f

causing negative impacts such as traffic and CO2 emissions, land degradation, loss of biodiversity, etc.. But because nature and biodiversity are one of the core resources of destinations, the tourism industry has also particular interest in safeguarding landscapes, faun and flora.²²

Connected with the presented subject of investigation it can be concluded that because of its external effects there is a strong public interest in this sector and decision making concerning the planning and development of a destination is always a part of the public and political domain.²³

Functions and tasks

In the academic literature regarding destination management there is so far no unified understanding about the specific tasks of destination management.

Following KASPAR the functions and tasks of destination management, respectively of tourism organisations (compare with chapter 1.3) are including the following points²⁴:

- Overall local and regional tasks of tourism development
(elaboration of tourism policies and funding mechanisms)
- Administrative tasks (disposition of Tourism Information Centres, complaint services)
- tasks related to the collective determination, maintenance and operation of (public) tourism infrastructure and facilities
- Internal and external marketing

KASPAR is emphasising the increasing importance of tourism organisations in terms of their role as mediators. A common understanding of tourism management concepts (e.g. benefits for joint planning) is the basis for the capability of obtaining consensus among all stakeholders and for a cooperate identity.

BIEGER is organizing the **tasks** in four groups, analogue to the functions of destination management in terms of its planning, supply development, lobbying of interests and marketing.²⁵

²² Refer to Buchwald, K.;Engelhardt, W. (Publ.) (1998): Freizeit, Tourismus und Umwelt.

²³ Refer to UNWTO (1993): Sustainable Tourism Development. Guide for Local Planers. p.17

²⁴ Refer to Kasper, C. (1995), p. 98

²⁵ Refer to Bieger, Th. (2007), p.67f

Planning	Supply development	Lobbying of interests	Marketing
<ul style="list-style-type: none"> ▪ to elaborate a joint vision on a long-term view ▪ to elaborate and implement a destination strategy 	<ul style="list-style-type: none"> ▪ to improve / secure service quality, ▪ to supervise certifications /(eco-) labelling, etc. ▪ to provide human capacities and skills through training for service providers, ▪ to arrange Tourist Information Centres, ▪ to arrange reservation and booking systems ▪ to diversify tourism products and resources (organizing events, arranging leisure-time amenities) 	<ul style="list-style-type: none"> ▪ to lobby for better frame conditions (tax, visa,...) ▪ to lobby for upgraded public infrastructure ▪ to attract private and public investments ▪ to rise public awareness ▪ to exchange information and support networking within the industry 	<ul style="list-style-type: none"> ▪ to conduct market analysis ▪ to elaborate a joint marketing strategy ▪ to cultivate the destination's image and conduct branding, ▪ to develop new innovative product packages ▪ to conduct promotion and advertising ▪ etc.

Table 1: Function and tasks of destination management (own description, referring to Bieger (2007), p. 67f)

In order to realise a **sustainable destination management** the importance of comprehensive and strategic planning methods is emphasised by tourism experts and UNWTO.²⁶ A sustainable planning approach is based on four principles:²⁷

- (1) conception,
- (2) integration,
- (3) cooperation,
- (4) information.

Conception means the elaboration of a joint vision and strategy. The second principle includes a horizontal as well as a vertical integration of the tourism sector: Tourism strategies for example should feature as a component of the respective regional development plan (master plan) and should match with the planning /activities of superior geographical levels. To realise a sustainable planning and implementation of a strategy cooperation within the sector and (bottom-up) participation of different stakeholders interested in and affected by tourism development is essential. A transparent internal and external information policy aims to raise the understanding for sustainable management approaches among all relevant stakeholders. Comprehension and willingness to cooperate are basic pre-requisites for sustainable destination management. More pre-requisites are summarized as follows.²⁸

²⁶ UNWTO (1993), p.146; Bieger (2007), p. 71

²⁷ Refer to Beyer, M. (2006): Module "Sustainable Destination Management", Eberswalde University of Applied Science

²⁸ Refer to Beyer (2006): Module "Sustainable Destination Management", Eberswalde University of Applied Science

- understanding of comprehensive and process oriented methodologies,
- understanding and conviction that not individual thinking but networking rises the competitiveness of the destination as a whole and of each single member,
- willingness to cooperate between competitors or as public-private-partnerships
- agreement on correct valorisation of natural resources

As outlined earlier, sustainable development requires the full integration of all stakeholders from the outset. As such, the following groups should therefore be represented:²⁹

- ◆ governmental institutions of all involved levels and departments
- ◆ tourism sector (tourism businesses, tour operators, agencies and tourism associations)
- ◆ main tourist demand segments
- ◆ environmental care takers (NGOs, protected area administration)
- ◆ other NGOs and citizens' initiatives (social- cultural, sport associations)
- ◆ other economic sectors (agricultural, trade, building), chamber of commerce
- ◆ (potential) private investors and public donors and supporting development agencies

A special aspect of destination management is that a considerable part of the activities are not only of public interest but do have a **public character**: Tasks such as image building and branding, the arrangement of tourist information centres or maintenance of public trekking paths generate benefits to all service providers and tourists within the destination. Like in the case of public goods no one can be excluded which in turn makes it difficult to secure financial contribution from the individual supplier. The involvement of state institutions therefore seems to be essential in order to finance collective achievements.

1.3 Destination Management Organizations

In order to realize the above mentioned activities there is an obvious need of (professional) human resources, and an organisational structure which is responsible for destination management. However, the tasks as described above do not necessarily have to be fulfilled by a

²⁹ Own description, following Bieger, Th. (2007), p. 100

single tourism organisation. Some of the tasks can be outsourced or they do vary depending on the organisations geographic level (local, regional or national) and size of its area of intervention. As a result, many different forms of Destination Management Organizations (DMO) have emerged and there is no type that fits it all. This chapter will shed light on the most common forms.

Definition

KASPER defines *tourism organisations* as follows³⁰:

“Tourismusorganisationen koordinieren Teilfunktionen der Tourismusunternehmen und Tourismusorte (= touristisches Angebot), welche die Anforderungen der Touristen (= touristische Nachfrage) zufrieden stellen. Diese Teilfunktionen müssen durch besondere Organisations- Strukturen koordiniert werden.“

Following BIEGER there is no common understanding regarding the term ‘tourism organization’. BIEGER notes that at the one hand, the term ‘tourism organization’ is used for the overall organisation of the tourism destination, on the other hand the term also describes the actual collective tourism association, which is in charge of fulfilling the functions and tasks as described earlier. He is defining a tourism organisation as follows:

- The **tourism organisation of a destination** is responsible for the establishment and development of the destination as a system. This organisation is defining regulations how the cooperative tasks of a destination and how the cooperation between involved stakeholders can be managed.
- The **cooperative tourism organisation** is the main holder of all comprehensive functions of the destination. It can be organized as public (i.e. department of a local or regional administration) or private (association or joint stock company) entity.
- The **branch / tourism office of the organisation** is managed by the executive director of the cooperative tourism organisation. It is the actual executive body of the organization and in charge of the concrete tasks as defined before.

³⁰ Refer to Kasper (1995), S.91 (translation of the definition: “Tourism organizations coordinate sub-functions of tourism businesses and tourism regions/villages (= tourism supply), which aim to satisfy the requirements of tourists (= tourism demand). These sub-functions need to be coordinated by special organizational structures.”)

The structure of cooperative tourism organisations can have varying formal character. The advantages and disadvantages of three representative structures can be summarized as follows.³¹

- Tourism offices which are organized as **public entities** such as a department of a public administration have the advantage of secured public financing. Additionally this structure benefits from the administration's authority to issue directions. On the other hand the participation of the private sector remains low and decisions are influenced by political interests. Often these structures also lack transparency, and remain bureaucratic and inflexible.
- In Europe the most common structure of tourism organisations is the **association**. Its foundation and registration as private entity is rather simple. The advantages of this structure are a high participation of all relevant stakeholders and a high transparency regarding their activities and the use of financial means. However, to ensure sufficient financial means is a major challenge of associations because they are depending on membership fees and public subsidies. Additionally the efficiency of decision making is often rather low because of long-lasting participatory processes.
- **Private entities** such as stock companies have the advantage of transparent and effective decision making structures. The deposit of share capital is guaranteeing independence and flexibility concerning the appropriation of financial means. However, a private entity is profit oriented and can be seen as competitor to other tourism businesses. The opportunity of the public society to participate in decision making is very low and therefore also the acceptance of this structure remains rather low.

The selection of the most suitable organizational structure depends of the specific situation of the region. In a young destination where the development aspect and the balance of interests are at the foreground, priority should be given to the elaboration of development guidelines based on a high level of participation. In developed destinations, however, there is a major need of innovative strategies and efficient decision making structures in order to strengthen competitiveness. In such cases, private entities may be a better alternative.

Supplementary to the definitions of BIEGER it should be noted that the use of the term “tourism organisation” includes those institutions that represent the tourism industry of a destination as a whole as well as those representing only specific branches of the industry.

³¹ Compare with Bieger, Th. (2007), p.131ff; Luft, H. (2004), p.80ff

In the frame of the presented investigation, the term “**destination management organisation**” (DMO) will therefore be used for those tourism organisations that represent the entire industry of a specific destination and which fulfil/coordinate the functions of destination management partially or as a whole. In this context a “**destination marketing organisation**” is a subdivision of a DMO focusing on marketing as a component of destination management.

Some of the so called “tourism organisations” are representing (only) specific branches / parts of the system ‘destination’. For example they are focusing on specific tourism target segments (Mountaineering Association, etc.) or on specific groups of suppliers (tour operators association, association of the hospitality industry, etc.).

2. Destination management as a field of activity of development cooperation

In the frame of international development cooperation tourism has not always been considered a field of activity worth supporting. In Germany for example the support of tourism in developing countries was discussed controversially during the past 50 years: Initially tourism development has been a subject of the classical economic support (infrastructure, hotel loans, marketing). However, in the 1980s and beginning of the 1990s increased considerations of negative effects of (mass-)tourism led to a withdrawal from this field of activity.

The UN Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992 re-opened the discussion and initiated a cautious rethinking of tourism as a component of sustainable development.

Hence, the German Agency of Technical Cooperation (GTZ) is stating today that the field of tourism development can be a core factor for improving living conditions, if it considers socio-cultural, ecological and economic aspects on the local and global level.³²

It must be highlighted though, that tourism is not an aim in itself but it is seen as a tool to achieve overriding goals. Tourism assistance is therefore usually not visible in development strategies such as “regional/country strategies” of respective donor or development agencies. Activities supporting tourism development are normally measures on a project level, respectively elements of comprehensive, multi-pronged strategies with an overall goal of for example rural development, poverty alleviation or nature-protection. In the past, however, this approach has often prevented implementing agencies to acquire or build up sufficient sectoral expertise related to tourism. Project design and financial tools often did not reflect the complexity and specific needs of the tourism industry. Economic departments have not been aware of ecological and social best practises and vice versa “green” departments were lacking economical expertise. As a result, a wide range of small-scale projects have been supported which were not economically viable and which were sidelining the mainstream tourism markets.³³ In this context, during the 1990s tourism assistance was mainly provided towards specialized niche markets such as ecotourism or community based tourism.

³² GTZ (Publ.) (2007), S.2

³³ Refer to Strasdas, W. (2007): Module „Tourism in Development Countries“, Eberswalde University of applied Science

BEYER, HÄUSLER and STRASDAS are concluding that „*the particular importance of tourism marketing for successful tourism development and achieving objectives of development policy had long been overlooked or underestimated, and the promotion of this area by adopting different measures has only started in the past few years.*“³⁴

While the involvement of development organizations in the field of tourism has (slowly) expanded again, nowadays also an engagement in the field of mainstream markets and in the field of tourism management and marketing is discussed and practised. In addition, the promotion of emerging domestic and regional markets is starting to raise attention while the promotion of global travel markets is inevitably linked with long-haul flights and negative impacts on climate change.

In the frame of the presented investigation and following chapters a focus is given to development projects respectively project components, which support activities in the field of destination management. In this effect, first the variety of project activities will be described. Thereafter, project objectives and goals will be outlined.

2.1 Development approaches and activities

There is a rich variety of project approaches and development activities which are in principle comparable with single components of destination management. From the geographical perspective these activities can reach from the local (community), along the regional, national up to the trans-national level.³⁵

- On the **local level** community based tourism organisations have been established, information offices have been opened or various marketing activities in terms of product development, pricing, promotion and public relations have been assisted. As an example in Kyrgyzstan the Swiss agency for development cooperation HELVETAS supported the set-up of a country wide network of (independent) and locally registered Community based Tourism Associations. The associations' activities are mainly related to the marketing function and the up-grading of the tourism supply. For example joint events/shows/exhibitions are organized,

³⁴ Beyer, M.; Häusler N.; Strasdas, W. (2007), S. 28

³⁵ Beyer, Matthias; Häusler Nicole; Strasdas, Wolfgang (2007), p. 28

trainings and service quality control are provided and a local tourism information office is build including e.g. the selling of local handicraft products.³⁶

In many of the rural destinations where CBT is introduced its members are the only tourism providers and thus the CBT association is the only tourism organization representing in principle all actors of the tourism sector of the community. The small size of such a community and the little number of tourists served, however, lead to the question whether a unit like a CBT community should be regarded as a destination or not. In view of a visitors' perception a community which developed CBT products is most probably just a part of a bigger, national or even trans-national destination because most of their tourists are coming from far-off industrial countries.

- On the **regional level** development approaches focused on strategic activities such as providing assistance in the elaboration of a tourism development plan, guidelines or marketing strategies.³⁷ In this effect participatory approaches have been aiming at a dialogue between different stakeholders interested in the sustainable development of a respective region. Other activities have prioritized institution building: they have supported for example the set-up of regional destination management organisations or spatial counterparts.³⁸ Selected functions and tasks of destination management have been delegated towards the newly established organisations.
- On the **national level** governments have been assisted in the development of tourism master plans.³⁹ Next to that marketing researches were conducted and the establishment of national destination marketing organizations was supported in public private partnerships.⁴⁰ Other approaches were primarily targeting the private tourism sector while establishing national spatial umbrella organisations such as a tour operators association⁴¹ or a tourism association for alternative travelling. The activities of those spatial tourism associations include not only operational, but also strategic and normative management tools such as the elaboration of

³⁶ Refer to KCBTA (2007)

³⁷ The AKDN and JICA, have been elaborating integrated tourism development plans for the Kyrgyz Issyk Kul region. These examples will be outlined in more details in part C.

³⁸ The Murghab Eco Tourism Association (META) which has been set-up in assistance of the French ngo ACTED can be taken as an example for a regional tourism organization representing tourism stakeholders of the Tajik Pamir Plateau. Another example of a regional tourism organization in Tajikistan is the Zeravshan Tourism Association.

³⁹ In Montenegro the Ministry of Tourism has received assistance of GTZ and UNDP in developing a tourism master plan.

⁴⁰ HELVETAS Kyrgyzstan supported the Kyrgyz State Agency of Tourism during a three years program in establishing a Destination Marketing Organization 'Kyrgyz Tourism'. More details about this program will be given in part C.

⁴¹ As an example of a national spatial association the Kyrgyz Association of Tour Operators (KATO) has been set-up by assistance of a CIM tourism advisor.

national eco tourism development frameworks or action plans which are supported as a component of a country's overall tourism development plan.⁴²

- On the **trans-national level** development organizations have been supporting cooperation and networking between tourism stakeholders of neighbouring countries. The aim is to profit from trans-national destination units which build on historical/cultural (i.e. the Silk Road)⁴³ geomorphologic (i.e. the lower Danube river and delta)⁴⁴ or thematic features (so called peace parks in Africa).

2.2 Development objectives and goals

Most development organizations nowadays align their objectives with the overall concept of sustainable development, the strategies of respective government action plans and the UN Millennium Development Goals which are aiming at poverty reduction, securing peace, environmental protection and a fair globalisation.

In the investigation of German development support provided for tourism related projects BEYER, HÄUSLER and STRASDAS have analysed conceptual and strategic linkages between tourism and the existing priority goals of German development cooperation. While determining objectives to which tourism development can contribute with synergetic effects, BEYER et al are concluding: *“Interestingly, it was possible to identify linkages to almost all areas”*.⁴⁵ With this, the cross-sectoral nature of tourism and its complexity is outlined.

In table 2 the potential relevance of activities supporting tourism destination development / management in the view of various development objectives are pointed out.

⁴² The example of the Bulgarian National Eco Tourism Strategy and Action Plan „Naturally Bulgaria“ is among the best practise examples of a comprehensive eco tourism development strategy

⁴³ For example OSCE Vienna is supporting a network of Central Asian Community based Tourism Initiatives

⁴⁴ GTZ is supporting the construction and sign posting of a bicycle path along the Danube in Croatia, Serbia, Rumania and Bulgaria. Additionally networking between these countries tourism stakeholders has been accelerated.

⁴⁵ Beyer, Häusler, Strasdas (2007), p.36

Development objective /goal	Potential relevance of activities in the field of destination management
Shaping a fair globalisation	<ul style="list-style-type: none"> ▪ Promoting sustainable approaches and raising awareness for the limits of economic, environmental, and social carrying capacities; stressing the dependency of tourism destinations on their natural and cultural assets
General economic development assistance	<ul style="list-style-type: none"> ▪ Development and promotion of destinations in development countries aiming at economical growth, thus increasing added values and income by supporting (direct /indirect) job creation or career opportunities ▪ Strengthening the competitiveness of destinations in development countries on international and regional markets ▪ Coordinated and transparent management of a destination increases the potential to attract foreign investment and/or credits
Poverty reduction	<ul style="list-style-type: none"> ▪ Strengthening indirect impact of tourism on poverty reduction by enhancing multiplier effects (strengthening the linkage to local markets and the involvement of local man power, SME creation) ▪ Targeting not only pioneer destinations / niche markets but also intervening in destinations with high tourism intensity
Natural Resource Conservation	<ul style="list-style-type: none"> ▪ Strengthening cooperation between tourism stakeholders and nature conservation bodies within a destination; using the concept of Ecotourism to reach synergy effects for nature conservation, cultural preservation and economical development. ▪ Participation of environmental care takers in destination planning processes aiming at sustainable development of a destination ▪ Provision of information and training for tourism suppliers aiming to raise awareness for environmental issues; supporting campaigns; introducing measures of environmental management; promoting environmentally-friendly transportation technologies; etc.
Good governance and democracy	<ul style="list-style-type: none"> ▪ Strengthening stakeholder based planning processes and community empowerment aiming to raise political participation and transparency ▪ Independent destination management organizations strengthen the voice of the private tourism sector and raise their influence in (and control over) public policy making and investments
Participation	<ul style="list-style-type: none"> ▪ Enhancing dialogue and cooperation/networking between tourism players and the public sector ▪ Ensuring sustainable destination planning processes by participatory approaches aiming at the creation of a joint vision and destination strategy as a memorandum of understanding /balance of interests
Peacekeeping	<ul style="list-style-type: none"> ▪ Strengthening cooperation within cross-border destinations (e.g. peace parks) ▪ Lobbying for the removal of barriers for regional and international travelling – strengthening intercultural dialogue
Rural development	<ul style="list-style-type: none"> ▪ Development of new pioneer destination in rural areas creating alternative job opportunities for rural populations ▪ Linking local markets with tourism and creating added values e.g. with food supply, handicraft/souvenir production ▪ improving rural public and private infrastructure
On-location Education and Training	<ul style="list-style-type: none"> ▪ Training /vocational education as a part of a destinations supply function aiming to improve of service quality for tourist as well as to enhance locals job and career opportunities ▪ Trainings/workshops for decision makers e.g. aiming to raise understanding and commitment for sustainable management approaches
Health	<ul style="list-style-type: none"> ▪ Reliable health care systems are belonging to the public infrastructure, which plays a significant role for tourists in choosing destinations ▪ Linkages to health and wellness tourism as strategic supply unit of a destination (eg. Ayurveda in Asia)

Table 2: Relevance of sustainable destination management in the view of various development objectives
(own description following Beyer, Häusler, Strasdas (2007), p.40ff)

Because ‘destination management’ is a very complex issue it has to be realised that the spectrum of activities and the spectrum of development objectives that somehow have the potential to link destination management with development cooperation is very large. Depending on the overall goal of a project, in practice, usually single tourism related activities (with specific sub-functions of destination management) are picked out and contribute as a component to a superior development project. In addition, it depends on the geographical level, the phase of development and situation of each destination what kind of management functions in the destination need to be strengthened and what kind of structural framework is developed.

3. Gaps of knowledge and thesis

Based on the analysis of literature the author assumes that development agencies operating in the field of destination management are facing another historical, socio-cultural or political context than described in western academic literature on this topic. Certain preconditions for applying destination management tools such as a competent government, rule of law, a regulated private sector as well as the acceptance of participatory approaches might not be in place. While these features have developed in western market-oriented destinations over a long time and are nowadays regarded as simply granted, experiences from developing/transition countries show that these concepts are not universally shared.

Competitiveness on international and regional markets at the other side already started to become a rising issue in developing countries, too. With this fact, strategic thinking and orientation on strategic business units and core competences may become more important. The author is wondering, however, if stakeholders of developing destinations (which are rather cycling a pioneer or growing phase than a phase of stagnation or degradation) are prepared to understand and adopt western strategic thinking.

In the frame of the presented thesis the author therefore tries to find out if the approach and tools of sustainable destination management as taught in western academic literature and in master courses are also applicable for the management of destinations in so called ‘transition countries’; or vice versa: if sustainable destination management can be a promising approach / tool for development cooperation.

It has been outlined that the field of destination management can contribute to various development objectives (economical growth, poverty alleviation, nature protection, good governance). At the same time it includes a wide spectrum of activities. Depending on the overall goal of a project, activities are usually limited to certain aspects of destination management which contribute to the component superior project. The author is wondering if in view of sustainable destination management these approaches are missing to look at a destination and its tourism industry in a comprehensive way. Does the tourism component within its area of intervention support cooperation between tourism stakeholders or spatial thinking? Is the component in line with tourism development interests or existing strategies on regional and national level?

Know how about the long-term effect and success of these interventions is limited. Therefore, also know-how about the potentials, prerequisites and limits of successful implementation of destination management structures and activities (in a developing respectively post-socialist context) are lacking.

In view of the conclusions and identified gaps of know-how the following thesis has been derived:

Comprehensive approaches which are supporting the development and management of a destination in developing/transition country in its whole are a promising field of activity of development cooperation and should be considered for future programming.

In order to find conclusions and to verify the thesis the questions which have been raised in the introduction of the master paper (chapter 3, part A) will be analysed in the following empirical study.

PART C: Analysis based on a field study in Issyk Kul region

1. Introduction to the Issyk Kul region

The Issyk Kul province (oblast) is situated in the east of the former Soviet Republic of Kyrgyzstan. It is the largest region of the country with a surface of 43.000 qkm. 68 % of the total oblast population of 428,000 live in rural areas – most of which in small villages dotted

along water bodies and valleys. There are three urban centres within the province: Karakol, the provincial capital; Cholpon-Ata, which is the main city of the Issyk Kul resort area and Balykchi, an industrial town at the gateway from the Kyrgyz capital Bishkek into the Issyk Kul oblast.



The Issyk Kul Lake (6,250 qkm) covers almost 7% of the oblast territory. It is the world's second largest alpine lake, after Lake Titicaca, at an altitude of 1600 m above sea level. The name Issyk Kul means “warm lake”, because a combination of extreme depth, thermal activity and mild salinity ensures that the lake never freezes. By local people it is also called the ‘*Pearl of the Tien Shan*’, one of Central Asia's most impressive mountain ranges. The highest snow-capped peaks in the country (peak Pobeda 7439 m and peak Khan Tengri 7010 m) are located in the east of the region towards the borders with China and Kazakhstan.

The Issyk Kul region includes various types of ecosystems, from a desert and semi-desert in the southwest to steppe, meadow, forest and finally sub-alpine and glacial to the north and south-east. While parts of the lake's shore are important reserves for migrating birds, the mountains in particular are a retreat for many, partly endemic species, such as the Marco Polo sheep, snow leopard, and ibex. The Issyk Kul region as a whole is one of the landscapes in Central Asia where last expanses of almost natural biosphere still exist in combination with traditional culture and land use. Therefore the region, in size of the entire province has been recognised by UNESCO as a biosphere reserve in 2001. It aims to combine nature conservation and sustainable development seeking to protect both original natural and cultural landscapes.⁴⁶

Tourism has become very popular in Issyk Kul already during the Soviet area. Nowadays it is one of the region's pillars for economical growth. In the frame of the presented empirical study the region's past and future potentials as tourism destination will be analysed in more detail.

⁴⁶ GTZ (2001): Investment Manual for the Issyk Kul Region. P. 18

2. Methodology

The approach for collecting relevant information regarding this study's topic was threefold. It entailed (a) analysis of documents and brochures of international agencies and governmental institutions, (b) a qualitative research based on semi-structured interviews, and (c) (participatory) observations obtained during field visits in May / June 2008.

The study tour was supported by the Swiss Agency for Development Cooperation “HELVETAS” which expected to gain crucial information for its future programming in the field of tourism development in the Issyk Kul region. Helvetas’ Kyrgyz Mission has been engaged in the field of tourism development since 1999 starting with a “Community based Tourism Support Project” (CBTSP). As a result a country wide network of CBT groups and a national coordination body, the Kyrgyz Community based Tourism Association (KCBTA) “Hospitality Kyrgyzstan” has been established. Furthermore, Helvetas was assisting the Kyrgyz Republic in setting up a national destination marketing organisation from 2005 until January 2008. (The achievements and lessons learned from this project will be discussed as a part of chapter 3.1.2 and 3.3.4).

In the frame of the presented investigation HELVETAS provided access to their “library on tourism related documents” and helped identifying and arranging contacts / meetings with almost 40 selected stakeholders, which have been interviewed during the research. The interview partners represented the following groups of stakeholders:

- | |
|---|
| <ul style="list-style-type: none">(1) governmental / state institutions from different levels (national, regional, local),(2) tourism industry (associations and service providers from the Issyk Kul region; tour operators and tourism associations operating on the national level),(3) environmental care takers and local NGOs,(4) international donor agencies and development organisation. |
|---|

A complete list with interview partners which have been contacted and met is attached to the master paper in Annex 1. Thanks to the support of HELVETAS the willingness of contacted stakeholders to take part in the interviews were good; however during the interviews it was obvious that a few of the interviewees were evading questions particularly with regard to transparency of public sector activities and decision making structures.

For the investigation the method of qualitative research has been chosen. In this effect, semi structured questionnaires have been prepared for each group of stakeholders. However, because of the complexity and variety of the subject and the heterogeneous character of interview partners within the defined groups, the initially designed interview schemes had to be simplified and adopted for even more / smaller sub-groups of stakeholders.

Because destination management and so the subject of investigation of the presented paper is a complex theme, a comprehensive approach of analysis has been chosen including (1) the collection of background information in order to understand the historical / political context and its influence on the present structure of supply and demand, (2) the analysis of issues related to the development and management of the destination and, (3) an analysis of the impact of development cooperation related to the management of the destination.

In addition to the individual interviews, the main impacts of the increasing tourism industry and practices of decision making and problem solving within local communities have been discussed during a focus group discussion in a village called Tamchy. Participants of the discussion were members of the local community based tourism association, other local non governmental organisations and representatives of the local government (Ayil Okmato).

The issue of the “importance of tourism in community development” has also been subject of a round table with representatives of municipal and district governments, of the tourism industry and international organisations which was organized by the ‘State Agency of Tourism’ on May 29th 2008. Information gathered during this discussion is also considered in the presented research.

3. Presentation of findings: development and current situation of the destination Issyk Kul, its management and organisational framework

By example of the destination Issyk Kul, it will be analysed and discussed to what degree, how and with which limits a tourism destination (with the entire complexity of its management and institutional framework) can be supported by international development cooperation in a sustainable way. This chapter deals with important findings emerging from the study. The findings which will be presented on the following pages are structured according to the following scheme:

Historical context	<ul style="list-style-type: none">⇒ Historical (Soviet and post Soviet) context of the destination⇒ Past development cooperation with impact on Issyk Kul tourism development⇒ Current stage of development of the destination
Supply / demand	<ul style="list-style-type: none">⇒ Current situation of supply and demand⇒ Destination Issyk Kul from visitors' perception
Structures	<ul style="list-style-type: none">⇒ Situation of existing (public and private) cooperative tourism organisations as main holders of (various) functions of the destination and identification of major needs to improve the structural framework.
Activities	<ul style="list-style-type: none">⇒ Situation related to the (various) activities of destination management and identification of major needs related to a sustainable development and management of the destination
Human capacities	<ul style="list-style-type: none">⇒ Situation related to aspects like cooperate culture, capacities and performances and identification of major needs as a prerequisite for sustainable destination management

3.1 From Soviet dispatch tourism to a market oriented destination

Thanks to its mild climate and beautiful landscapes Issyk Kul is the most popular destination of Kyrgyzstan and well known throughout its neighbouring CIS countries. Its first flourishing days as tourist destination are dating back to Soviet time when almost 500.000 persons have been visiting the area annually. Its most frequently visited places are resorts and beaches located at the northern shore of the Issyk Kul Lake. Next to that, the mountains are offering a high variety of natural attraction and opportunities for out-door activities. During the past 10 years the variety of tour products including trekking, climbing, horse-back riding, heli-skiing, rafting, etc. has been continuously rising. Additionally, a northern route of the 'Great Silk Route' runs along the lake, connecting Uzbek Silk Road highlights like the old city of Samarqand with the Far East. This offers the tourism industry to address (next to beach and nature-based tourists) also those with an interest in culture and traditions. But before getting in more details about the current demand and supply, the following review will outline the destination's historical context.

3.1.1 Tourism during Soviet time – a short historical review

Kyrgyzstan and particularly its tourism destination Issyk Kul have a long-lasting tradition of leisure and recreation tourism as well as sport oriented out-door activities which emerged during the 70 years of Soviet regime.

ALLEEN describes the historical context of Soviet tourism as follows: *"It was a system that placed emphasis on immediate and rapid industrialization. The industrial worker was the centrepiece of society for the ruling socialists. Ideologically, they were committed to the principle that leisure and good health were the right of all working people. (...) Thus, in Soviet period, vacation and leisure were both earned and prescribed. They were earned through hard work in a target industry of the economy such as mining or steel production. They were prescribed by representative agencies to ensure a strong workforce and increased production."*⁴⁷

The main stakeholders of the Soviet tourism supply have been different state agencies who have been in charge of planning, managing and controlling the tourism industry. The function and role

⁴⁷ Alleen J.B. (2006): What about the locals?: The impact of State Tourism Policy and Transnational Participation on Two Central Asian Mountain Communities. Dissertation. University of Texas at Austin. p. 47

of the respective state organs were related to certain activities or segments of the population which they represented.⁴⁸ The most prominent bodies were the

- (1) All-Union Central Council of Trade Unions – serving the industrial working class
- (2) Ministry of Education – serving the Soviet Youth
- (3) Committee on Physical Culture and Sport – serving athletics and the out-door sport culture

While trade unions in the western context are strongly lobbying and at times fighting for the interests of employees, in the Soviet context “confrontational” actions such as strikes were prohibited. Consequently the functions of a ***Council of Trade Unions*** were rather directed to issues like social welfare. Providing recreation and leisure-time amenities for the workers was one of these functions.

The maintenance of tourism facilities was delegated to two wings of the All-Union: a) The ‘Central Council for the Administration of Health Resorts’ was in charge of recreation facilities such as sanatoriums and resorts. These facilities were mostly located at bodies of water - the Black Sea, the Baltic Sea or the Lake Issyk Kul. b) The Central Council for Tourism and Excursions took care of other tourism facilities such as hotels and sport-related accommodations. They were located for example in mountain areas such as the Caucasus, the Altai or the Kyrgyz Tien Shan range.⁴⁹

The ***Ministry of Education*** was responsible for school-based tourism. The Ministry’s ‘Central Children’s Excursion and Tourism Station’ (CCETS) together with the ‘Young Communist League’ and children’s pioneer organisations organized a variety of youth tourism programs lasting from one week to one month. They provided and maintained youth camps and children’s recreational facilities.⁵⁰

The ***Committee on Physical Culture and Sport*** served the Soviet sports at all levels. They were including not only the mainstream sports - also outdoor-oriented activities, such as mountaineering, skiing or rafting were very popular.⁵¹

⁴⁸ Alleen J.B. (2006), p. 48

⁴⁹ Alleen J.B. (2006), p.49

⁵⁰ Alleen J.B. (2006), p.50

⁵¹ Alleen J.B. (2006), p.50

In the Issyk Kul province, approximately 120 facilities were set up during the Soviet period - including recreational resorts, sanatoriums and facilities specialized for children's recreation or military personnel health care. These facilities have been located in 10 resort complexes ("Kurort") along the northern shore of the lake.⁵² The resorts were offering full-board accommodation as well as leisure-time amenities or medical treatments. Some of the lakeside resorts like the hotel and sanatorium complex "Aurora", which is still in ownership of the Kyrgyz Presidential Cabinet, hosted high ranking members of the Soviet government and military. It belonged among the highest standard accommodations in the USSR.

The southern part of the province with its Central Tian Shan Range was visited by members of the Soviet mountaineering and hiking clubs which were associated with the Central Committee on Physical Culture and Sports. They organized for example excursions to Khan Tengri, peak Pobeda, Inylchek Glacier or the Sary Jas River.

Booking and reservation mechanisms were exclusively handled by the state agencies. The term 'dispatch tourism' is related to this mechanism, which was based on the allocation of vouchers for the state agencies' target groups. General access to the Issyk Kul province was controlled at the main road from Bishkek to Balykchi, and only those citizens who were in possession of a voucher could enter the Issyk Kul oblast and its resort area. All activities of the vacationists were in principle concentrated within the resorts.⁵³

The main characteristics of the Soviet 'dispatch tourism' can be summarized as follows:⁵⁴

- strong link between tourism – recreation and health
- state control over the population's access to leisure
- ownership over tourism facilities and services by governmental bodies, collective farms or industrial institutions
- collective tourism with fellow workers, school-based vacations or sport-related groups
- very small share of family-oriented or individual tourism
- predominantly domestic (from the Soviet Union generated) inbound tourism
- restrictive handling of outbound international travelling
- restriction and control / supervision of international incoming tourism

⁵² Refer to working material of the GTZ tourism consultant which includes a list of Issyk Kul resorts from 1999

⁵³ According to interviews during the field study with former Soviet citizens from Bishkek

ALLEEN concludes that in order to understand tourism in former Soviet Republics, and particularly in recreational destinations such as Issyk Kul, it is important to consider the historical context of its development:

*“Tourism in these countries does not exist in a post-Soviet vacuum. It is not an industry that was ‘discovered’ by locals or international actors upon independence. (...) The legacy of this history plays a significant role in contemporary tourism in terms of the role of the state, who the consumers and service providers are, who is investing, where the destinations are located, what activities are offered, and how both consumers and providers conceptualize tourism.”*⁵⁵

3.1.2 Post - Soviet tourism development and international cooperation

The collapse of the Soviet Union was followed by a rapid transition from a command to a market oriented economy. The number of tourist arrivals in the Issyk Kul resort area was decreasing to less than 10.000 arrivals annually. But the market recovered fast. Since the end of the 1990th the recreational sector again notes continuous growing rates, thanks to a come-back of the CIS and domestic market.⁵⁶ According to records provided by the national Statistical Committee in 2006 Kyrgyzstan in total counted 1.1 million tourist arrivals. About 1.3 million tourists have been expected in 2007. Out of those, foreign tourists are estimated at about 80%, in their vast majority originating from the neighbouring Kazakhstan, Russia, and Uzbekistan.⁵⁷ For the Issyk Kul region, which is the most popular tourism destination among CIS and domestic tourists within Kyrgyzstan, it has been estimated that the province received at least 1 million visitors in 2006.⁵⁸

After the break up of the Soviet Union the process of decentralisation and privatization lasted for several years. Today - according to the deputy chairman of the Cholpon-Ata district

⁵⁴ Own description based on ALLEEN (2006) and information obtained by local people during the field visit in June 2008

⁵⁵ Allen, Joseph B. (2006), p.58

⁵⁶ Refer to JICA (2004), p. G-3

⁵⁷ Refer to ADB (2008)

⁵⁸ There are, however, no reliable statistical records concerning the actual number of tourists. According to a market research conducted by a Marketing Service Bureau from Bishkek in 2006, especially the counting of tourists from CIS countries has often been based on estimations and informal calculations. The criteria for counting have not been consistent during the past years. Depending on the source of information the number of arrivals in Kyrgyzstan in 2004 for example was differing between 392,069 (reported by the Statistical Committee) and 952190 (reported by the Ministry of Tourism). In 2005 the figures were varying between 314,142 and 738,549 tourist arrivals. The decrease of both numbers from 2004 to 2005 was related to the instability in Kyrgyzstan after the revolution in March 2005. However, with the political situation gradually stabilizing and rising economical well-fare in Kazakhstan, since 2006 the number of arrivals were increasing enormously.

administration - around 90 % of the former state owned facilities have been privatized. Investors are mainly coming from Kazakhstan and Russia and, partly from Kyrgyzstan itself.⁵⁹ Next to the rehabilitation process of existing resorts, the increase of the tourism demand has also caused active new construction. Big and small resorts are sprawling around the lake, and land prices are skyrocketing.⁶⁰ In addition, local villagers have started numerous informal private businesses, offering home stays without any services during the three month season.

The Kyrgyz and the Kazakh authorities together with the private sector are at present considering the construction of a new direct road from Almaty to the Issyk-Kul Lake which would cut the travel time from the current 7-8 hours to about 3 hours. It is anticipated that the realization of this project will result in a flood of tourists.⁶¹ But so far the Kyrgyz state is rather lacking means for maintaining public infrastructure. Many projects of the public domain are outstanding for years like the rehabilitation of sewage systems, the expansion of electricity supplies, the (re-) construction of roads and consolidation of the Issyk Kul air port in Tamchy.

On the international market Kyrgyzstan has been virtually unknown until the end of last century. During the past ten years, however, awareness particularly among international adventure and cultural visitor segments has been increasing and next to the mainstream (Soviet based) recreational sector a specialized sector including several niche markets emerged. One contributing element to this fact was the efforts of a CIM expert who was supporting the establishment of the first Kyrgyz Association of Tour Operators (KATO) in Bishkek in the mid 1990th. The aim of the expert's assignment was to assist Kyrgyzstan to gain access to international tourist markets and to ensure the economic survival of local tour operators.

*"In recognition of his achievements, the CIM expert was appointed 'personal adviser on tourism' to the President of Kyrgyzstan. This position in turn has made it possible for him to get a dialogue going between the public sector and the tour operators; and in this way many of the bureaucratic hurdles have been eliminated."*⁶²

The Government of the Republic of Kyrgyzstan (both, under the former President Askar Akayev as well as under the current President Kurmanbek Bakijev) is recognising the tourism industry as

⁵⁹ Refer to an interview with Mrs. Kayikova Roza Jazbaevna (deputy chairman of the Issyk Kul district administration) on June 3rd, 2008.

⁶⁰ Refer to ADB (2008), p.1

⁶¹ Refer to ADB (2008), p.1

⁶² CIM (2001): Going Fishing with the Fishers – Promoting Sustainable Tourism. A brochure of the Centre for international Migration and Development (CIM), Frankfurt a.M.

a priority sector of economical development. Although the responsibility of tourism development has been delegated to the State Agency for Tourism, Youth and Sports (SAT), a lot of tourism-related issues are also handled directly within the presidential cabinet.

In 2001 Kyrgyzstan was celebrating its 'Year of Tourism'. At the same time visa, border procedures and in-country registrations have been eased for international visitors. A year later, in 2002 the role of eco tourism as a part of integrated mountain development was discussed while the International year of Ecotourism and the UN "International Year of Mountains" were celebrated. In this effect Bishkek, the capital of Kyrgyzstan was appointed as the meeting place for the UN Global Mountain summit.

Since tourism has become one of the country's priority issues, more than a dozen international development organisations admitted tourism components to their portfolio of development projects. Others were supporting the government and regional departments in strategic planning of development concepts and action plans. To gain an overview of the post-soviet tourism development in the Issyk Kul region, major milestones of governmental interventions and international cooperation with impact on tourism development during the past 10 years are summarized in table 3.

<i>Milestones of tourism development with an impact on the destination Issyk Kul</i>		<i>Actors/ supporting agencies</i>
1995	Foundation of the Kyrgyz Association of Tour Operators (KATO), Later transferred to “Kyrgyz Association of Tourism”	GTZ – CIM
1999 - 2005	Business Promotion and Community based tourism Support Program (CBTSP), supporting tourism business start-ups in selected rural areas	Helvetas
2000	Study on Sustainable Tourism Development in the Issyk Kul region (Presentation on Kyrgyzstan Tourism Development Framework – regional development plan for the Issyk Kul Oblast)	AKDN / ERA GTZ
2001	Declaration of the “Year of Tourism 2001”	GKR
2001	Recognition of the “Issyk Kul Biosphere Reserve”	UNESCO / GTZ
2002	Promotion of a “ Tourism Investment Manual for a sustainable tourism development in the Issyk Kul region”	GTZ
2003	Foundation of the Kyrgyz Community based Tourism Association (KCBTA) “Hospitality Kyrgyzstan”	Helvetas, CBT groups
2003	Follow up seminar on integrated tourism development in Kyrgyzstan with special focus on the Issyk Kul province.	AKDN/ ERA
2003	Elaboration of a “Marketing Strategy for Sustainable Development of the Tourist Industry in the Kyrgyz Republic till the year 2010 ‘Hospitality Kyrgyzstan’ ”	Soros Foundation, SAT
2003 – 12/2005	“Issyk Kul Integrated Development Project”, including the establishment of the Issyk Kul Association of Service Providers and Tourist Information Centres (TICs)	EU - TACIS
2004	Resolution No.734 on Marketing Strategy for Sustainable Development of the Tourism Industry of the Kyrgyz Republic up to 2010 “Hospitable Kyrgyzstan”.	GKR
2004	Study on integrated development plan of the Issyk Kul zone in the Kyrgyz Republic. Finalized December 2004	JICA
2004, July 9th	Conference on ‘Development of Sustainable Tourism in the Issyk Kul resort area’ including an approval of an organizational structure for the development and implementation of a master plan for tourism development in the Issyk Kul region (consultative council and 8 working groups)	SAT - GKR, JICA
2004 - 2007	Program for the Development of Cultural Eco-tourism in Issyk Kul area including the establishment of an Association of ecotourism service providers and an Association of trekking workers	UNESCO, Novinomad
2005 – 01/2008	Destination Marketing Organisation Project including the establishment of a Destination Marketing Organization and its executive Association (DMA)	Helvetas
2006	Market research “The Tourism Market in Kyrgyzstan”	MSB /DMA
2007- 2010	Country Development Strategy for 2007 – 2010. Manifesting “Tourism” as a priority sector for economical development with a major focus given to the Issyk Kul resort area	GKR
02/2008	Concept note on a “Issyk Kul Sustainable Development Project”	ADB
2008	Small scale programs aiming at good governance / community empowerment through the promotion Eco tourism and CBT	JICA/”Leader” KCBTA

Table 3: Milestones of tourism development in the Issyk Kul region (own description based on field study 06/08)

As illustrated in the table of milestones the projects which had contributed to tourism development in Issyk Kul were sectorally and spatially diverse. Therefore, the approaches, objectives, targeted areas and tourism segments, tools and partners of the most important interventions will be analysed in more detail.

Besides the activities of the CIM advisor one of the first initiatives to support tourism development in Kyrgyzstan has been taken by the Swiss development agency HELVETAS. As a follow-up of a Women & Business Promotion Project, the organisation started in 1997 to implement the concept of community based tourism aiming at poverty reduction and economic development in rural Kyrgyz settings. In this effect, emerging rural tourism providers (B&Bs, drivers, restaurants, handicrafts, guides, etc.) were supported in developing their services and in forming CBT groups as self-managed local tourism organisations. In 2003, those groups were unified in a national umbrella organisation, the Kyrgyz Community Based Tourism Association (compare also with chapter 3.3.4).

Title and Actor	HELVETAS Community Based Tourism Support Project
Development approach	▪ Community driven participatory approach
Development objective and goals	▪ Rural development and poverty reduction ▪ Economic Development Assistance
Project duration	From 1997 until 2005 (8 years)
Benefiting tourism sectors	▪ Community based service providers (specialized sector)
Geographical focus	▪ Rural communities of Kyrgyzstan, including three in Issyk Kul (Tamchy, Karakol, Bokonbaevo)
Main tools (focused on development and management of Issyk Kul destination)	▪ SME support training for service providers of selected communities, supply and product development ▪ Initialisation of locally registered CBT groups ▪ Establishment of a national umbrella organisation “Kyrgyz Community based Tourism Association” ▪ Internal and external marketing support, training, certification, lobbying
Main partners	▪ Local CBT groups, KCBTA

Table 4: Profile of Helvetas Community based Tourism Support Project
(source of data KCBTA (2007), Helvetas (2008))

In 2000 the Aga Khan Development Network (AKDN) hired the Economic Research Associates (ERA) to prepare a market research and study on sustainable tourism development in the Issyk Kul region. Two years later AKDN prepared a presentation on “Integrated Tourism Development in the Lake Issyk Kul Oblast: A sustainable model for Kyrgyzstan.” addressed to the president of Kyrgyzstan and the State Agency of Tourism. In 2003 AKDN facilitated a seminar on the same issue in Issyk Kul oblast particularly addressed to decision makers of public and private sector.

Title and Actor	AKDN Issyk Kul Tourism Development Initiatives
Development approach	▪ mission driven, tourism related activities as component
Development objective and goals	▪ Integrated regional development ▪ Economic Development Assistance
Project Duration	▪ From 2000 until 2003
Benefiting tourism sectors	▪ Issyk Kul tourism industry (mainstream and specialized sector)
Geographical focus	▪ Issyk Kul province
Main tools (focused on development of Issyk Kul destination)	▪ Elaboration of a market research and proposal on Issyk Kul Integrated Tourism Development
Main partners	▪ GoK, SAT ▪ GTZ

Table 5: Profile of AKDN Issyk Kul Tourism Development Initiatives
(source of data: AKDN (2000), AKDN (2003))

The study of AKDN capitalized on the cooperation with the GTZ Biosphere Reserve Project. The goal of GTZ's project had primarily been to preserve Issyk Kul's natural resources but also to provide a tool for the biosphere's population to raise new potentials for the economic, social and ecological development of the region. To achieve the latter goal strategic initiatives and pilot projects were elaborated in the field of tourism, which had been identified as one of the main economic opportunities of the province. They were published in a "Tourism Investment Manual for the Issyk-Kul Region, Kyrgyz Republic". In addition, information was processed about general frame conditions. Natural settings were presented as a substantial condition for tourism (occurrence of attractive animal species, clean water, silence, etc.) and a set of development guidelines outlined that a coexistence of environmental protection and tourism is possible. (compare also with chapter 3.4.1) With this, GTZ in cooperation with AKDN made first efforts in suggesting strategic concepts and guidelines for the Issyk Kul region. At the same time the project appealed for close cooperation between the BRA, the province and district administration and the private tourism sector.

Title and Actor	GTZ Issyk Kul Biosphere Reserve Project
Development approach	▪ mission driven, tourism related activities as component
Development objective and goals	▪ Nature resource protection ▪ Sustainable regional development
Project Duration	▪ From 1995 until 2005 (10 years), tourism components started in 1998
Benefiting tourism sectors	▪ Issyk Kul tourism industry (mainstream sector and specialized, nature based sector)
Geographical focus	▪ Issyk Kul province, respectively biosphere territory
Main tools (focused on development and management of Issyk Kul destination)	▪ Elaboration of an Issyk Kul Tourism Investment Handbook ▪ Development and promotion of sustainable development guidelines ▪ Implementation of selected pilot projects (road signing, Issyk Kul map, Ecocentre)
Main partners	▪ Biosphere Reserve Administration ▪ Aga Khan Development Network

Table 6: Profile of GTZ Issyk Kul Biosphere Reserve Project, tourism components
(source of data: GTZ (publ.) (2002), GTZ (2005))

In 2004, with the Japan International Cooperation Agency (JICA) one more international agency put efforts in proposing a sustainable concept for the development of Issyk Kul region. In this effect, JICA agreed with the Kyrgyz Government to elaborate an integrated long-term development plan with a target year set at 2025. In the frame of the study a research team in cooperation with the State Committee on Architecture and Construction, which was designated by the Prime Minister as executing agency, organized nine Working Groups for joint analysis, study and plan formulation: (1) ‘State Governance and Institutions’, (2) ‘Environmental Management’, (3) ‘Land Use Management’, (4) ‘Social and Community Development’, (5) ‘Investment Promotion and Financial Sector Issues’, (6) ‘Agricultural Development’, (7) ‘Tourism Development’, (8) ‘Industrial Development’ and (9) ‘Infrastructure Development’. The work group’s outcomes which were a base of the development plan included a definition of the development framework, scenarios, strategies, sectoral development programs and overall land use and environmental management plans.⁶³

Title and Actor	JICA Study on Integrated Development Plan of Issyk Kul Zone
Development approach	▪ Research, sectoral work groups including tourism
Development objective and goals	▪ Integrated regional development
Benefiting tourism sectors	▪ Issyk Kul tourism industry (mainstream and specialized sector)
Research duration	2004 (one year)
Geographical focus	▪ Issyk Kul zone
Main tools (focused on development and management of Issyk Kul destination)	▪ Elaboration of proposals for a strategic development and action plan based on results of the tourism working groups ▪ Incorporation of interests of other sectoral working groups
Main partners	▪ State Committee on Architecture and Construction ▪ Issyk Kul province and district administrations

Table 7: Profile of JICA Study on Integrated Development Plan of Issyk Kul Zone, tourism components
(source of data: JICA (2004))

Between 2003 and 2005 the TACIS “Issyk Kul Integrated Development Project” was supporting three development components: (1) processing of agricultural products, (2) micro crediting and (3) tourism development. The tourism component in the first place was supporting small and medium size tourism enterprises. But at the same time, in order to provide legal assistance (taxes, social fund, etc.) to tourism-related SMEs and to promote their services a joint tourism organisation has been founded: the “Issyk Kul Tourism Association of Service Providers” (compare also with chapter 3.3.4). In addition, three Tourism Information Centres have been set-up in Karakol, Kadji Saj and Balykchi (compare also with 3.4.2).

⁶³JICA (2004): The Study on Integrated Development Plan of Issyk Kul Zone in the Kyrgyz Republic

Title and Actor	TACIS Issyk Kul Integrated Development Project
Development approach	Integrated approach (tourism as component)
Development objective and goals	Integrated regional development Economical development assistance to SMEs, Rural development (strengthening agricultural processing)
Project duration	From 2003 to 2005 (2 years)
Benefiting tourism sectors	Service providers, tour operators (dominantly affiliated to the specialized tourism sector)
Geographical focus	Issyk Kul region (however stronger involvement of southern shore actors)
Main tools (focused on development and management of Issyk Kul destination)	Supply development: SME support (credits, training, legal support) Marketing (elaboration of promotion material, web-site, fair exhibitions, etc.) Institutional building (Issyk Kul Association of Service Providers, TICs)
Main partners	Province Administration Karakol State University, Biosphere Reserve Administration

Table 8: Profile of TACIS Issyk Kul Integrated Development Project

(source of data: interview with Talai Abdyhasimov (director of the Issyk Kul Ass. of Service Providers))

In 2004 UNESCO initiated the “development of cultural eco-tourism in the mountain regions of Central Asia and the Himalaya”. The objective of this project was to promote community-based cultural and eco-tourism in selected mountain areas, with a specific focus on poverty eradication, reduction of rural-urban migration and the preservation of cultural and natural heritage in the respective areas. The Issyk Kul project, which was implemented by the local tourism development company ‘NoviNomad’ was one of the Central Asian projects financed by the UNESCO initiative.

Title and Actor	UNESCO Issyk Kul Cultural Eco Tourism Development Project
Development approach	▪ project approach (donor/ mission driven)
Development objective and goals	▪ Poverty reduction and rural development ▪ Preservation of cultural and natural heritage ▪ Reduction of rural-urban migration
Project Duration	From 2004 to 2007 (4 years)
Benefiting tourism sectors	▪ Trekking workers and ecotourism service providers (affiliated to the specialized tourism sector)
Geographical focus	▪ Akk-Suu district (Tien Shan Mountains), Karakol, Southern Issyk Kul shore
Main tools (focused on development and management of Issyk Kul destination)	▪ Promotion of cultural eco tourism ▪ preservation of petroglyph sites, ▪ organization of cultural events (e.g. folklore and national cuisine festivals, horse game shows) ▪ Marketing (product development, development of promotion materials, maps, web-site) ▪ Institutional building (Association of trekking workers, association of ecotourism service providers)
Main partners	▪ Novinomad – Kyrgyz development company from Bishkek

Table 9: Profile of UNESCO Issyk Kul Cultural Eco Tourism Development Project

(source of data: NoviNomad (2004) and NoviNomad (2008))

From 2005 to January 2008 HELVETAS provided assistance to the Kyrgyz Government in establishing a ‘Destination Marketing Association’ as a public private partnership between the Kyrgyz tourism players on the national level. The purpose of the association was to promote Kyrgyzstan abroad as a tourism destination, while Helvetas’ overall objective was to assist the tourism industry in terms of economic development. A more detailed analysis of the project’s outcome will follow in chapter 3.3.4.

Title and Actor	Helvetas Destination Marketing Organization Project
Development approach	▪ approach build on public private partnership
Development objective and goals	▪ Economic Development Assistance ▪
Project duration	From 2005 until January 2008 (3 years)
Benefiting tourism sectors	▪ Kyrgyz tourism industry (in practice: domination of the Bishkek based tour operators – more than proportionally specialized sector)
Geographical focus	▪ Kyrgyz Republic
Main tools (focused on development and management of Issyk Kul destination)	▪ Establishment of the destination marketing association “Kyrgyz Tourism” ▪ External marketing (research, strategy planning, image building, development of advertisement and promotion material, web-site, fair exhibitions, etc.)
Main partners	▪ DMA ‘Kyrgyz Tourism’, SAT ▪ Member associations: KATO, KCBTA, Issyk Kul Association of service providers, Ecotrek

Table 10: Profile of HELVETAS Destination Marketing Organization Project
(source of data: Helvetas (2004), Helvetas (2005), Helvetas (2008))

The latest announcement to assist a sustainable development in Issyk Kul province has been given by the Asian Development Bank in February this year (2008). The aim of ADB’s proposed initiative will be (again) to assist the Government in developing the Issyk-Kul resort area in a sustainable pattern.

“In order to develop the Issyk Kul resort area as a world class resort on a sustainable basis, without compromising the environment”, ABD expects that, “as a pre-requisite, it is essential to establish an independent legal entity (Issyk Kul Development Authority) with a mandate to plan, to develop and to administer all activities within the resort area.”

In their draft concept note ADB proposes that the potential project will include the following measures:

- ⇒ to establish and develop an organizational structure of the proposed Issyk-Kul Development Authority, to finance the proposed entity for the first five years and to build capacity of its staff during this period;
- ⇒ to assist the government in finalizing a vision on tourism development at Issyk Kul with a long-term view, to elaborate a mid-term strategy and action plan and to develop guidelines for investors and other relevant actors;

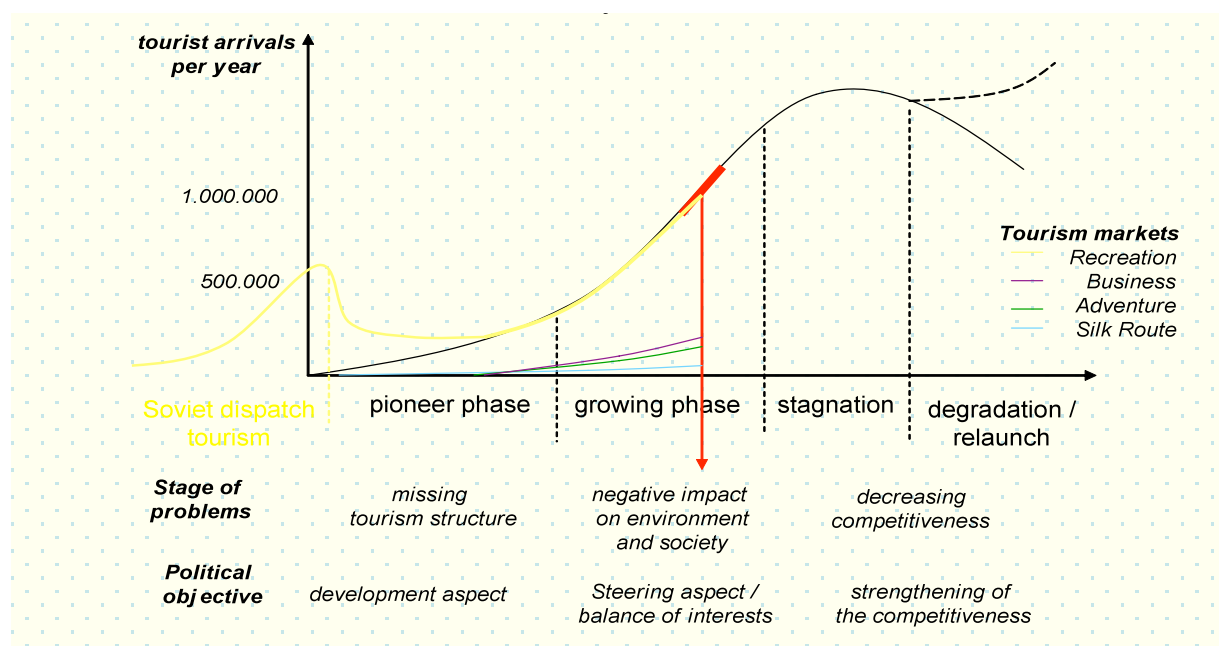
⇒ to identify and finance critical infrastructure to address most imminent bottlenecks, and/or public sector investment components with strong environmental or other thematic relevance (for example the sewage system of Cholpon-Ata has been prioritized); and

⇒ to facilitate better business environment and investment climate for private sector investment in the area, in ways and modalities to be determined during the preparation of the Project.

ABD expects that the proposed project will have a strong demonstration effect for viability of private sector involvement and public-private partnership. It is further expected to mobilize funds from other international organizations for the development of the Issyk-Kul Lake and area. At the time being the start of the proposed project was dated for the second half of 2009.

3.1.3 Resume: The destination Issyk Kul in view of the life cycle model

A destination's stage of development can be analysed with the 'life cycle model' which has been outlined in theory in chapter 1.1, part B. The following graph illustrates a practical application of the model with the example of the Issyk Kul destination.



Picture 1: Destination Issyk Kul in view of the life cycle model⁶⁴
(own description based on findings during the field study, June 2008)

⁶⁴ The description of the model is basically illustrating the trend of development by using the parameter of (estimated) tourism arrivals instead of tourism revenues. Data about Soviet tourism revenues are not available and it is to questions if the measurement of Soviet revenues would be applicable. In addition, currencies have been changing.

The figure illustrates graphically the processes outlined in the historical review: the first development of the Issyk Kul's tourism industry is dating back to Soviet recreational tourism. After the end of the Soviet era and the Soviet dispatch tourism system, tourism arrivals at Issyk Kul decreased. But after a couple of years the recreational tourism sector again noted a re-launch. At present, stakeholders are still expecting continuous growth of the sector. In addition, former Soviet out-door oriented sports were recovering and new emerging specialized tourism markets have been developed for the international market. All in all, the Issyk Kul destination is at present undergoing a growth phase. In this context the stage of problem is gradually shifting from 'insufficiency of the tourism supply' towards increasing 'negative impact on the environment and society'. As a resume of its past project (which was focused on marketing) Helvetas is coming to an analogue conclusion:

*"The relatively rapid and uncontrolled tourism development and a critical number of guests over the past years have revealed that the main focus and attention of tourism development should be shifted from promotional efforts towards the protection and regulatory / management measures in order to safeguard the country's natural resources of tourism. The problems caused by tourism have to begun to overtake the need for promotional approach."*⁶⁵

Main result of analysis:

- Looking at the historical context, the development of the destination Issyk Kul has been an ongoing process which in the last decade has been declared by the Kyrgyz Government as a priority issue and which has been supported by various international donor projects.
- While the recreational sector had already been developed during Soviet time, new emerging specialized tourism segments were particularly benefiting from support of international organisations. The characteristics of both sectors in terms of supply and demand need to be outlined in more details and will be the theme of chapter 3.2.

Having outlined the past development of Issyk Kul destination and contributions of international development cooperation furthermore the following conclusion were derived in view of the questions raised in the introduction to the master paper (chapter 3, part A).

⁶⁵ HELVETAS (2008): Destination Marketing Organisation Project. Final report. P.

What kinds of activities have been supported by international development cooperation?

- Activities which were predominantly directed to (respectively attracting participation from) the specialized sector included the establishment of private tourism organisations on regional and national level and support in activities related to supply development, marketing and lobbying.
- Activities related to strategic planning frameworks (such as researches, elaboration of development plans and guidelines, investment manuals) were directed to the resort area in first place but also to the entire Issyk Kul province including as such the mainstream as well as the specialized tourism sector.

What have been the overall approaches and objectives of presented development projects?

- Regarding the **development objectives** almost all of the described donor projects were promoting sustainable tourism approaches. While Helvetas initially was particularly aiming at economical development assistance, rural development and poverty reduction by promoting the CBT concept, GTZ's prior goal was directed to nature resource management. With JICA and TACIS (following GTZ) integrated sustainable development approaches were promoted with tourism as a subordinated component. In addition, UNESCO focused on rural development by preservation of cultural and natural heritages.
- As the **present trend** it is to add - and explanation for it will be given in the analysis of the following chapters -, that all of the agencies which are currently (still) engaged in tourism support (JICA, Helvetas, ADB) are stressing the objective of good governance and empowerment of local communities / participation. Additionally, Helvetas is pointing out the need to shift attention from tourism development and marketing towards protection and regulatory / management measures.

What are the opportunities and limits of development projects to support sustainability in terms of destination management?

Before making conclusions to this third question the relevance and outcomes of the activities in terms of the destinations development and management need to be analysed in more detail and will therefore be described and discussed separately in chapter 3.3 and 3.4.

3.2 Current situation of the destination's supply and demand

At present the Issyk Kul tourism industry includes two principle sectors: a mainstream sector (with a market share of about 85%) and a specialized sector (with less than 15% of the market share). In this chapter the main characteristics of both sectors will be summarized to provide a basic understanding of the tourism industry /market – reflecting the key actors of the destination Issyk Kul.

3.2.1 Mainstream sector

The **mainstream tourism sector** is concentrated in the Issyk Kul resort area, especially in the resort zone at the northern shore of the lake. The roots of this sector are strongly tracing back to Soviet recreational tourism. The source markets of this sector are predominantly CIS countries' markets (Kazakhstan, Russia, Uzbekistan) and the domestic market. The profile of this market can be summarized as follows in table 4.

Characteristics	Motivations
<ul style="list-style-type: none"> ▪ predominantly domestic and CIS tourism source markets (Kyrgyz, Kazakhs, Russians, Uzbek) ▪ a high percentage of returning visitors ▪ predominantly middle class ▪ strong seasonal pattern of visitation ▪ average stay: 10 – 14 days ▪ some short vacations: Kyrgyz, Kazakhs ▪ average daily expenditure: US\$ 5-60 (2000) ▪ more than 50% of CIS tourists do not book their holidays ▪ majority is aged between 20 and 39 	<ul style="list-style-type: none"> ▪ Rest and recreation ▪ Sport and leisure activities ▪ Weekend 'getaways', short breaks ▪ Escape urban environment ▪ Visit friends and family ▪ Therapeutic treatment

Table 11: Mainstream tourism market profile (own description based on ERA (2000) and MSB (2006))

Tourists from this market typically stay in resorts, sanatoriums, large hotels or tourist camps around the lake on full-board package holidays. But the Marketing Service Bureau is – in their research on the Kyrgyz tourism market from 2006 – observing a change in the choice of accommodation. Next to the holiday in sanatoriums and resorts, a rising number of tourists prefer



Picture 2a-d: Mainstream tourism impressions: beaches, upper class and low budget accommodations
source of picture (1), (4) SAT brochure; (2), (3) own pictures from June 2008.

to stay with relatives, in friend's apartments or rent accommodation in the private sector. In 2006, there were even not enough beds for tourists, especially in the Issyk Kul holiday zone:

*“The success of the advertising and promoting tourism in Kyrgyzstan... (supported by the State Agency of Tourism and regional state tourism departments) ...was unexpected in most holiday resorts. Old camps and resort hotels have been modernized but the number of tourists is outstripping the speed at which new accommodation is being built, resulting in problems for tourists and losing some of them.”*⁶⁶

At the same time a tendency of over-pricing has been observed: *“Service has improved due to private sector development and modernization of resort hotels, but there are still lots of tourists who don't feel they got value for money.”*⁶⁷

3.2.2 Specialized sector

While the roots of the mainstream tourism market are strongly tracing back to Soviet time, the **specialized tourism sector** includes a lot of tourism products which have been developed after the country's independence. An exception is the small specialized adventure tourism market which is partly tracing back to former Soviet out-door oriented sports.

This sector includes several specialized niche markets such as nature-based tourism, adventure tourism, Silk Route/cultural tourism, community based tourism or jailoo tourism⁶⁸. It is predominantly targeting tourists from the international market (Europe, America, Austria, East Asia), who are visiting the area in organized groups or as individual travellers. The profiles of the adventure and the cultural /Silk Route market can be summarized as follows in table 12 and 13.

Characteristics	Motivations
<ul style="list-style-type: none"> ▪ Dominated by Western Europeans ▪ Well travelled young professionals ▪ Majority aged between 20 and 39 ▪ Average stay in Kyrgyzstan 10 to 14 days ▪ Stay in guest houses, Yurts or camp sites ▪ Mostly June to September, some spring and autumn ▪ Organized group travellers as well as individual travellers 	<ul style="list-style-type: none"> ▪ Seeking new / authentic experience ▪ Exercise ▪ Close contact with new environment ▪ Get away from urban life style ▪ Pursue a particular interest: e.g. trekking, horse back riding, climbing, rafting, etc.

Table 12: Adventure tourism market profile (own description based on ERA (2000))

⁶⁶ Marketing Service Bureau (2006), p. 78

⁶⁷ Marketing Service Bureau (2006), p. 78

⁶⁸ ‘Jailoo’ is a Kyrgyz synonym for alpine pastures, where shepherds traditionally spend the summer months with their cattle. ‘Jailoo tourism’ basically includes a visit and overnight in the shepherds yurts, trekking tours or horse back riding

Characteristics	Motivations
<ul style="list-style-type: none"> ▪ Western Europe, US and Japan ▪ Most aged over 40 years ▪ Wealthy middle class, well travelled ▪ Generally in tour groups from 7 to 20 ▪ Season: April to October ▪ Average stay: 3 to 6 days passing through Kyrgyzstan on wider Silk Route tours ▪ Stay in hotels, guest houses, Yurts 	<ul style="list-style-type: none"> ▪ Exploration of local culture ▪ Seeking new / authentic experience ▪ Retracing paths of Silk Route ▪ Pursuing special interests such as botany, gastronomy, nomadic culture, cultural heritages, etc.

Table 13: Cultural tourism market profile (own description based on ERA (2000))

The arrangement of tour packages is mainly organized in cooperation with tour operators from Karakol and Bishkek. In addition, the development of this niche markets was assisted by various international cooperation projects in business start-ups, product development and marketing assistance. The supply is based on new emerging small and medium size businesses such as private guesthouses and small, low-impact, upscale trekking firms.



Picture 3a-d: Specialized tourism sector impressions (own pictures from August 2002)

3.2.3 Destination “Issyk Kul” from the visitors’ perspective

In the context of the area of investigation different geographical terms are used. This terminology needs to be defined. Then an explanation will be given to understand what “destination Issyk Kul” in principle does mean.

- ◆ “*Issyk Kul region*” means the territory of the whole Issyk Kul oblast respectively the entire biosphere reserve.
- ◆ The “*Issyk Kul resort area*” traditionally describes only the recreational zone of the northern shore of the lake. However, nowadays the term is used for both: the recreation resort zone of the northern shore (with a high concentration of tourism) and the southern shore complexes (with a low concentration of tourism).

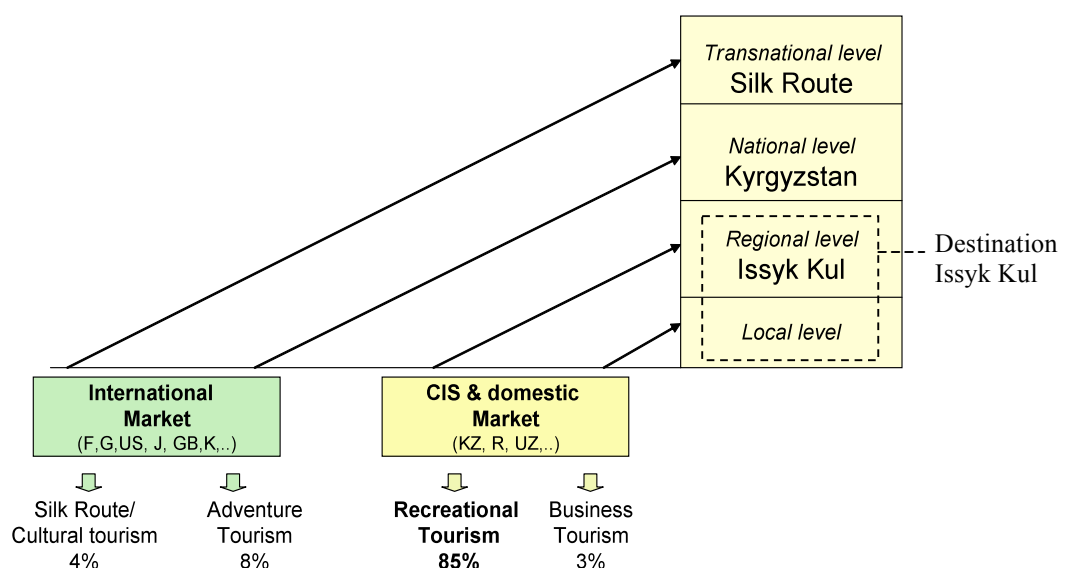
- ◆ Additionally some organisations use the term “*Issyk Kul zone*” which is used for the northern and southern resort areas plus mountaineering and trekking regions around Karakol.



Picture 4: Issyk Kul region (small box left side above) and Issyk Kul resort area (yellow)
(own description based on pictures from the GTZ Investment Manual 2001)

In the context of the term “*destination Issyk Kul*” the view/perception of the different tourism segments has been considered regarding to the perceived size of their holiday destination. As outlined in chapter 1.1 (part B), the dimension **of a destination** is perceived differently depending on its distance to the visitors’ place of origin, b) its popularity and image and c) the visitors’ travel experience.

The following graph illustrates the correlation between the visitors’ place of origin and the geographical dimension of the destination visited.



Picture 5: Size of the destination depending on distance of travelling
(own description referred to Bieger (2007), p. 58)

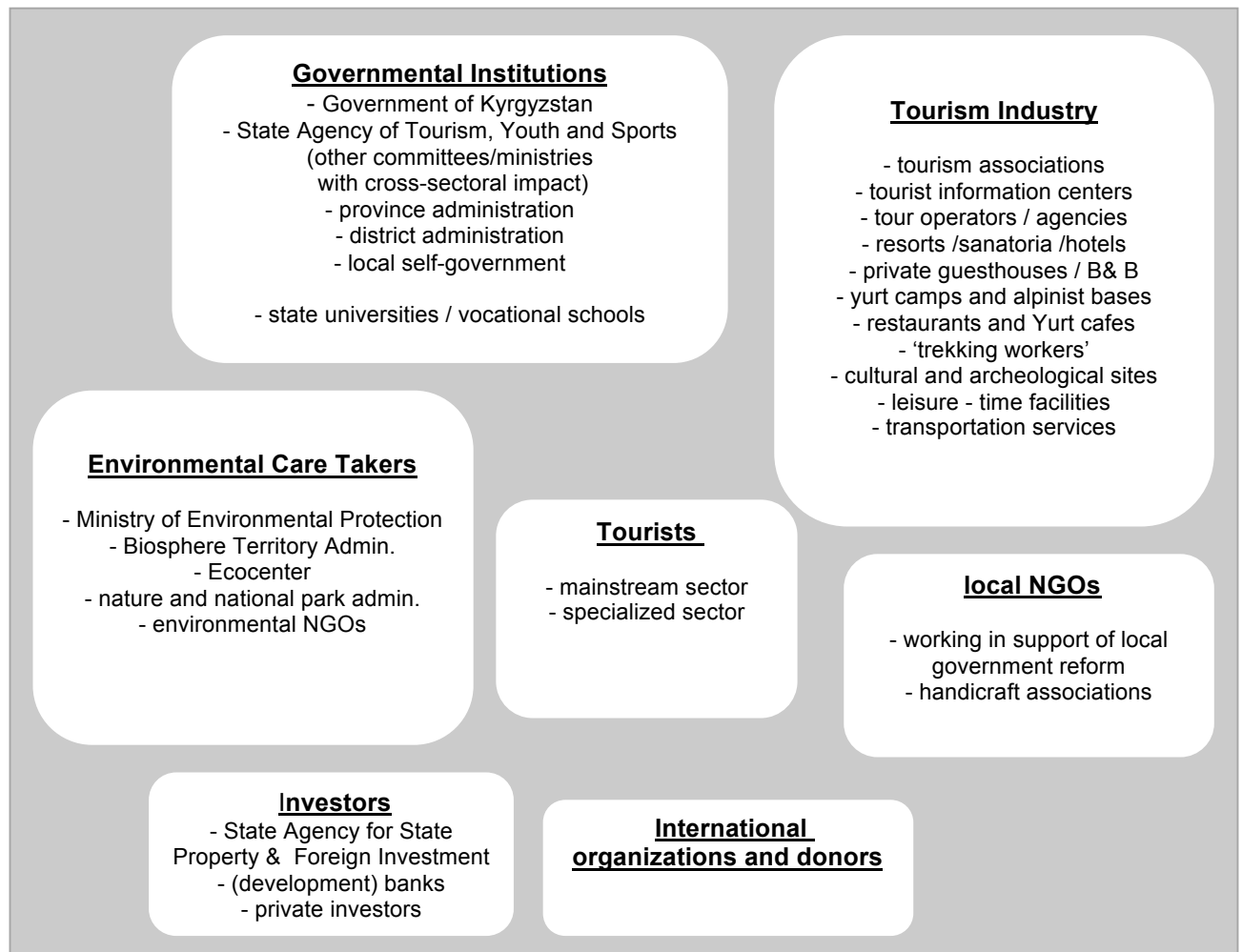
People from the international market usually have heard neither about the Issyk Kul region nor about the Lake. Except of a few specialized alpinists or business travellers, most of the international tourists visit Issyk Kul as organized group travellers or individual travellers for the first time. Both organized groups as well as individuals are usually travelling around Kyrgyzstan or even its neighbouring countries. Therefore the Issyk Kul region from their perspective is just a part of larger geographical areas such as the destination ‘Kyrgyzstan’ or the destination ‘Central Asia / Silk Route’.

Tourists from the CIS or domestic market, however, particularly travel to ‘Issyk Kul’. Most of them have visited Issyk Kul for as many years and they got familiar with one or the other resort or private guest house. Therefore, the actual destination for most of them is even a smaller geographical unit than the Issyk Kul region. Their destination is the Issyk Kul resort area or even a single village or specific resort.

Main result: When referring to the destination as a competition unit it has to be considered that - in terms of product development and marketing for the international market - the tourism suppliers of the Issyk Kul region are depending on good cooperation with other suppliers, tour operators and marketing associations on the national or trans-national level. Marketing the Issyk Kul as a destination on international fairs in western countries would not make sense because the name is too little known and it covers just a small part of the visitors’ entire tour package. Looking at the regional (CIS) market, however, the name Issyk Kul is a synonym/ brand for recreational and leisure holidays related to the roots of Soviet resort tourism. For the destination Issyk Kul it will be crucial to sustain its positive image within the regional market and to strengthen its competitiveness in comparison with other recreation and leisure resorts (eg. in the Emirates, Turkey or Cyprus) on a long term view.

3.3 Analysis of stakeholders and structural framework of the destination

As outlined in theory sustainable tourism planning and development is oriented towards all stakeholders that are interested and/or affected by tourism in a specific destination. (compare with chapter 1.2). During the field research, in a first step the main stakeholders which have any claim on a sustainable development of Issyk Kul region as a tourism destination have been identified. The following graph gives an overview of those key stakeholders.



Picture 6: Key stakeholders of a sustainable (participatory) destination planning process
(own description based on findings during the field study in June 2008)

In order to reach sustainable development on a long-term perspective it has been outlined in theory that the planning and conception of a destination (elaboration of a joint vision and strategy) should be based on a participatory process that is considering the interests of all of the identified key stakeholders.

It has been outlined in the analysis of literature that someone respectively a tourism organisation is needed to initiate, to steer and to manage all respectively specific sub- functions of destination management. Traced on the roots of Soviet tourism, in the Republic of Kyrgyzstan, the government (presidential cabinet) and the State Agency of Tourism, Youth and Sports (SAT) are the prime actors which are handling tourism issues on the national level. Their particular role and influence in tourism issues on the regional Issyk Kul oblast level will therefore be discussed in separate chapters (3.4.1 and 3.4.2).

From the perspective of environmental care takers, the Issyk Kul Biosphere Reserve Administration (BRA) has been established as a public sector institution with relevant functions in terms of tourism development on Issyk Kul oblast level. Tourism related tasks / activities of the administration, the role of the biosphere reserve and how it is perceived by tourism stakeholders will therefore be highlighted in more details (chapter 3.4.3).

Next to the public players, several private cooperative tourism organisations in Issyk Kul and superior geographic levels have been established – most of them under support of international development organisations. It will be analysed to what degree these organisations are holders of functions, respectively sub -functions related to destination management (chapter 3.4.4)

3.3.1 Structural framework of the state administration

In Kyrgyzstan tourism development and planning is an issue that is handled on the highest level, meaning that the presidential cabinet and state administration plays an important role in Kyrgyzstan's tourism development. Due to its history as Soviet resort destination and remaining popularity on the domestic and CIS market, the government stresses the development of the Issyk Kul resort area as a driving force of economic development.

In order to understand the political context the structure of the Kyrgyz “Presidential Democracy” and its institutional framework related to tourism development will be outlined for readers with a western background.

On the national level the *Government of Kyrgyzstan* (presidential office) and the *State Agency of Tourism Youth and Sports* (SAT) are the main actors involved in tourism development and promotion. But because tourism is a cross-sectoral theme also other ministries and state committees' decisions have considerable influence on the sector. ALLEEN is identifying in his research two other state bodies with a dominant role in tourism development: the *State Committee on Property and Direct Investment* and the State Forestry Service, an agency of the Ministry of Ecology and Emergency.⁶⁹

Within the Issyk Kul region the state administration of the central government is represented at two levels: at the provincial level (= oblast) and at district level in five ‘rajons’. In the ‘Presidential Democracy’ the head of oblast (governor) and the heads of the rajons (Akim) are

Level	No. in Issyk Kul	Executive	Legislative	Head	Appointment of the head
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Oblast (Province)	1	State admin. + oblast office	Oblast Kenesh	Governor	by President
Rajon (District)	5	State admin. + rayon office	Rajon Kenesh	Akim	by President
LSGs (Municipality)					
Oblast subordinated city	1	City Admin.	City Kenesh	Mayor	by oblast kenesh
Rayon subordinated city	2	City Admin.	City Kenesh	Mayor	by rajon kenesh
Ayil	58	Ayil Okmotu	Ayil Kenesh	Head	by rajon kenesh
town	5	Town admin.	Town Kenesh	Head	by rajon kenesh

Table 14: The structure of Oblast, Rayon and Local Self-Government (refer to JICA (2004), p. A-4)

appointed by the President. They are in principle the executive wings of the line Ministries/ Committees/ Commissions who are accountable to its respective supervisor in the central government. Tourism issues on Issyk Kul oblast and rajon levels are delegated to their respective departments of economic development and tourism.⁷⁰

The third sub-national layer, on municipality level is the ‘Local Self-Government’ (LSGs or in rural areas also named ‘Aiyl Okmotu’). However, they”*play only a nominal or advisory role at the respective levels in the structure that is dominated by the deconcentrated functions and appointees of the central state.*”⁷¹ A national strategy which is titled “Decentralization of State Government and Development of Local Self-Government in the Kyrgyz Republic through the year 2010” was adopted in 2002 and legal and institutional reforms are since than in progress. However, against the background of promoting decentralization and strengthening LSGs, a pilot project was started in 2004 in Issyk Kul region to shift more accountability from the central state to the oblast administration.⁷² However, after the 2005 revolution the attempts of decentralisation have been withdrawn again.⁷³ The presented description of the structures of the state administration is mainly based on the study results of JICA (2004) and the research of ALLEEN (2006). But with the revolution and newly elected President in 2005 again some responsibilities and duties (might) have been shifted from one to another state body.

Main result: All in all, the Kyrgyz Republic is characterized by an *instable political framework* since its independence. Its Presidential Democracy is building on a *dominant role of the central*

⁷⁰ JICA (2004): Sector A workgroup results on State governance and Institutions

⁷¹ JICA (2004): Study on Integrated Development Plan. Work group results Sector A: State governance and Institutions. P. A-3

⁷² For example according to the JICA’s study (2004) the following authorities have been transferred: registration of legal entities with foreign investment; issuing of license and permits for hunting and fowling, for setting limits to felling and standards for fishery; controlling the use of funds for environmental protection in Issyk Kul; controlling over allocation of land parcels for ownership and use.

⁷³ GTZ (2006), p.4

state not only on the national, but also on oblast and rajon level. In addition, *personnel changes* on top level have been on the agenda regularly and hamper the reliability and commitment of respective institutions. *Intransparency and corruption* are still issues to be solved within a considerable number of state institutions.⁷⁴

3.3.2 Government of Kyrgyzstan and its State Agency of Tourism, Youth and Sports (SAT)

Although the area of investigation of the presented thesis is focusing on the regional level (Issyk Kul province), the prime national state bodies need to be considered because of the centralized structure of the Kyrgyz state administration as outlined before. The State Agency of Tourism, Youth and Sports (SAT) is the principle state body in charge of the management of the tourism sector on national level.

Since the beginning of this century tourism has been regarded as priority economic sector of the Kyrgyz Republic. In this effect, the government has been seeking to foster tourism development in three distinct ways: (1) spelling out a clear and evolving pro-tourism policy, (2) attracting participation from foreign investors and mission-driven development agencies; and (3) deconstructing barriers to the free movement of tourists. Looking at the present ‘Country Development Plan 2007 to 2010’ the Government of Kyrgyzstan is stressing its major focus on tourism development at Issyk Kul. Although, the GOK has recognized and supported also the new emerging specialized tourism sector (compare with chapter 3.1.2), in the present country development plan the GOK particularly emphasises the importance to develop the mainstream sector. In this effect, the GOK aims at the “*establishment of stable environment and socially orientated highly profitable tourist industry generating stable currency income and creating job opportunities, re-entering traditional tourist industry service markets in Russia (including Ural and Siberia) and in Central Asia as a resort-recovery centre*”.⁷⁵

Its commitment towards the recreational sector is additionally visible in the set of concrete activities which have been identified in terms of marketing (compare with chapter 3.4.3) and

⁷⁴ GTZ (2006), p.9

⁷⁵ Government of Kyrgyzstan (2007): Country Development Strategy (2007-2010); chapter 5: Development Focus and Priorities; chapter 5.1.6: Tourism Development

supply development (compare with chapter 3.4.2). The responsibility of implementing the defined measures is delegated to the State Agency of Tourism.⁷⁶

ALLEEN has summarized the specific tasks of the State Agency as follows⁷⁷:

1. Enforce all laws, decrees, and decisions regarding tourism that stem from the Office of the President of the Kyrgyz Republic, and offer reports and advice concerning such.
2. Finance the expenses of oblast and regional committee offices
3. Seek out financial and technical assistance for the development of the tourism sector from international organizations and state donors.
4. Define and conduct committees, forums and seminars for analyzing and developing the tourism sphere
5. Create a standardized system for the classification of tourism services and facilities within the Kyrgyz Republic
6. Develop interregional cooperation and agreement to assist in expansion of tourism
7. Preserve and develop current sites and complexes, particularly those used for health and medical purpose, and seek out potential sites for future creation and development
8. Promote tourism within the Kyrgyz Republic with the specific purpose of attracting both internal and international clientele and direct internal and international investment.

Main result: Based on the legacy of Soviet tourism the government and the State Agency of Tourism play a significant role in the development and management of the tourism industry in Kyrgyzstan. The list of activities delegated to SAT expresses the strong involvement of the agency in planning, external marketing and supply development of Kyrgyzstan but also of the Issyk Kul resort area. In addition, a strong commitment and support given particularly to the mainstream sector can be traced back to the legacy of Soviet recreational tourism.

On the regional level SAT is in principle cooperating with departments of the oblast and rajon level. However, international agencies and representatives of Issyk Kul tourism organisations are complaining that there are no special administrative arrangements for the management of the Issyk Kul resort area.⁷⁸

⁷⁶ Refer to Government of Kyrgyzstan (2007); chapter 5.1.6

⁷⁷ Compare with Alleen, J.B. (2006), p. 105 (Alleen is describing the tasks based on reference of the 2001 provisions of the State Committee for Tourism (Polizheniye 2001))

⁷⁸ According to ADB (2008) concept note and an interview with the director of the Issyk Kul Association of Service Providers, Mr. Talant Abdykasimov on May 30th, 2008.

3.3.3 Issyk Kul Biosphere Reserve Administration as a player of tourism development

The Issyk Kul Biosphere Reserve has been established in the frame of a development project implemented by the German Agency for Technical Cooperation (GTZ) between 08/1995 and 12/2005 (compare with chapter 3.1.2). In September 2005 the Biosphere Reserve was recognized as UNESCO world heritage.

In the project's final report of April 2006 GTZ is outlining that the project goals in general have been achieved, although the efficiency of the project had suffered from changing political frame conditions including a high turn over of (leading) personnel within governmental institutions and the BR administration itself. Intransparency of administrative decision making and interpersonal conflicts between governmental representatives on state and province level for example led to several re-locations of the BRA. GTZ is recommending that future programmes should not be solely based upon public structures but preferably on a mixture of public and private structures.⁷⁹

The territory's announcement as a biosphere reserve and the work of its administration has been repeatedly criticized by interview partners of the tourism sector, local population as well as subordinated nature parks and the Ecocentre. They were stating that information and transparency regarding the activities and use of financial means has decreased since GTZ is no longer supervising the BRA. Information for the population and visitors is dating back to the time of GTZ involvement. An effort to obtain the latest activity or financial report was without result; according to the deputy director of the BRA the latest annual reports have not been public but exclusively addressed to the government.⁸⁰ All in all, the identification of the population as well as the tourism sector with the BRA seems to be very low.

The field study also identified an obvious lack of interest and commitment of the BRA to support the tourism sector:

- There is no cooperation between the BRA and the tourism sector for example concerning product development or concerning the arrangement of nature expeditions/observations under support of skilled BR rangers. It is true that the deputy director of the BRA stated that *“of course everybody who is working in the administration could immediately serve as ranger/ guide for nature expeditions”*, but although the international nature based

⁷⁹ GTZ (2006): Final report on the Biosphere Reserve Project (08/95 – 12/2005)

⁸⁰ Interview with Eraly Jankynbaevich, deputy director of the BRA on June 3rd 2008

tourism market has been identified as promising target market, none of the administrations rangers seems to have advanced English language skills.

- Infrastructure for nature experience and observation could not be pointed out by the deputy director. But he admitted that visitors could just go anywhere they like (including core zones of the territory) in order to watch birds or other species on their own.
- The tourist map which has been elaborated on behalf of the GTZ was only available within the BRA building. At the time of research none of the visited Tourist Information Centres was selling the map. Some even did not know about its existence.
- In the frame of a TACIS project a Tourism Information Centre (TIC) had been set-up in Balykchi (compare with chapter 3.4.2), which after the phase out of the project was placed under responsibility of the BRA. However, a year later the administration re-located the TIC to the Ecocenter in Cholpon-Ata. In this process according to a Karakol TIC representative and former TACIS implementation officer only printed information material had been moved, while technical equipment and furniture was kept by the BRA in Balykchi. After just one season no more financing for the TIC staff was provided and the information centre in Cholpon-Ata was finally closed.
- In the frame of the project visitor fees have been introduced. All persons who are entering the biosphere territory, thus the Issyk Kul province, are charged a contribution depending on the size of the vehicle and its origin (Kyrgyz or foreign). In order to better organize the collection of the fees the BRA build a new paying station at the entrance to Balykchi town (see picture 7). The opportunity, however, to use this entrance point for providing information about the reserve and its tourism supply is used insufficiently and the utilization of the entrance fees seems to be entirely obscure.



Picture 7: Entrance and paying station of the Issyk Kul Biosphere Territory (own picture, 06/08)

Main result: On the one hand, GTZ summarizes in its 2006 final report that the BRA has been established as a notable actor on the province level and that its influence in decision making has become of significant importance.⁸¹ On the other hand, the field visit raised the impression that the BRA lacks transparency and commitment as well as interaction with other players. Furthermore, tourism stakeholders and the population lack identification with the biosphere reserve and regard it as a money making machine for some private pockets.

A representative of the Asian Development Bank brought both perceptions to one point: “*the BRA contemporary is one of the state institutions in the Issyk Kul province that needs to be revitalized*”.⁸²

3.3.4 Cooperative tourism organizations – private sector

During the past decade various cooperative tourism organizations have been established in Kyrgyzstan on the national, regional and local level – most of them with assistance of international development programmes. In connection with the development and management of the Issyk Kul region they do fulfil specific sub-functions. In this chapter first a general overview of existing organizations will be presented in table 8. The role and impact of these actors will be analysed according to the following criteria: geographical scope, benefiting tourism segments, represented suppliers/members and their main interests, goals / mandates / functions and tasks.

- (1) Association of Issyk Kul Resorts
- (2) Ecotrek – Association of Trekking Workers
- (3) Issyk Kul Association of Service Providers
- (4) Kyrgyz Association of Tour Operators
- (5) Local CBT groups and the Kyrgyz Community Based Tourism Association
- (6) Destination Marketing Organisation ‘Kyrgyz Tourism’



Picture 8: Examples of Issyk Kul tourism organizations' logos (own pictures 06/2008)

⁸¹ GTZ (2006), p. 5

⁸² Interview with Cholpon Mambetova, ADB Project Implementation Officer on May 18th, 2008

Geographic scope	Name of tourism organizations	Type of organization	Benefiting tourism segments / sectors	Represented suppliers	Main functions	Agencies that provided support
CA	Central Asia	Network	Specialized sector: CBT	CBT associations	Networking, joint marketing	OSCE/KCBTA
	Silk Route	Trans-national forum	Specialized sector: cultural tourism	?	Networking	JICA
National	Kyrgyzstan	DMA "Kyrgyz Tourism"	In principle all; in practice: specialized sector dominating	Tour operators dominating, accom. providers, CBT, etc.	joint marketing	SDC/Helvetas SAT
	Kyrgyzstan	Kyrgyz CBT Association	Specialized sector: CBT	CBT members	Joint marketing, supply development, lobbying	SDC/Helvetas
	Kyrgyzstan	Kyrgyz Association of Tour Operators	Specialized Sector dominating	Tour operators	Lobbying, networking, joint marketing	BMZ/CIM
	Issyk Kul northern shore	Association of Issyk Kul Resorts	Mainstream sector: recreational tourism	Resorts, sanatoria	Marketing, (lobbying)	(Rajon administration)
Regional	Issyk Kul region	Issyk Kul Association of Service Providers**	In principle all: those with commitment to Ecotourism dominating	Private guesthouses, Yurt camps, resorts, tour operators	Joint marketing, supply development, lobbying	TACIS
	Southern Shore and mountains	Ecotrek – Karakol Association of Trekking Workers / Ecotourism SP	Specialized sector: adventure tourism	Trekking worker, private accommodations	Supply development, networking, lobbying (marketing)	UNESCO/Novinomad
Local	Tanchy Karakol Bokonbaevo	Local CBT groups.	Specialized sector dominating (CBT)	CBT members (home stays, driver, guides, handicraft makers)	Supply development (lobbying)	Helvetas
	Karakol Kadji Saj Cholpon Ata	tourism information centre (TIC)	Specialized sector dominating (individual travellers)		information	TACIS

Table 15: Overview of tourism organizations in Issyk Kul region and superior levels (own description based on field study in May / June 2008)

* DMA "Kyrgyz Tourism" still exists as association, however, since January 2008 all operations stopped after the executive director left and the office of the organisation has been closed.

** The 'Issyk Kul Association of Service Providers' is currently also in a status without funding and office staff.

Association of Issyk Kul Resorts

The Association of Issyk Kul Resorts has been registered as member-based entity two years ago. It is the association which replaces the former 'Union of Resorts' which had been established in the context of the Soviet tourism period. Nowadays it is a private organization with 30 members in 2007. In 2008 another 10 resorts and sanatoriums (out of approximately 150 registered facilities) have joined the association. The association has a strong interrelationship with the state administration on district level. The director, Mr. Talai Ishenbekova, serves at the same time in the position of the 'deputy head on social economic development and tourism' of the district administration in Cholpon Ata. Based on the close cooperation with the administration, the association of Issyk Kul Resorts is involved in the planning processes on district level and - as stated by the director – is lobbying for the interests of its members for example in terms of tax reduction and improvement of public infrastructure (priorities: sewage systems, expansion of Tamchy airport). In addition, the association fulfils marketing activities such as advertisement campaigns, representation of its members on the Bishkek and CIS fairs (Almaty, Moscow) and, co-organization of an annual tourism fair in Cholpon Ata.⁸³

Main result: Contrary to most of the private tourism associations, which have been established under support of an international development project, the Association of Issyk Kul Resorts has a strong interrelationship with the state administration particularly on rajon level. Its role is directed to representation and marketing activities for its members. Compared with the size and influence of the former Soviet 'Union of Resorts', the association's present role and group of members is rather small and limited to the northern resort area.

Ecotrek - Association of Trekking Workers

The Association of Trekking Workers 'Ecotrek' has been established in 2004 in the frame of the UNESCO project 'Development of Cultural Ecotourism in the Issyk Kul region'. Ecotrek currently consists of 40 members: guides, porters, cooks and other staff necessary to serve trekkers on foot or horseback. Geographically the organization is covering the mountain area of the Central Tien Shan plus some providers from the southern shore of the Issyk Kul Lake. In this effect, they are mainly targeting the specialized tourism sector. An information office / tourist agency is placed in the centre of Karakol, staffed with two personnel. The aim of the

⁸³ Refer to interview with Mr. Talai Ishenbekova on June 3rd, 2008

organization is to raise the quality of trekking services, to create favourable conditions for cooperation between members, potential workers, partners and clients of the association. Furthermore the concept of ecotourism is promoted through contributions in saving the cultural, historical and natural legacy of the Issyk Kul region.⁸⁴ According to the last yearly report from 2007 provided to UNESCO, the association was able to cover 100% of the running costs from own financial means, which are membership fees and dividends from a revolving fund. The organisation concludes that in future more efforts should be taken to raise the number of members and that the motivation of current members in active participation should be increased. Additionally, the implementation of a developed strategy should be continued and more active marketing should be done in cooperation with home stays and restaurants from Karakol.⁸⁵

Main results: In terms of destination management Ecotrek is representing a rather small group of service providers of the specialized niche markets. Their (rather small scale) activities are related to functions of lobbying, supply development and marketing – however exclusively for the defined target segment. In practice, they seem to operate mainly as incoming agency for specialized tour operators from Bishkek. Additionally, their office serves as information point for individual travellers passing through Karakol in search of guided trekking tours, horseback riding and mountaineering equipment.

Issyk Kul Tourism Association of Service Providers

The “Issyk Kul Tourism Association of Service Providers” has been established in 2003 in the frame of a TACIS project supporting integrated development in Issyk Kul province. The organization in principle was open for members from the whole Issyk Kul region; however, in practice most of its 42 members (mainly bed & breakfast providers, Yurt-camp providers and tour operators) were coming from Karakol, its surrounding Ak-Suu district and from the southern shore of the Issyk Kul. With this, the association was particularly attracting suppliers and tour operators targeting international tourist of the specialized tourism sector. The activities of the association have been related to supply development and marketing in the first place and lobbying / legal advice in the second place. In terms of marketing the association was for example developing information material (image brochure, leaflets) for the entire region and was

⁸⁴ Refer to Ecotrek (2008): pamphlet about the trekking workers association; added up with information gained through an interview with Karabashev Parhad, chairman of Ecotrek on June 5th, 2008

⁸⁵ NoviNomad (2008), p.6f

presenting the Issyk Kul and its members on a web-site and on selected fairs (Bishkek, Almaty, Hungary, England, Germany). In 2005 the association participated in the GTZ organized 'Forum International' and was present at the fair for alternative travelling 'Reisepavillion' in Hannover.⁸⁶ In the beginning the association was closely cooperating with three 'Tourism Information Centres' (TICs) which also have been set-up in the frame of the TACIS project at three locations: Karakol, Kadji-Saj (at the southern shore) and Balykchi (at the gateway to the Issyk Kul region). Issues regarding these TICs will be outlined in more detail in chapter 3.4.2.

With the phase out of the TACIS project, however, financial sustainability was no longer ensured for both the tourism association and the TICs. According to the association's chairman the main problems were as follows:⁸⁷

- the association's office in Karakol and its web-site were closed because (low) membership fees and commissions did not bring up enough financial means;
- lacking cooperation between the association and the governmental administration;
- lacking understanding and willingness for cooperation among the various tourism organizations (CBT, Ecotrek, Association of Resorts) of the region;
- high competition thinking ("organizations and service providers are envying each other").

Although the association is hardly visible anymore, it still exists. According to the chairman the association is planning to open a main office in Bishkek and to re-open a field office in Karakol. He explained that in future the association is seeking closer cooperation and support from the State Agency of Tourism on national level. At the same time the association's chairman, Mr. Abdyhasimov admitted that he just recently started to work within the State Agency himself.⁸⁸

Main results: With the 'Issyk Kul Association of Service Providers' initially a tourism organization was established which had the potential to represent the tourism industry of Issyk Kul oblast as a whole. However, in practice the association as a product of western development cooperation has particularly targeted small and medium size enterprises – as such mainly actors of the specialized niche sectors. In this effect, it had more the character of an association for alternative travelling than of the destination as a whole. One of the main problems of private

⁸⁶ Refer to www.gtz.de – publications – overall themes – Form International 2005 documentation

⁸⁷ Refer to interview with Mr. Talant Abdyhasimov (chairman of the Issyk Kul Association of Service Providers) in Bishkek on May 30th 2008

sector tourism associations is its funding. In case of the presented association financial sustainability could not be ensured after funding of the international donor was determined. For the time being, support of the public sector was lacking and members were not willing to increase their contributions.

Local CBT groups and the Kyrgyz Community Based Tourism Association (KCBTA)

In 2003, KCBTA which is also named ‘Hospitality Kyrgyzstan’ has been established as a national membership-based association of CBT-groups in rural Kyrgyz settings. The association provides support to its members by way of marketing, training and organizational development, setting and assessing quality standards and, represents its member’s interests in policy development and in negotiations with the mainstream tourism sector.⁸⁹ CBT products are particularly targeting the international market (cultural and adventure tourists).

In 2007, KCBTA consisted of 18 CBT groups. Three of them are located in Issyk Kul province: one in Tamchy, a small village at the northern shore of Issyk Kul lake, the second in Karakol, the province capital and the third in Bokonbaevo, at the lake’s southern shore.

Tamchy village is situated within the Issyk Kul resort area. During the three month summer season all accommodation facilities have been completely booked out by domestic and CIS tourists. It has been one of the more difficult places to initiate community based tourism. Coordinators were often changing and members considered not very active. The coordinator of KCBTA was outlining: *“In Tamchy tourists are coming anyway because of the booming mainstream sector.”* Some members have left the organisation and returned to providing basic accommodation to tourists from neighbouring countries without providing any services. An old lady who left CBT admitted: *“For me tourists from Kazakhstan and Russia are less complicate than westerners. You don’t have to provide them with so many special services and hospitality. They come and sleep here and for the rest of the time they stay at the beach.”*⁹⁰ Other tourism providers were complaining that CBT would not allow the use of motor scooters on the lake, although it became a popular leisure time activity among the mainstream sector. In order to strengthen the position and interests of committed CBT members in Tamchy, the community has been selected by KCBTA as potential pilot village for a project on local empowerment and good governance.

⁸⁹ Helvetas (2008): Helvetas Regional Programme Kyrgyzstan / Tajikistan Strategy 2008 – 2011, p. 7 and KCBTA (2007): Yearly report 2007

⁹⁰ Refer to a focus group discussion on CBT and good governance, held in Tamchy village on May 23rd 2008.

Main results: Getting back to the role of CBT in the framework of destination management organisations, the Issyk Kul based CBT groups are players on local level only. Locally, they contribute to the development of the tourism supply (in terms of capacity building, certification, arrangement of joint events and provision of information to individual travellers through their local offices). In terms of marketing CBT groups are well organized in their umbrella organisation (KCBTA) on the national level and in a trans-national network – an approach that goes align with the fact that CBT particularly is targeting the international market.

The interests of Issyk Kul CBT groups are differing from the once of the mainstream sector (i.e use of motor boats, level of services) what particularly is an issue in the case of Tamchy where CBT is located within the resort zone. The cooperation between CBT and the public sector has been rather low in all of the communities. Corresponding to the current trend of developing objectives (compare with chapter 3.2), the association sees a need to strengthen the role of its members in empowering local communities in order to raise participation in planning and decision making.

Kyrgyz Association of Tour Operators (KATO)

KATO was the first private tourism organization established in Kyrgyzstan on national level. It is a member-based association based in Bishkek. The association is a formal platform for tour operators (mainly from Bishkek, but also from rural provinces as Issyk Kul) to meet, network and lobby for their interests in improving national frame conditions for the Kyrgyz tourism sector. The establishment of the association was in the beginning driven by a CIM tourism consultant who merged private sector tourism operators in putting joint efforts in a way of “guerrilla marketing”. Its marketing activities were first time directed to the international market and transferred an image of Kyrgyzstan as destination of mountains, nature and cultural settings: “Kyrgyzstan – the Land of Tien Shan”.

Main results: In relationship with the Issyk Kul tourism industry KATO plays a role as umbrella organization for tour operators and partner for associations and suppliers of in particular the specialized tourism sector. On the national level the initiative had considerable influence in policy making and marketing efforts related to the specialized sector. It later became a powerful player within the destination marketing association which will be described in the next chapter.

Destination Marketing Association ‘Kyrgyz Tourism’

Until January 2008 the Swiss development agency HELVETAS was assisting the Kyrgyz government in setting up a national destination marketing organisation. The program which started in 2005 was based on the recognition made by international agencies involved in Kyrgyz tourism development, that a comprehensive organizational framework and service network is necessary to effectively and efficiently market the country and its tourism products. In this effect, the formation of a marketing organisation was assisted as public-private partnership, where tourism suppliers, tour operators and the government were supposed to join forces to market the Kyrgyz Republic abroad. As cooperative formal body the ‘Destination Marketing Association Kyrgyz Tourism’ (DMA) was established. The main goal of the DMA was to create a positive and attractive image of Kyrgyzstan as a tourism destination by means of implementing promotion and marketing activities in selected target markets based on a national marketing strategy.⁹¹

The experience of the project, however, showed that in the present political and institutional context the implementation of a public private partnership among Kyrgyz tourism players was not possible. The reasons therefore are multifarious. They include

- a lack of commitment and interest on governmental side,
- limited financial and technical contribution from the Government,
- vested interests of a fragmented private sector,
- the lack of broadly accepted overall tourism development strategies⁹²

After three years of project cycle, institutional and financial sustainability of the association could not be met. In January 2008, assistance of the donor and implementing international agency were terminated. Until the time of the field study no formal decision had been taken by the association’s general assembly about the future of the organization.

Main results: In principle ‘Kyrgyz Tourism’ was claiming to represent the tourism industry of the Kyrgyz Republic as a whole. In practice, however, the representation of the various tourism segments and branches was imbalanced – and characterised by a dominance of the Bishkek based tour operators (mainly targeting the specialized tourism sector) and an under-representation of the hospitality respectively resort-based industry. A look at design and layout

⁹¹ Refer to HELVETAS (2008): Regional Program Strategy Kyrgyzstan / Tajikistan, p. 8

⁹² Refer to HELVETAS (2008): Destination Marketing Organization Project December 2004 – January 2008. Final phase report. P.4

of the association's web-portal (www.welcometo.kg) and image brochure illustrates that the association very well transfers the image of Kyrgyzstan as a destination of untouched mountain nature and nomadic culture: "Kyrgyzstan – the living fairytale". The facet of Kyrgyzstan as a destination for sun & beach holidays, recreation and leisure is, at the other side, remaining in the background, although it is the major interest of more than 80% of the countries tourism demand. Therefore, the organization in principle was acting as a Kyrgyz national marketing association of alternative travelling.

The State Agency of Tourism, which as explained has a strong commitment to the mainstream sector, at the same time started mass media actions within the CIS countries and they designed their own web portal for Kyrgyzstan (www.kyrgyzstan-tourism.com). According to DMA staff these actions had not been in agreement with 'Kyrgyz tourism' nor in line with the national marketing strategy. On the contrary, the DMA representative was complaining that efforts were duplicated and resulted in further confusion about the purpose of the association.⁹³

Getting back to the Issyk Kul regional level and the subject of investigation the example of the DMA illustrates the challenges and limits of public private partnership among the Kyrgyz tourism players. As on the national level the tourism industry of (particularly) the Issyk Kul region is characterized by the two differing tourism sectors, by inhomogeneous interests of the stakeholders of both sectors and, by a lack of a broadly accepted regional tourism development plan and long-term vision (compare with chapter 3.4.1).

Major needs to improve the institutional framework

During the past decade several international agencies were expressing the need to improve respectively to establish a functioning institutional framework in form of networks or cooperative tourism associations. The Economic Research Association (ERA) for example stated already in 2000, that successful development initiatives will require two important pre-requisites:⁹⁴

- One is the introduction of a *tourism-planning framework* to provide cohesive and consistent guidelines for sustainable tourism development in the Issyk Kul area which needs to be supported by various relevant organisations and individuals at the oblast level.
- Secondly, ERA stresses the importance of *creating an effective marketing organisation* for the Issyk Kul region to assure promotion of the area on national and international level.

⁹³ Refer to interview with Zamira Imanalieva on May 19th, 2005.

⁹⁴ AKDN / ERA (2000): Issyk Kul oblast tourism development study. p. 60

Additionally ERA expresses the need of joint public private cooperation and support of SAT.

In 2004 a study team of the Japanese International Cooperation Agency (JICA) is concluding – as the result of their study on an integrated development plan in the Issyk Kul zone (compare with chapter 3.1.2) - that for the case of Issyk Kul oblast the establishment of a new forum would be essential to comprise the various stakeholders of the oblast. This forum, which JICA proposes to call '*Issyk Kul Development Forum*' should not function as implementing agency nor as political decision-making body. The purpose of the body is basically consultation and coordination of key development directions.

Main results: In the meantime international organizations put their efforts on establishing various private tourism organisations. The analysis of those organisations shows, that all of the those set-up in the frame of international cooperation are focusing dominantly on the specialized tourism sector. As such they are representing even specific fragments of the specialized sector (such as trekking workers, CBT providers, tour operators or service providers committed to Ecotourism). Even the approach to establish a national destination marketing association resulted in an organisation dominated by stakeholders of the specialized sector.

As such most of the private organisations have a high level of independence and a range of activities had been conducted in the frame of supply development and marketing; but, at the same time the cooperation with the public sector remains low. Public private partnership has repeatedly emerged as a difficult issue among the tourism players. In this context the organisations' funding is dominantly depending on international cooperation and long-term sustainability remains a core challenge for the private sector organisations.

The development and marketing of the mainstream sector on the other hand continues to be the primary field of activity of the public sector. This interrelationship draws back to the legacy of Soviet recreational tourism. In principle, the existing institutional framework is divided into the two sectors with heterogenic interests: either supporting the interests of the specialized or of the mainstream sector.

In this context, a comprehensive planning framework or Issyk Kul development forum as proposed by ERA and JICA has still not been realized in 2008. At present, the Asian

Development Bank (again an international player) is once more stressing, that as a pre-requisite for a sustainable development of the Issyk Kul resort area, it is essential to establish an independent legal entity (Issyk Kul Development Authority) with a mandate to plan, to develop and to administer all activities within the resort area.⁹⁵

3.4 Analysis of ‘activities’ as dimension of integrated destination management

In the previous chapter the structural framework of the destination Issyk Kul has been analysed and in connection with the presented tourism organisations already some activities have been raised in relation to destination management. In this chapter, the focus is on the tasks and activities. The purpose of this chapter is (1) to investigate to what degree activities of destination management are realized in the Issyk Kul region and (2) to determine what activities are currently shortcoming respectively what need to be improved and prioritized in future. The findings are organized analogue to the functions of destination management in four sub-chapters: planning, supply development, marketing and lobbying of interests (compare with chapter 1.2, part B).

3.4.1 Activities related to the planning function

Strategic planning is a core function of sustainable destination management. It is needed as a memorandum of understanding with stated commitment of the various stakeholders which have an interest in the development of the destinations. The activities related to this function are to create a joint vision on a long term view and to elaborate, approve, implement and monitor a destination strategy and action plan which is aligned to the overall vision. In addition, incorporation in other development plans of superior level (i.e. country development plan / master plan) and integration in the planning framework of the region (integrated development plan, agreement with other departments such as i.e. land use planning, nature protection, agriculture, etc.) has to be considered. As outlined earlier this requires full integration of all stakeholders from the outset. In chapter 3.3 relevant stakeholders with an interest in tourism development have already been identified.

⁹⁵ Refer to ADB (2008): concept note for a proposed project Issyk Kul sustainable development.

In Soviet time central state organs have been in charge of all aspects of tourism planning. With the country's independence, the new government and its State Agency of Tourism, Sport and Youth became the main public actors with the province governor as main counterpart on regional level. As outlined, the tourism industry has been determined as priority sector in the national 'Country Development Plan'. Looking to the Issyk Kul region it is true that more than one tourism development guideline and integrated development plan has been elaborated and proposed, but so far neither a joint vision nor a comprehensive tourism strategy has been approved. A representative of the provincial administration, Mrs. Mamedova Svetlana Akopyanovna in this context referred to an Issyk Kul tourism development plan proposed by the Aga Khan Development Network (AKDN) and GTZ in 2000. A deputy chairman of the Issyk Kul rajon administration, Mrs. Kyiyapova Roza Jazbaevna was referring to a study on Issyk Kul Integrated Development from 2004 which was elaborated by a study team of the Japan International Cooperation Agency (JICA). The two statements show that the process of integrated planning during the past years was strongly driven by international donors. The contents of the two planning documents proposed by AKDN /GTZ and by JICA will be outlined in more details, although both initiatives have so far not resulted in an approved long-term vision or in implementation of a comprehensive tourism planning strategy.

In 2000 the Aga Khan Development Network (AKDN) in cooperation with the German Agency for Technical Cooperation (GTZ) prepared a study and presentation on "Integrated Tourism Development in the Lake Issyk Kul Oblast: A sustainable model for Kyrgyzstan." This study capitalized on the cooperation with the Biosphere Territory Administration which was established with support of the GTZ. In this effect, the proposed plan is complying with the goals of the Biosphere Reserve. It tries to preserve and enhance the physical qualities of the region through strategic redevelopment of existing facilities and new investment. A special focus was put on the Issyk Kul lake zone because the initiators thought that the lake zone would be underutilized and threatened without an integrated development plan.⁹⁶

In the frame of the GTZ 'Biosphere Reserve Project' tourism related project ideas of for example tour operators or the public administrations were shared and new strategic initiatives and (more detailed) pilot projects were elaborated. In total 15 strategic initiatives and 4 pilot projects have been proposed and published in a "Tourism Investment Manual for the Issyk-Kul Region,

⁹⁶ Refer to Aga Khan Development Network /ERA (2000): Issyk Kul Oblast Tourism Development Study.

Kyrgyz Republic”. The manual was aimed towards potential investors and sponsors in Kyrgyzstan, its neighbouring states within the CIS and other countries relevant for international tourism. At the same time the Kyrgyz government was addressed to lobby for the incorporation of the following strategic guidelines in national and regional (tourism) development plans (a master plan and joint vision that still needed to be developed).⁹⁷

- ⇒ seasonal extension, aiming at a better utilization of capacities and hence more profitable tourism products on annual average
- ⇒ Maintenance and extension of existing holiday infrastructure to improve environmental management standards and to increase capacities on existing space.
- ⇒ Upgrading of existing facilities in order to improve service quality and to develop new demand oriented products
- ⇒ Development of environmental education, tourist information and nature discovery facilities
- ⇒ Geographical concentration of tourism infrastructure/leisure activities (zoning) to mitigate degradation of natural resources
- ⇒ Deploying products and manpower from the region in order to strengthening regional value added chains
- ⇒ Application of modern technologies

For the “to-be-developed master plan” AKDN and GTZ were recommending to the Kyrgyz government to elaborate a land use concept which includes zones for preservation, community and visitors. The zones for visitors should be sub-divided in beach resort zones, active water sports zones and mountain trail zones. Selected routes such as expanded ferry circuits and improved mountain trails should interlink attractions. In addition, it was suggested that the regional master plan should incorporate development and the proposed investment models.⁹⁸

During the field study former local GTZ staff who had been involved in the implementation of the BR project were asked about the achievements of the Investment Manual and proposed guidelines. According to the information provided only a few of the tourism initiatives and pilot projects proposed in the manual have been realized. For example the building and operation of a decentralized waste water treatment plant and solar systems for processing of warm water. The Ecocentre which was opened in Cholpon-Ata in 2005 is still conducting seminars and training on

⁹⁷ GTZ (Publ.) (2002): Tourism Investment Handbook for the Issyk-Kul region, Kyrgyz Republic. Bishkek

⁹⁸ Refer to Aga Khan Development Network /ERA (2000): Issyk Kul Oblast Tourism Development Study.

environmental issues. Moreover the guiding system towards tourists' points of interest was set-up and a 1:350000 tourist map "Biosphere Reserve Issyk Kul" has been published. A proposal for touristic development of the cultural – historical heritage has been followed up by UNESCO in 2004 (compare with chapter 3.4.2).

In 2004 a research team and nine working groups supported by JICA elaborated a comprehensive proposal for a long-term development plan of the Issyk Kul region (compare with chapter 3.1.2)

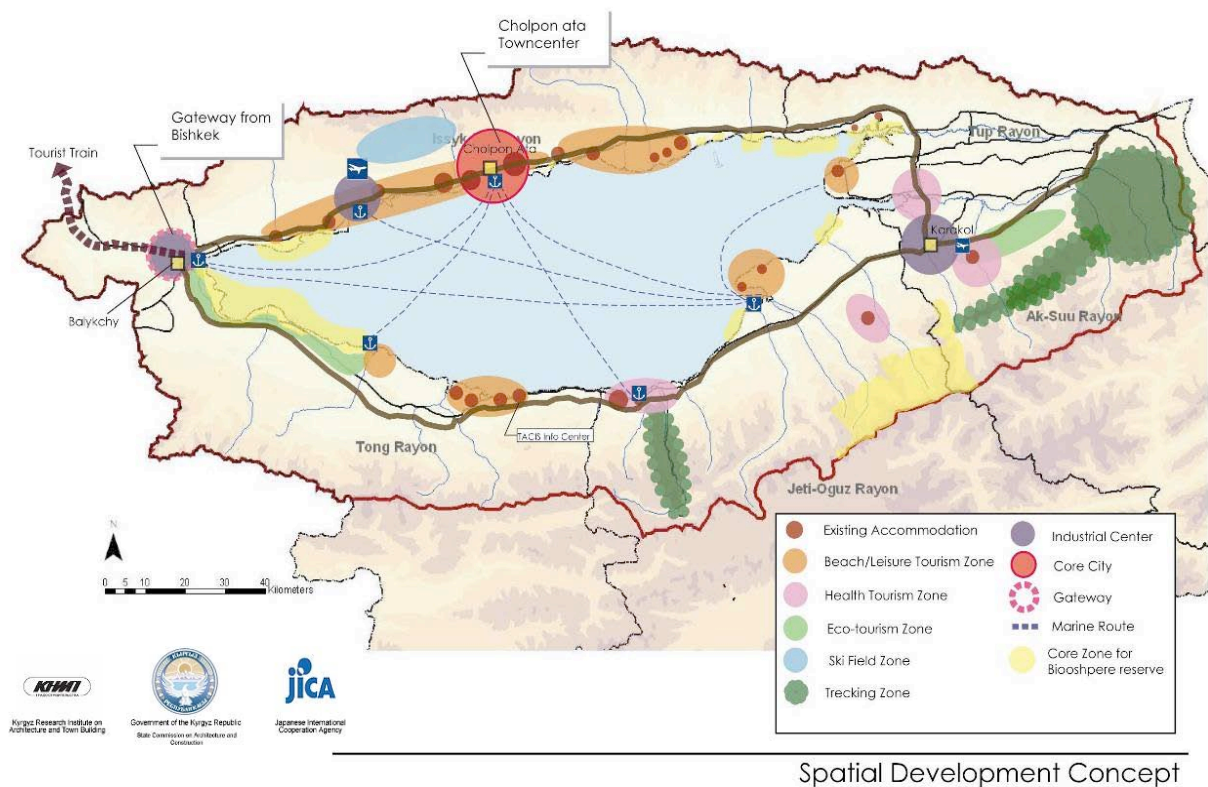
In the frame of JICA's study the working group on tourism development is proposing that the goal of tourism development in Issyk Kul is *"to establish a 'health utopia in Central Asia' using rich natural resources, accumulation of facilities and know-how of health resorts such as sanatoria, hot springs, treatment, sports and leisure activities and convention zones. The development of advanced high-tech medical treatment, new rehabilitation programs, sports and health care services, and organic and macrobiotic foods should be promoted to emphasize higher value added tourism."*⁹⁹

In this effect, JICA study team was elaborating an overall development concept for the Issyk Kul region build on spatial development in four identified regional clusters: (1) the Balykchi tourist gateway as the economic center for commercial and industrial activities, (2) the northern coast as active leisure tourism belt, (3) the southern coast as peaceful healthy and healing resort zone and (4) Karakol and its surrounding Ak-Suu district as the nature tourism base.¹⁰⁰

Based on the proposals of the working group in the final study paper the following map is presented, which is illustrating spatial zones for the various tourism segments.

⁹⁹ JICA (2004), p. G-12

¹⁰⁰ Refer to JICA (2004), p. 14 ff



Picture 9: Spatial tourism development concept proposed by the Japan International Cooperation Agency
(source of picture: JICA (2004))

Regarding the general development of the tourism industry JICA identifies the following major issues to be prioritized:¹⁰¹

- ⇒ Diversification of tourism resources (i.e. cultural performances, handicrafts) and products (particularly healthy and therapeutic tour products)
- ⇒ Upgrading of tourism services and human resources (training, licensing systems and certifications)
- ⇒ Reinforcement of marketing (active cooperative marketing on Central Asian level)
- ⇒ Upgrading of statistics
- ⇒ Improvement of Central Asian image and cooperation along the Silk Route

In the end of the overall Issyk Kul Integrated Development Study JICA is making the following conclusions:¹⁰²

¹⁰¹ Refer to JICA (2004), p. 11-1

1. *“Although tourism will be a driving force, agricultural development combined with community empowerment should be accelerated. Farmers and communities should be properly organized to collaborate and challenge for their common targets”*.¹⁰³ With this, the enhancement of local governance has been identified as of utmost important. JICA is hence recommending that more efforts should be made to promote community-based development and community empowerment. For the time being also tourism development should not be the major objective in itself, moreover it should be primarily considered as tool for community empowerment and good governance. In this effect, participation of local stakeholders needs to be strengthened to enhance regional power.
2. As a second issue JICA is concluding that economic and social impacts of tourism are expected not only by the increased number of tourists but also by increased tourism consumption in the region. Special attention should be given to strengthen linkages with other industries.
3. Thirdly, JICA is concluding that the negative impacts of the growing tourism industry should be mitigated and the pollutants should be kept within a permissible range through land use and environmental management. Particularly the sewage treatment of Cholpon Ata would require urgent substantial improvement.
4. Finally, the study team is recommending that for the integrated development plan of Issyk Kul a ‘Public-Private-Academic Partnership’ should be strengthened. Collective efforts are regarded as pre-requisite for the implementation of the projects/programs proposed in the development plan which was supposed to serve as a master plan for integrated regional development of the Issyk Kul zone (resort area).

Since the finalization of the study JICA up to now started to work on small scale projects aiming at the activation of local communities in 2 pre-pilot and 4 pilot villages.

Additionally a small scale project on “activation of communities through promotion of eco tourism” has just recently been approved. Tamga, at the southern shore of Issyk Kul has been selected as target village for this 4 month pilot project which is implemented by the local NGO “Leader”.¹⁰⁴

¹⁰² Refer to JICA (2004), p. S-42f

¹⁰³ JICA (2004), p. S-42

¹⁰⁴ Refer to a phone call with Guljan Zuljanlievo, project officer of JICA, on May 26th, 2008

Main results: Looking at how planning processes were practised and strategies have been developed in Issyk Kul region during the past decade the following conclusions can be drawn:

- In chapter 3.3.2 it has been outlined that the government intends to foster tourism development (among others) by attracting participation from foreign investors and mission-driven development agencies. The way of tourism planning and strategy development at Issyk Kul region confirm these practise that the government made contracts with different development agencies (AKDN/GTZ, JICA) to assist the process of planning and – most probably – expecting follow up programming and investments in the area. In relation to the planning function international assistance has considered the development of the destination as a whole and the interests of several tourism players have been considered. Both, AKDN and JICA are suggesting spatial zoning for the various tourism segments.
- So far, however, none of the proposed planning documents have been approved as master plan for integrated (tourism) development of the Issyk Kul region and consensus about a joint long-term vision is still outstanding.
- The hope of the state administration in foreign investment in larger public infrastructure has been confounded. For example, the need of investments for the Cholpon Ata sewage system has been prioritized already by the AKDN/GTZ in 1998, than again by JICA, but still this issue is on the top agenda of the rajon administration (compare with chapter 3.4.4). After a long-lasting study process and high-volume paper work JICA started to support only selected small-scale pilot projects. The deputy chairman of the rajon administration therefore was expressing her frustration in terms of fact finding missions and donor initiated studies, which would again and again absorb time but hardly result in further contributions.¹⁰⁵
- Planning and decision making processes in Issyk Kul (and generally in Kyrgyzstan) are characterized by low stage of participation and information of locals - beside some efforts in supporting participatory approaches which have been made by international organizations. Sustainable planning /management principles such as ‘cooperation’ and ‘information’ (compare with chapter 1.2, part B) are at present not met. Participation of tourism stakeholders and communities needs to be encouraged and internal and external information policies need to be improved to raise understanding for strategic planning approaches and to raise comprehension and willingness to cooperate among all stakeholders.
- The interests of tourism players of the two sectors are very heterogeneous. But also within

¹⁰⁵ Refer to an interview with Mrs. Kayikova Roza Jazbaevna, deputy chairman of the Issyk Kul rajon administration on June 3rd, 2008

each sector, the interests of small scale private local businesses and big upper-class facilities of foreign investors might be widely spaced. Spatial zoning for different tourism segments has been proposed as a solution.

- The southern Issyk Kul shore remains as contentious issue, because both (special and mainstream tourism players) have dissonant opinions about its development directions. While the northern shore has been developed as resort complex in Soviet time, the southern shore has been more or less untouched. A representative of a Yurt camp of the tour operator ‘Dostuk Travel’ was concluding:

“The northern shore is lost anyway; let’s try at least to preserve the southern shore.”¹⁰⁶

3.4.2 Activities related to the supply function

In terms of supply development different collective tasks have been summarized in chapter 1.2, part B. The analysis of related activities in Issyk Kul region has considered the following three points: (1) improvement of skills and service quality, (2) arrangement of tourist information centres and, (3) organization of joint events.

Improvement of skills and service quality

The service quality of the mainstream hospitality supply is nowadays reaching from private and public accommodation facilities with very low (Soviet style) quality level up to a few upper-class resorts with European standards. Next to the investments coming from CIS inhabitants, the European Bank of Reconstruction and Development (EBRD) provided credits to a few of the privatized resort complexes (eg. Talisman resort, Raguda resort, Royal Beach). Staff of resorts (especially of those from foreign investors), however, is often recruited seasonally from the capital, because skills of local villagers are not meeting the requirements to get employed.

Within the specialized sector, however, more assistance in SME support and capacity building has been provided by the various international donor projects.

Although added to the agenda of SAT since a couple of years there are still no unified quality standards or common classification systems in practice. Some tourism organizations have instead developed their own classifications, like the one of three ‘Edelweiss’ introduced by KCBTA for CBT accommodations.

¹⁰⁶ Refer to Interview with Nikolai Nikolaevic from the Yurt camp of Dostuk Travel near to the village of Tosor on June 6th, 2008.

Caused by the growth of demand during the past years the prices of accommodation and other services have raised. Comparing with competing destinations such as Turkey, however, the quality of services does not meet the same standards. For the time being, the short distances and usage of Russian language are criteria for CIS tourists to return to Issyk Kul, but the unbalanced price quality ratio may cause bad reputation and lead to a hold off tourists' arrivals.

Main results:

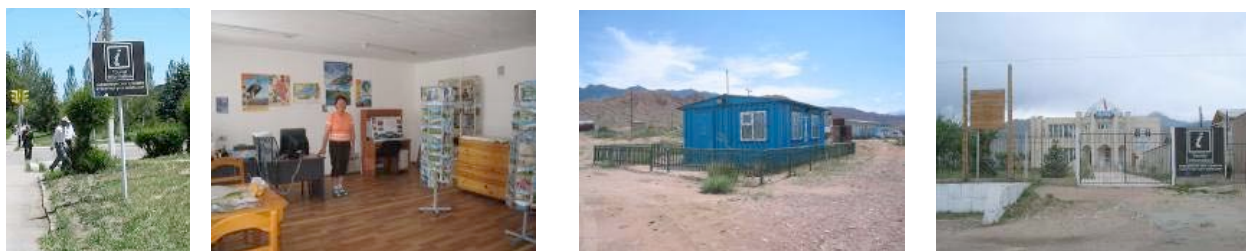
- Skills of local villagers, particularly in zones of the mainstream tourism sector, have to be strengthened to raise employment opportunities and income for the population.
- Development and application of a common certification system still needs to be realized. At the same time the price quality ratio of services need to be improved in order to strengthen the destinations competitiveness.

Arrangement of tourist information centres

In the frame of the Issyk Kul Integrated Development Project financed by TACIS from 2003 to 2005 three Tourism Information Centres (TICs) have been set-up in Karakol, Kadji-Saj (at the southern shore) and Balykchi (at the gateway to the Issyk Kul region). The purpose of the TICs was (is) to provide free information to individual tourist, thus mainly international travellers from the specialized sector. In addition, the TICs were closely cooperating with the Issyk Kul Association of Service Providers which has been established in the frame of the same donor project (compare with chapter 3.3.4).

Although different solutions had been worked out for each of the TICs to ensure their sustainability, their situation turned out very difficult after the phase out of TACIS assistance.

The Karakol based TIC was handed over to the State University of Karakol and was located within the premises of the University's Faculty of Tourism, which has been a close partner during the project period. Disagreements between the TIC staff and the head of the University lead temporary to a closure of the centre, a court-case and to the closure of the entire Karakol tourism faculty. A representative of the TIC and former TACIS employee was concluding, that state institutions were cooperative as long as a donor project is ongoing, however, after the international organization is leaving the state bodies would be only interested in any equipment like for example computers or a fridge that had been provided in the frame of the development project.



Picture 10a-d: Tourism Information Centres in Karakol (a+b), Kadji Saj (c) and Cholpon Ata (d)
(own pictures, June 2008)

The following main obstacles can be summarized which were hampering the work of the TIC:¹⁰⁷

- bad reliability of state-bodies (such as the University) because of changing heads, changing rules and widely practiced bribing patterns
- lack of understanding that TIC services are in principle of public nature and should be provided for free; on the contrary there is an expectation from the side of the state body, that every institution dealing with tourism is profit oriented and that it should provide benefits to its superior state institutions (e.g. currently the TIC is supposed to pay 30% of its income to the university for using state owned rooms.)
- Very low (state fixed) salaries for TIC employees. Low level salaries which are (officially) the income of the TIC staff, at the same time, endanger the centre's independence. The opportunity to take (unofficial) commissions from service providers is very tempting and consequently, the TIC is failing its function and starts acting like a tourist agency. In this effect, tour operators were already complaining that the TIC for them would just be another competitor.¹⁰⁸

The TIC Balykchi, which was handed over to the administration of the Biosphere Reserve, was facing similar problems with its state-owned superior. As already mentioned in chapter 3.3.3 the TIC was first re-located to the Ecocentre in Cholpon Ata and closed a year later. The problems faced with the BRA were similar to those exemplified with the TIC in Karakol.

The third TIC which is located in Kadji Saj has so far managed to survive because of a sponsorship provided by the 'Kumtor Gold Mining Company'.¹⁰⁹

¹⁰⁷ Refer to interview with Baktegul (representative of the TIC Karakol) on June 5th, 2008

¹⁰⁸ Refer to interview with Ian Claytor (Director of the company 'Celestial Mountains') on May 21st and Sergey Pychenko (manager of the 'Turkestan Travel Company') on June 6th, 2008

¹⁰⁹ Kumtor is located in the south of the Issyk Kul province. In 1998, outdated mining techniques resulted in an environmental disaster: almost two tons of sodium cyanide destined for the gold mine in Kumtor were spilled into the Barskoön River and made its way into the Issyk Kul Lake. The gold mine is operated by a Canadian Kyrgyz joint venture which is accounting for nearly 40% of the national industrial output and 2.2% of the national GDP in 2002 (source of information JICA (2004), p. S-5)

Main result: The example of the TICs illustrate that there is a lack of understanding and willingness of state institutions to (financially) support the provision of free information. Therefore, TICs have been closed or they start having ambivalent roles. Consequently this is leading to growing competition thinking among tourism associations, TICs and TOs.

Organization of joint events

Cooperative activities like the organization of joint events used to be a part of the Soviet tourism system. For example sport competitions and national holidays have been annually celebrated in cities all over the union. Festive occasions are still belonging to the traditions in contemporary Kyrgyzstan. The arrangements though are not particularly directed to tourism but towards the entire population.

In addition, the organization of joint events and festivals has been introduced by some of the international cooperation projects (particularly targeting the specialized sector). For example one of the activities supported in the frame of the UNESCO project was the arrangement of cultural events (e.g. folklore and national cuisine festival as well as horse game shows) aiming at the diversification of tourism products and publicity. Next to Ecotrek, CBT groups are organizing socio-cultural events which are published by KCBTA in a special calendar of festivals and events. The events aim at introducing the region's tourism potential and uniqueness; familiarizing visitors with the Kyrgyz culture, tradition and everyday life.

Main result: Joint festive occasions have been a part of Soviet and at present of Kyrgyz culture – however, conducted in major cities and targeted to the entire population. Next to that, the arrangements of those joint events which have been emerged under assistance of international cooperation are directed particularly to specific niche markets (specialized sector). In view of other issues discussed the arrangements of joint events remain a subject of low priority and serve as a subcomponent i.e. to contribute to promotion efforts.

3.4.3 Activities related to the marketing function

In 2003 the first ‘Marketing Strategy for Sustainable Development of the Tourism Industry in the Kyrgyz Republic till the year 2010’ was elaborated by SAT with assistance of the Soros Foundation. In 2004 the strategy was approved by the Government of Kyrgyzstan (resolution

Nr.734) entailing a set of 49 activities related to communication, product, supply and price policy. Most of the activities have been incorporated again in the National Development Strategy 2007 – 2010.

One of the marketing objectives was to establish a national destination management organization. This objective was realized with the set-up of the DMA ‘Kyrgyz Tourism’ in 2005, which failed to bring the desired results (see also chapter 3.3.4). As previously outlined no real consensus between public and private tourism players was achieved in this forum leading to diverting strategies and marketing efforts.

As an analysis of the full set of planned activities would exceed the frame of the presented investigation only the following key activities delegated to the responsibility of SAT in terms of marketing are summarized:

- to establish Tourism Information Centres of the Kyrgyz Republic in CIS locations
- to participate on international fairs (Moscow, Novosibirsk, Ekatarinburg, Almaty, Tashkent, Beijing, Tokyo, London, Berlin)
- to conduct presentations of tourist capacities of the Kyrgyz Republic at the main tourism markets (Russia, Kazakhstan, PRC, EU)
- to establish tourist information centres in the region and set up tourist offices at entry points to Kyrgyzstan (Manas and Tamchy airport, Bishkek railway station)
- to organize the Bishkek International Tourist Fair
- to conduct familiarization tours for foreign mass media, business circles and tour operators
- to make video materials for advertisement in Russian, English, Chinese and Japanese
- to produce printed advertisement material (image brochures, guidebooks, calendars, posters)
- to establish a web-portal under the brand “Kyrgyzstan is a country of tourism”

A review of examples of advertisement and promotion materials and the new web portal of Kyrgyzstan (www.kyrgyzstan-tourism.com) designed on behalf of SAT illustrates that first of all an image of Issyk Kul as destination for recreation and leisure is promoted and on second place its supply for mountain and cultural tourism is presented.



Picture 11: Cover page of the 2008 brochure of the Bishkek International Tourism Fair
(source of picture: SAT brochure)

On province level, however, no regional destination marketing strategy has been elaborated. In practice, the impression was raised that public departments and each of the various private tourism organizations were conducting marketing activities for their own respective clientele.

Main results:

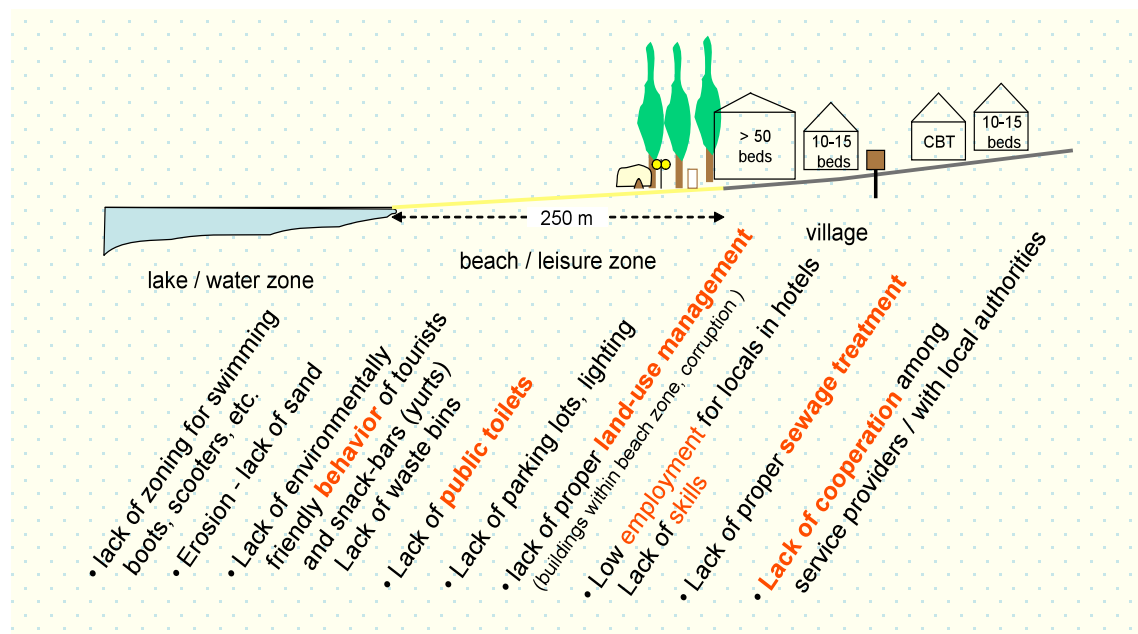
- Taking into consideration the visitors' perception of destinations (compare with chapter 3.2.3) and using a demand oriented / strategic marketing approach it has to be concluded that regional marketing efforts should focus particularly the mainstream sector while actors of the specialized niche markets should seek cooperation with tour operators and marketing associations on the national and Central Asian level.
- Regarding the mainstream sector considerable marketing activities have been supported by SAT (mass media actions, fair-exhibitions, etc.) while the specialized sector has benefited from marketing support provided by international development cooperation.
- Cooperation between tourism stakeholders (within both sectors) in terms of marketing seems to be low. Instead one-by-one activities and competition thinking are wide spread.
- Referring to the analysis of the destination's stage of development (chapter 3.2.4) it has been concluded that at the present stage Issyk Kul is in a growth phase and other issues than marketing have to be prioritized. On the long term view, however, the destination will have to strengthen its competitiveness comparing to other competitors such as Turkey, the Emirates or Cyprus.

3.4.4 Activities related to the lobbying function

Functioning public infrastructure and undamaged nature are a part of each destination's tourism product. Therefore tourism stakeholders have an interest in lobbying for measures to preserve natural setting (such as clean beaches and good quality of water) and to maintain and upgrade public infrastructure (such as electricity supply, rehabilitation of roads, waste water treatment and solid waste management, etc.).

During the field visit, general awareness about negative environmental impacts caused by tourism has been observed among almost all stakeholders. Asking about major needs of activity to safeguard natural resources there is one issue that is prioritized: the rehabilitation of the waste water treatment plant of Cholpon Ata and investment in new sewage systems along villages of the Issyk Kul resort area. But major rehabilitation projects of public infrastructure were lacking financial means.

During a focus group discussion of villagers and CBT members in Tamchy (a village at the northern Issyk Kul shore) some other problems caused by mainstream tourism at the lake's resort area have been identified. In the following picture these major problems are summarized. More detailed analyses, however, exceeds the frame of this paper and needs to be addressed in further investigation.



Picture 12: Major problems of uncontrolled development in villages at the shore of the Issyk kul Lake
(results of a focus group discussion and interviews in the village Tamchy on May 23rd, 2008)

Current lobbying activities on the destination level seem to lack an organizational framework: there is no forum or round table where joint interests of both sectors and solutions to solve

problems could be discussed. Although all of the presented private tourism organizations in principle do have a lobbying function for their respective members' interests, none of them is representing the entire destination and, none of them seems to be in the position of a leading association that facilitates meeting and joint actions. At present, some interest groups try to approach individuals of the executive or decision making organs singularly – and often privately. In this context a former area coordinator of the international organization ACTED stated: *“Lobbying in a post-socialist context is embedded in a fabric of personal ties and interests and not a public affair.”*

Main results: It is true that the investigation brought up considerable obstacles in terms of participation and sustainable planning processes, but the common interest in safeguarding Issyk Kul's natural resources could be a starting point for sustainable management in the near future.

The understanding that tourism does not only create positive effects has permeated to all stakeholders. Joint lobbying, however, requires a forum to meet which at present in Issyk Kul regions seems not to be in place (compare with chapter 3.3.3).

3.5 Human behaviour and capacities

Next to the structural framework and activities which were highlighted in the previous chapters sustainable management of a destination also depends on the behaviour and capacities of human beings (compare with chapter 1.2, part B). This includes aspects like cooperate culture, the identification with the destination, the feeling of belonging together, understanding and comprehension of strategic approaches, willingness to cooperate as well as the ability to react on problems.

The previous chapters have already identified the following challenges in this regard:

- lack of understanding for strategic planning approaches and processes
- public sector players lack commitment to participatory approaches
- intransparency and corruption penetrating all public and private sector
- individual and competition thinking rather than joint performances and cooperation

With the points mentioned major prerequisites for sustainable destination management (chapter 1.2, part B) are not met.

Nicolai N. Schetnikov, director of the Kyrgyz-British joint company ‘Dostuk Trekking’ was stressing that the Issyk Kul tourism players in the first place need to create an own cooperate image and need to develop a cooperate identity. Then he concluded: “*We miss the point of our destination, a joint vision. We still don’t know where we want to go! (...) The Bolsheviks at least had their common concept and ideology – that is what we lack now: ideology - ideology in our tourism performances.*”

Main results: Although in Kyrgyzstan, as in other CIS republics, market oriented economies have replaced the former Soviet command driven system, the change in human behaviour is a long lasting process. The lack of cooperate identity and the absence of an ideology that conveys a sense of human acting are among the problems that hamper strategic development management approaches in post Soviet destinations.

The problem of corruption and nepotism – arguably also a legacy of the Soviet system – is resulting in private benefits superseding public interests. In such context, destination management is very difficult.

Part D: Conclusions and recommendations

1. Conclusions

The strong state involvement in all aspects of tourism during Soviet time was at one hand side the driving force of the development of the tourism industry, at the other hand the Soviet approach of tourism management lead to a couple of restricts: Compared with western standards the service mentality and client orientation of personnel has been low. Because tourism planning and decisions were made in a top-down approach the empowerment of locals to participate in decision making remained low. Again, compared with tourism development in western context the ability to adapt to changing fashions and to introduce innovations has not been assisted. Flexibility and market response therefore is often still lacking today.

During the past decade, however, the development of tourism in Issyk Kul were cycling a re-launch, particularly in terms of recreation and leisure, a development which has been prioritized also by the Kyrgyz Government and the State Agency of Tourism, thus on highest level. The latter fact, but also the rethinking among international players of tourism as a component of sustainable development was a cause for several activities of international cooperation in this respective field. These interventions had in principle two directions: Some were successfully supporting structures and operations for new emerging specialized tourism segments and others were assisting the government and its state institutions in strategic planning frameworks for the destination as a whole. While appealing to better partnership between the public and private sector experiences were repeatedly showing, however, that in view of the historical/political context public partners were lacking comprehension and commitment in terms of public contracts linked with destination management and funding. Efforts to strengthen cooperation between the public and private sectors were failing after the phase out of the international donor agency.

At the end of the historical review of the destination (chapter 3.1.3, part C) the following question had been raised – but left open: *What are the opportunities and limits of development projects to support sustainability in terms of destination management?* Conclusions to this question will be given – particularly based on the case study (part C).

1.1 Conclusions based on the case study

After detailed analysis of past interventions and the current situation in this field in the destination Issyk Kul, the following conclusions can be drawn:

- Corruption has nearly generally been underestimated and is hampering success
- Willingness to cooperate and share information between and among private and public stakeholders cannot simply be assumed. The study shows that many organizations have made this mistake. Competitive thinking or prioritization of private interests is a fact which has to be taken into consideration. The understanding that everybody benefits from joint planning needs to be built in a first step before cooperation can take place.
- Destination management at the higher or top level proved fairly difficult in Kyrgyzstan with results which were not really promising. The role of the government in developing planning tools is somewhat ambivalent. The study shows that the government's main expectation is that the plans will lead to a financial engagement of the donors. Priorities set out in the plans are not reflected in the government's own budget. As such, the government is not very critical as to the direction of the plans but tends to agree with whatever priorities the donors have. In the case of the Issyk Kul, this has led to the development of several long term strategy papers for the tourism sector, all of which created in cooperation with the government stakeholders. However, the strategies are not consistent among themselves, have different priorities and are ultimately not translated into actual government planning (as it would be evident from integration into budgetary processes).
- The study has shown that the destination is undergoing a boom phase which next to the positive economic effects also leads to negative impact on environment and society. All stakeholders start feeling this. However, the joint interest in mitigating these effects is to date not superseding competitive thinking and particular interests. It might be argued that indeed the problems are not yet big enough to force the different stakeholders to the table to look for joint solutions. Nevertheless, the progress made was that knowledge was increased about the fact that once the problems have grown bigger, their resolving will become much more difficult and with this overall awareness was raised about major needs of action (like i.e. sewage systems); this fact can be a first opportunity to reach sustainability of processes. International development organizations can contribute to this process as initiator, mediator or advisor. The state as the bearer of public interest, however, should take a leading role to push things forward. But on the long term view, a stable institutional framework and organizational structure is needed to ensure sustainable management of the destination.

- Mainstream and niche markets don't necessarily share the same problems and opportunities which can make integration into a larger (provincial) strategy quite difficult. Spatial and organizational division can be an option.
- Proposed strategies already suggest spatial division by identifying a set of geographical zones for the various tourism segments. This approach has a good potential to be realized for the recreational zone at the northern shore of Issyk Kul as well as for the mountainous Ak-Suu district; difficulties, however, will remain where mainstream and specialized sector stakeholders are both claiming interests. Particularly, development directions for the lake's southern shore need to be discussed and agreed on. Therefore a long-term vision of all stakeholders on province level urgently needs to be approved. To reduce complexity and increase the ability to achieve consensus, other destination management tasks are better to be transferred to lower geographical levels, analogue to the zones identified.
- In view of the mainstream sector a high concentration of tourism within the defined resort zone is the preferable solution which at the same time goes align with the interests of CIS tourists. In this way, negative impacts caused by the sector are better to manage and to control.
- If organizations aim to target the entire destination, expertise and know-how regarding the regional CIS tourism market need to be further developed among international organizations' expatriates. But, so far studies about requirements and habits of CIS tourists are limited and further investigation needs to be done.
- In attaining their overall goals (i.e. poverty alleviation, environmental protection), development organizations were predominantly providing institutional and operational support to (receptively attracting participation of) tourism stakeholders of the specialized sector; at the same time they have often neglected the mainstream sector although it represents more than 80% of the Kyrgyz respectively Issyk Kul tourism market. With this, potentials were overseen which can match or exceed the ones of niche markets: Pro-poor tourism and ecological upgrading of the mainstream sector will also contribute effectively to the organizations' overall goals.
- Good and tangible results were achieved by establishing sectoral marketing or management organizations. The establishment of Kyrgyzstan on the international

ecotourism and adventure tourism market is primarily the result of international development cooperation.

- For the majority of development organizations with a wide portfolio of activities, it might be prudent to continue working at the grassroots level and developing destination management units in geographically and sectorally homogenous regions. The example of Helvetas' Destination Marketing Association (DMA) has shown, that the step from a grassroots level and niche sector (in which Helvetas arguably has a lot of competence) towards management at the multisectoral national level is a challenge which might be beyond its capacities.

1.2 General conclusions

Coming to the final conclusion of the master thesis the initial question should be raised again:

Is sustainable destination management a promising field of activity in development cooperation?

The thesis derived in chapter 3, part B can be supported in the way that, in principle, comprehensive approaches which are supporting the development and management of a destination in developing/transition country in its whole are a promising field of activity of development cooperation. In principle, supporting destination management can contribute to overall development objectives such as economic development, good governance and nature protection.

BUT, before considering this field of activity for future programming an organization should be aware of its own strength and limits. The complexity of tourism destination management may push multi-sectoral development organizations to their limits of know-how. It also can conflict with the relatively short cycles of funding that often impede the planning of a viable long term strategy. Many actors have reacted to this dilemma by picking out singular activities or niches, where they can reach tangible results. In many cases the latter potentially is the better solution while it still contributes to important development goals such as poverty reduction and natural resource protection.

From a holistic (and touristic) point of view however, integrated and firmly anchored destination management is a prerequisite for a destination to reach its full potential and ultimately sustainability. Given the constraints outlined above, and considering the results of the presented

research, it becomes obvious that comprehensive destination management that includes various sectors, target groups and a wider geographical area is very difficult to achieve. Only organizations with profound sectoral expertise, stable long term funding and solid integration both at the government as well as at the grassroots level stand a chance of success. Independently from the historical and political context of the destination, willingness to cooperate and joint understanding of what a DMO is prerequisite. In addition, financial integration of governmental funds is a must from the outset. Any strategy development which will not have an effect on spending of the state budget has to fail. It cannot be that external stakeholders are financing a new strategy while the government uses its own funds towards other priorities. This is not only the case at the national level, but is similarly true at lower levels of administration. If the prerequisites are not met, the zero option (=no project) should be considered in serious.

2. Recommendations

So what do the findings and conclusions of the past chapters tell us and what kind of lessons can be drawn for the further development of the destination Issyk Kul? These questions will be exemplified in this almost final chapter by recommendations for the NGO Helvetas, the author's partner in the field study.

Generally speaking, international development cooperation is aiming to shift tourism development in a destination such as Issyk Kul towards more sustainability. In this effect the latest programme proposed by ADB is aiming at sustainable regional development approaching Issyk Kul tourism development at the regional level. As outlined before, however, this approach will depend on a solid integration and cooperation of the government and its province / district administrations. The project's first challenge will be to establish a regional institutional framework – which in the proposed concept is called 'independent development authority' – and secondly to find solutions how sustainability of this authority can be ensured after the five years' project cycle. If successful, the realization of this institutional framework and an approval of a regional development plan (master plan) would be a significant step forward for Issyk Kul tourism development based on a long term view.

But, as discussed in the de-briefing at the end of the field visit, the author is considering the ADB approach as very challenging and the risks exceeding the capacities of a development organization such as Helvetas. Therefore project approaches will be recommended which are acting on a smaller scale and which are taking into consideration the capacities of a medium size development organisation. In addition, future programming must obviously align with the organization's overall regional programme strategy. Therefore the following development objectives of the organization's regional programme have been taken into consideration.¹¹⁰

(1) Improve livelihood through sustainable management of natural resources, organizational and skills development, and better access to services and markets

- income and food security
- market integration and improvement of value chains

(2) Enhance good governance practices at national and local level aiming to promote strategic investments, demand driven local development and socially inclusive service provision.

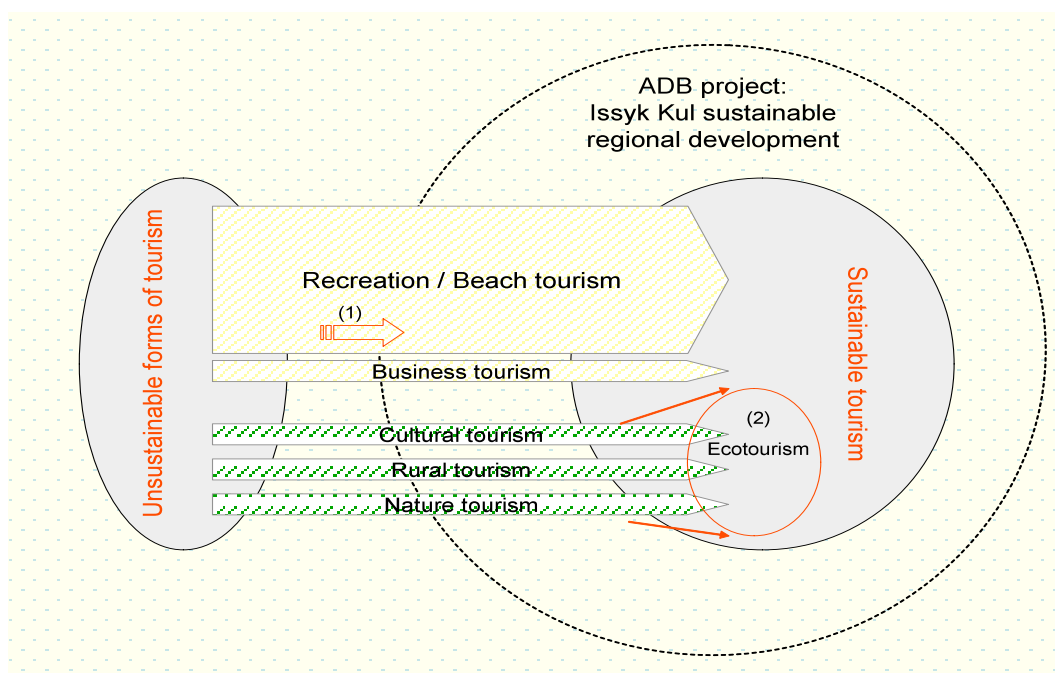
- community based and sector activities
- decentralized development management
- interest groups with enhanced lobbying capacities

In view of these objectives a choice of two approaches are recommended: The first approach includes specific activities which are targeting mainly the mainstream sector: generating and stabilizing local employment opportunities, linking markets, enhancing environmental management and empowering local communities. These activities on the one hand improve the development of the Issyk Kul supply (service and product quality, sustainable resource management), on the other hand they address an enhancement of the preconditions required for sustainable destination management (participation and human capacities). All in all, they are aiming at an improvement of livelihood of Issyk Kul's local population.

The second approach is targeting those stakeholders of the tourism industry who are committed to Ecotourism – thus predominantly the specialized sector. With this approach sectoral activities should be strengthened and lobbying capacities of the specialized sector should be enhanced. Both approaches are just targeting specific sectoral units and measures of destination

¹¹⁰ Compare with Helvetas (2008): Regional Programme Strategy Kyrgyzstan /Tajikistan 2008 – 2010

management which do have the potential to support the concept of ADB and as such the destination Issyk Kul as a component (see also picture 13).



Picture 13: Development approaches to shift tourism development in the destination Issyk Kul towards sustainability (own description based on results from the field visit May/June 2008)

(1) Approaches targeted predominantly to the mainstream sector

Activities aiming at sustainability are not to confound with activities supporting the specialized sector. Because of the high volume of arrivals and longer duration of stay of mainstream tourists even small scale improvements in the given circumstances do have the potential to result in more positive effects on environment and livelihood than big scale improvements in the small sector. In this effect, the following activities can contribute towards more sustainability within the mainstream sector:

Generating and stabilizing local employment opportunities

Building capacity and skills of local villagers in hospitality and gastronomy is enhancing their opportunity to find employment in one of the resorts, hotels or sanatoria within the recreational area. In this effect, development organizations can seek public-private partnerships with renowned facilities aiming to give young people from socially disadvantaged backgrounds a chance to enhance skills and opportunities for future career. In order to secure more stable

employment (than just short seasonal jobs) an extension of the tourism season for example through diversification and upgrading of tourist services should be supported.

During the field visit Helvetas already had concrete plans to implement a project on skills development in cooperation with selected private companies of the Issyk Kul mainstream tourism sector.

Linking local markets with tourism industry

Local communities will be encouraged and local employment (indirect jobs) will be increased if their products are utilized at tourism facilities. Therefore stronger linkages should be built between local markets (i.e. agriculture, handicraft, transportation) and (mainstream) tourism service providers. As the study team of JICA is outlining, there is a number of local products specifically available in Issyk Kul (e.g. herbs, honey, dairy, meat, juice, felt products, etc.). The study team is expecting that the share of tourism in GDP in Issyk Kul oblast has the potential to increase from 3.6% in 2002 to 8.2% in 2025.

Helvetas is at present already implementing a Local Market Development Programme including Issyk Kul province and contacts are build up with the agricultural sector and the processing industry. Therefore linkages to the mainstream tourism industry could supplement to the project to find a ready market for locally produced products.

Enhancing environmental management capacities of the private sector

Environmental management so far has not been an issue of high priority (nor for personal interest and not regarded as businesses' responsibility). However, the pressure on the environment has increased. Action is needed not only on behalf of the public domain but also on behalf of the private sector. Therefore awareness and knowledge has to be raised among service providers, including not only larger resorts but also (formal and informal) small and medium enterprises. Training, practice examples and pilot projects should including issues like waste management, water management, decentralized sewage treatment, use of alternative energy sources, etc..

Strengthening community empowerment / good governance

The participatory approach is to be initiated firstly through enhancement of communities at the village level. Communities in Issyk Kul region therefore should be strategically empowered to collectively work out a common vision and to take own initiative in development process.

As Helvetas is at present supporting the Kyrgyz Community based Tourism Association in conducting a feasibility study on 'CBT and Good Governance', an important step towards the recommended approach already has been taken.

Within the Issyk Kul region special attention in terms of community empowerment should be given to villages located at the southern shore of the lake because the direction of development of their zone can still be very differing. In future planning processes (both initiated by LSGs/ bodies of the state administration or by international players such as ADB) the voice of local communities should be strengthened.

(2) Strengthening ecotourism as a concept of sustainable tourism development

Next to the activities which were targeting mainly the recreational sector the author wants to recommend as a second approach to support 'ecotourism' in the destination Issyk Kul. Contrarily to terms like adventure or trekking tourism the term 'ecotourism' is defined by the impact which tourism is causing. As a concept of sustainable tourism development it is aiming

- to minimize environmental impacts
- to ensure social and cultural compatibility, and political empowerment
- to contribute to protected area management and conservation through financial sources
- to generate benefits to local communities and,
- to create environmental awareness.¹¹¹

With this approach participation, cooperation and joint forces of all stakeholders committed to ecotourism should be strengthened. In view of the Issyk Kul tourism industry this means mainly actors of the specialized tourism sector will be targeted; nevertheless also those stakeholders of the mainstream sector can be addressed who are committed to the principles of ecotourism.

The study results have shown that at present the cooperation within the specialized sector and particularly among the existing private tourism organizations is very low. In view of the regional planning process and elaboration of a joint vision, each of the organizations is a rather small player. Therefore the creation of an interest group with enhanced lobbying capacities will strengthen their position against the interests of the mainstream sector (which already has better connections with decision making authorities).

¹¹¹ Referring to Strasdas (2006), Module 'Ecotourism and Outdoor Recreation', Eberswalde University of applied Science

But the author is recommending not establishing again a new tourism organisation, which in the end might act as another competitor; the formation of a forum (strategic alliance) of those already existing is to prefer under current situation. The forum should capitalize on the strengths of the various organisations - maybe under rotating leadership. Main tasks of the forum should be:

- (1) development of a joint Ecotourism strategy /strategy for alternative tourism and action plan, potentially as a component of the overall Issyk Kul development plan as proposed by ADB
- (2) lobbying for the interests of the specialized sector within the Issyk Kul region and strengthening the position of the alternative travel industry.

For the implementation of concrete actions (defined in the strategy) respective leading organization should be identified according to their capacities.

As a guiding star for this approach the author wants to refer to the example of Bulgaria, where an ecotourism strategy and action plan has been successfully implemented since 2004. In addition, the case of Bulgaria as a tourism destination shows considerable parallels with the Kyrgyz, respectively Issyk Kul destination:

- ⇒ similar historical context of socialist regimes
- ⇒ rapid transition from command to market oriented economies since 1991
- ⇒ high value natural and cultural resources and traditions; linkages to trans-national routes
- ⇒ existence of two markets: a mass tourism market at the coast and specialized niche markets in mountainous back land
- ⇒ steadily increase of international, CIS and domestic tourism arrivals since the mid- 1990s
- ⇒ involvement of international donor agencies and development programmes acting in the field of biodiversity conservation as well as economic development.

Therefore the author wants to end the master paper with an outlook to Bulgaria as a good practice example of international cooperation supporting a counties' tourism development in a sustainable way. Although the chosen approach is again just a sectoral approach (assisting the elaboration of an ecotourism strategy as a component of the countries overall tourism development plan) it seems to reflect the capacity and strength of what international cooperation can contribute to tourism development in post-socialist destinations.

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Annex

Confirmation

With this I confirm that the presented master thesis has been entirely and exclusively written by me and that only the named references have been used.

Eberswalde, July 28th 2008

Last but not least, I want to remind the great cooperation of HELVETAS throughout the study visit in Kyrgyzstan. Without this support the field analysis of the destination Issyk Kul would not have been possible in that short period of investigation. Special thanks I therefore want to address to Guy Morand, Sarina Abdysheva, Damira Raeva, Anar Orozobaeva, Kalibek Imashev, Zamira Imanalieva as well as to Guljat Baiyzbekova and Svetlana Scheffer for their logistical support!



Annex 1: List of meetings, phone calls and discussions

	Date	Organisation / Company	Contact person	Remarks
1	13.05	BTE, Berlin	Dr. Hartmut Rein	Consultancy office of the GTZ „Biosphere Reserve Project“ in 2000/2001, providing information regarding the GTZ tourism project component in Issyk Kul oblast
2	19.05	ADB (Asian Development Bank)	Cholpon Mambetova (project implementation officer)	Draft concept note for Issyk Kul Sustainable Development, 2008
3	19.05	Helvetas, Kyrgyzstan	Zamira Imanalieva	Destination Marketing Organisation Project (1995- 1998)
4	20.05	KCBTA (Kyrgyz Community based Tourism Association)	Anara Orozobaeva Damira	KCBTA generally Feasibility study “CBT and good governance”
5	20.05	Novinomad	Sergey Pareha	Tour operator
6	21.05	Celestial Mountains	Ian Claytor	Tour operator, former KATO president
7	22.05	Helvetas	Sirocco Messerli	Skills project
8	23.05	CBT Tamchy	Several members	Focus group discussion
9	24.05	Ayil Okmoto / local administration Tamchy	Head of AO Deputy	
10	24.05	CACSA member, Tamchy		Handicraft Association
11	24.05	Private guesthouse, Akaev street, Tamchy		Service provider of Akaev Street, providing just basic facilities without any service
12	24.05	Fond “OBFM”, Tamchy		Supporting local kindergarten, former CBT coordinator
13	26.05	JICA (Japanese International Cooperation Agency)	Guljan Zuljanlievo	Telephone call, collecting documents “Study on integrated development plan of Issyk Kul Zone”, current projects
14	26.05	GTZ (German Agency for Technical Cooperation)	Andreas Klausing Ajan Abazova, Ms. Genbaeva Petra Willwacher (head office)	Several short phone calls and mails to find out about results and lessons learned of “Biosphere Reserve Project”
15	26.05	Nabu (Berlin)		Mail contact
16	27.05	EBRD	Jyldyz Galieva	Phone call, collecting information about tourism related investments in Issyk Kul region
17	27.05	UNESCO >> Novinomad	Sergey Pareha	Mail, collecting document about UNESCO project “Cultural Ecotourism Development in Issyk Kul region”
18	29.05	State Agency of Tourism	“Round table”	about “Importance of tourism in community development” - school Nr. 43 in Sokulo providing vocational education on “rural tourism”
19	29.05	State Agency of Tourism	Jigitov	missed
20	29.05	Photographer	Andrew Chen	
21	30.05	Tourism Association of Service Providers of I- K region	Talant Abdykasimov	Ass. established by TACIS project

22		TACIS	Gulnara Botopaevo	Issyk Kul regional development project 2003 – de. 2005
23	03.06	Biosphere Reserve Administration, Balykchi	Eraly Jankynbaevich (Deputy director)	Engagement in tourism supply and sustainable tourism development Review of GTZ tourism related activities
24	03.06	District administration (Rajon Issyk Kul, Cholpon-Ata)	Kayikova Roza Jazbaevna (deputy)	
25	03.06	Association of Resorts (northern shore)	Talai Ishenbekova (president of ass.)	At the same time deputy head of “social economic development and tourism” in rajon administration
26	03.06	Ecocenter, Cholpon Ata	Barakanova Nelya Japarovna	
27	03.06	Pansionat “Antalya”	owner	
28	04.06	Orbita resort, Bosteri	Aziz Alievich, director	Resort owned by an organisation of blind and handicapped people GTZ pilot project (not realized)
29	04.06	Resort “Talisman Village”, Bosteri	Anara Tokchulukova, administrator	High standard resort, credit support given by EBRD
30	04.06	Hotel “Avrora”	Timur Marketing manager	Presidential hotel / resort
31	04.06	Nature park administration, Ananievo	Tanaliev Bolobek Balykovich director	
32	04.06	NGO “Leader”, Karakol	Banur Abelijeva director	About current project on community activation through Ecotourism (JICA)
33	05.06	CBT Karakol	Azamat Asanov Coordinator	
34	05.06	Tourist Information Center, Karakol	Baktegul	Established in the frame of the TACIS project, No under the Karakol State-University
35	05.06	Ekotrek – Association of trekking workers	Karabashev Parhad Chairman	Established in the frame of the UNESCO project
36	05.06	Helvetas (AVEP), Karakol	Anara Samaganova	
37	05.06	Sanatorium, Yeti Oguz	employee	
38	05.06	Yurt café Yeti Oguz	Local service provider	
39	06.06	TO “Turkestan”	Sergey Pychenko manager	Travel Company and Yurt camp provider from Karakol
39	06.06	Guest house, Tamga	Aleksandr Mihailovic	Private guest house and tour operator
40	06.06	Yurt Camp from Dostuk near Tosor	Nikolai Nikolaevic	
41	06.06	Tourist Information Center Kadji-Saj		Was already closed
42	06.06	CBT Bokonbaevo		Not reached

Annex 2: Semi structured interview schemes

(A) Tourism industry

- associations and service providers from the Issyk Kul region;
- tour operators and tourism associations operating on the national level

(B) local NGOs

- environmental care takers
- working in support of local government reform

(C) Governmental / state institutions

- from different geopolitical levels (national, regional, local)

(D) International donor agencies and development organisation

(A) Interview questionnaire - Tourism Industry

date: _____

Tourism is a very important contributor to the economy of the Issyk Kul region. During the past 5 years the number of visitors in the oblast were rising (doubling) from 500000 in 2002 up to 1 million visitors in 2007. Further growth is to be expected, particularly because of the planned direct road connection between Almaty and the Issyk Kul oblast. In the past years international development agencies, the biosphere reserve administration and the public administration have started to discuss, plan and take first actions for a sustainable tourism development in the Issyk Kul region, which was declared as UNESCO biosphere reserve in 1998. Different agencies stated that the constitution of a tourism organisation (destination management organization Issyk Kul), that represents joint interests of tourism service providers of the destination Issyk Kul, would be of great benefit for comprehensive planning, lobbying and marketing activities in future. In this frame the Swiss development agency Helvetas conducts an investigation among the Issyk Kul service providers to determine their need, interest and willingness to cooperate in a proposed destination management organisation.

Therefore we kindly request you to participate in the following questionnaire!

Name of company: _____ Location: _____ existing since: _____

Represented by: _____ sex: male / female age: _____

Type of service:

- ☐ accommodation: hotel / resort / sanatorium / pension / yurt camp / others
- ☐ restaurant
- ☐ leisure time amenities, what kind of _____
- ☐ sight seeing facilities _____
- ☐ CBT linked (home stay, guide)
- ☐ tourist information office
- ☐ tour operators

Legal form: _____ number of employees: _____

Number of tourists served last year: arrivals _____ / overnights _____ Capacity utilization: ____%

Standard of comfort: _____ (low end = 1 star ☆ high end = 5 stars ☆☆☆☆)

1 From where do your visitors usually come from - the CIS/domestic market or international market?

O CIS/ domestic market - sun& beach / helth & wellness / conferences

O international market - Silk route / cultural interested / soft adventure / nature-based /specialist adventure

2 Can you illustrate me the “characteristic holidays” of your clients! - regarding the

- means of transport / which means of transport do they use to come here?

- what kind of accommodation do they need?

- what kind of food / catering do they prefer?

- what kind of activities do they do here? Sun& beach / trekking / horse back / sailing /.....

- which leisure-time facilities (public or private) are they using regularly?

- how long are the staying in the region in average?

- are they also travelling to other places in Kyrgyzstan or Central Asia?

3 During the past years, the total number of visitors has been rising in Issyk Kul oblast enormously!
How did this increase affect your business?

4 What will be the biggest challenges to improve (the quality of) your service (private domain) and to sustain the attractiveness of your business on a long term / in 10 years?

5 The attractiveness and competitiveness of a tourism destination is depending not only on your business but also on a variety of aspects which are part of the public domain.
What are the major needs of action to upgrade public tourism infrastructure in your region?

6 Who is in charge of the planning and decision making of the previously mentioned aspects in your region?
Do you know about any tourism related development plan or strategy for your region?
Did you anyhow participate in planning or decision making processes?

7 Is there any tourism organisation (association/ union) in your region which represents and lobbies for the interests of the tourism industry?
If yes, are you a member of this organisation(s)?

8 Can you usually relay in agreements and joint actions with other service providers? YES/ NO
If “no”, why do you think that cooperation and joint actions in your region risk failing ?

9 What kind of tourism segments you would like to be increasingly attracted in your region?

O CIS/ domestic market - sun & beach tourists, children & youth camps

O conference market - business tourists

O silk route market - cultural tourists

O adventure market - nature based tourists

What do you think about the other tourism markets? Are you suffering from conflicts because of the different interests depending on the type of tourists?

10 In 2001 UNESCO has recognized the establishment of the Issyk Kul Biosphere Reserve. What do you think about the announcement of the biosphere reserve and how does it contribute to a sustainable development in your region?
How does the biosphere reserve administration cooperate with the tourism industry?

Thanks!

(B) Interview questionnaire - NGOs

date: _____

Tourism is a very important contributor to the economy of the Issyk Kul region. During the past 5 years the number of visitors in the oblast were rising (doubling) from 500000 in 2002 up to 1 million visitors in 2007. Further growth is to be expected, particularly because of the planned direct road connection between Almaty and the Issyk Kul oblast. In the past years international development agencies, the biosphere reserve administration and the public administration have started to discuss, plan and take first actions for a sustainable tourism development in the Issyk Kul region, which was declared as UNESCO biosphere reserve in 1998. Different agencies stated that the constitution of a tourism organisation (destination management organization Issyk Kul), that represents joint interests of tourism service providers of the destination Issyk Kul, would be of great benefit for comprehensive planning, lobbying and marketing activities in future. In this frame the Swiss development agency Helvetas conducts an investigation among the Issyk Kul service providers to determine their interest and willingness to cooperate in a proposed destination management organisation. Therefore we kindly request you to participate in the following questionnaire!

Name of NGO: _____ Location: _____ existing since: _____

Represented by: _____ sex: male / female age: _____

Type of organisation/ company and its main objective/ activities:

Any leaflets?

1 During the past years, the total number of visitors has been rising in Issyk Kul oblast enormously!
How did this increase affect your region? What are the negative or positive impacts caused by tourism?

2 If there are any negative environmental or social impacts (which have been mentioned), what are the priority needs of action to be taken?
Who, do you think, is responsible to take action in view of the priority needs you mentioned?

3 Do you know about any development plan or strategy for your region which also considers tourism aspects?
Who is in charge of planning and decision making processes in your region?
Did you anyhow participate in planning or decision making processes?

4 What kind of tourism segments would you like to be increasingly attracted in your region?

- ☐ CIS/ domestic market - sun & beach tourists, children & youth camps
- ☐ conference market - business tourists
- ☐ silk route market - cultural tourists
- ☐ adventure market - nature based tourists

What do you think about the other tourism markets? Are there conflicts because of the different interests depending on the type of tourists?

5 In 2001 UNESCO has recognized the establishment of the Issyk Kul Biosphere Reserve. What do you think about the announcement of the biosphere reserve and how does it contribute to a sustainable development in your region?

(C) Interview questionnaire – authorities of administrations

date: _____

Tourism is a very important contributor to the economy of the Issyk Kul region. During the past 5 years the number of visitors in the oblast were rising (doubling) from 500000 in 2002 up to 1 million visitors in 2007. Further growth is to be expected, particularly because of the planned direct road connection between Almaty and the Issyk Kul oblast. In the past years international development agencies, the biosphere reserve administration and the public administration have started to discuss, plan and take first actions for a sustainable tourism development in the Issyk Kul region, which was declared as UNESCO biosphere reserve in 1998. Different agencies stated that the constitution of a tourism organisation (destination management organization Issyk Kul), that represents joint interests of tourism service providers of the destination Issyk Kul, would be of great benefit for comprehensive planning, lobbying and marketing activities in future. In this frame the Swiss development agency Helvetas conducts an investigation among the Issyk Kul service providers to determine their interest and willingness to cooperate in a proposed destination management organisation. Therefore we kindly request you to participate in the following questionnaire!

Administrative level: oblast / rajon / ayil okmotu location: _____

Represented by: _____ sex: male / female age: _____

Function of representative: _____

-
- 1 During the past years, the total number of visitors has been rising in Issyk Kul region enormously! How did this increase affect your oblast / rajon / community ? What are the negative or positive impacts caused by tourism?
-
- 2 If there are any negative environmental or social impacts (which have been mentioned), what are the priority needs of action to be taken?
-
- 3 Is there any official tourism development plan / strategy for your area of responsibility existing?
-
- 4 Tourism is regarded as a cross-sectoral task of different administrative departments. Which are the departments in your oblast/rajon/community with relevant tasks regarding tourism development? / Who is in charge of tourism related issues?
-
- 5 Are there any tourism organisation (association/ union) in your region which are your counterparts in terms of tourism related issues?
-
- 6 In 2001 UNESCO has recognized the establishment of the Issyk Kul Biosphere Reserve. What do you think about the announcement of the biosphere reserve and how does it contribute to a sustainable development in your region?
-
- 7 What kind of tourism segments would you like to be increasingly attracted in your region?
- ☐ CIS/ domestic market - sun & beach tourists, children & youth camps
 - ☐ conference market - business tourists
 - ☐ silk route market - cultural tourists
 - ☐ adventure market - nature based tourists

What do you think about the other tourism markets? Are there conflicts because of the different interests depending on the type of tourists?

(D) Interview questionnaire – donor agencies / development organisation

Tourism is a very important contributor to the economy of the Issyk Kul region. During the past 5 years the number of visitors in the oblast were rising (doubling) from 500000 in 2002 up to 1 million visitors in 2007. Further growth is to be expected, particularly because of the planned direct road connection between Almaty and the Issyk Kul oblast. In the past years international development agencies, the biosphere reserve administration and the public administration have started to discuss, plan and take first actions for a sustainable tourism development in the Issyk Kul region, which was declared as UNESCO biosphere reserve in 1998. Different agencies stated that the constitution of a tourism organisation (destination management organization Issyk Kul), that represents joint interests of tourism service providers of the destination Issyk Kul, would be of great benefit for comprehensive planning, lobbying and marketing activities in future. In this frame the Swiss development agency Helvetas conducts an investigation among the Issyk Kul service providers to determine their interest and willingness to cooperate in a proposed destination management organisation. Therefore we kindly request you to participate in the following questionnaire!

Administrative level: oblast / rajon / ayil okmotu location: _____

Represented by: _____ sex: male / female age: _____

Function of representative: _____

1 Has your agency / organisation been involved in any programme supporting tourism development in Issyk Kul region? (Also, if it was only a component of a superior project – what was the superior project about?)

2 What were your programmes overall objectives?

3 What kind of activities did you support?

4 Who were your target groups /beneficiaries?

5 What has been achieved at the one side and what were major obstacles you had to deal with at the other side?

6 Can you share with us any project documents / reports or evaluations?

7 During the past years, the total number of visitors has been rising in Issyk Kul region enormously! What do you personally think are the negative or positive impacts caused by this tourism boom? What are the priority needs of action to be taken?

8 Does your organization plan to continue supporting tourism development in Issyk Kul oblast in the near future? If yes, what kind of project does your organization have in mind?
