ADB Support for Sustainable Tourism in Mongolia

Country Case Study

Asian Think Tank Development Forum
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Overview

• Global biodiversity, wilderness, cultural values

• GOM vision: global destination for nomadic culture

• Tourism: small but emerging sector

• 2019: 7.2% of GDP, 7.6% of total employment, 88,700 jobs; 577,300 arrivals; sector growth (11.9%) > GDP growth (5.6%)

• By 2030: 11% ($1.5 bn) of GDP, 95,000 jobs, 1 m arrivals/yr

(WWTC 2020)
• High priority to diversify economy, create jobs

• Focus on nature- and heritage- based tourism

• Protected area network >31.1 m ha (~19.8%)

• National targets: PA network 30% and 2 m arrivals / yr by 2030, scale up ecotourism, benefits for communities

• Domestic tourists: 31.2% of total tourism spending (2019)
Globally significant wilderness, biodiversity, and heritage values
COVID-19 and tourism sector

• 2020: border closures, decline—to almost zero—of international arrivals, estimated losses >$421 m

• Rapid action, slow spread. Nov – 699 cases, 0 deaths

• 2021: Apr – 22,884 cases, 48 deaths (WHO), long shut-downs; 90% decline in revenue, visitor numbers

• >58% rural HH unable to generate income (WBG 2021)

• National working group, e-Visa application system
ADB support 2015–2025

• Country and regional support

• 2015: Grant – 1 national park ($3 m, JFPR)

• 2019: Loan – 2 national parks ($1.1 m JFPR, $38 m), CAREC Regional Technical Assistance ($2.2 m)

• 2021: Loan and Grant – 3 provinces ($2 m JFPR, $30 m)

• From 1 grant → thematic area of portfolio

• JFPR has been critical to catalyze support
ADB support characterized by:

• Focus on livelihoods, ecotourism, nature, culture

• Multi-sector approach addressing 4 key issues:
  ➢ Limited inclusive planning and community benefits
  ➢ Insufficient enabling infrastructure
  ➢ Inadequate sanitation and waste management
  ➢ Inadequate management of cultural heritage sites and protected areas
Features of project sites

• 8 protected areas, 5 provinces; urban, rural centers
• Remote. Low population densities
• Differing conditions – parks with high / low visitor numbers
• Rich cultural, ethnic diversity. Oldest rock art in Asia
• Transboundary borders – CAREC, PRC, Russian Federation
• UNESCO and Ramsar sites
• National priority for economic development
Core challenges

- Inadequate institutional frameworks for tourism planning

- Rural poverty. Few tourism skills, access to low-interest credit, or venues to sell products

- Limited infrastructure to catalyze tourism and protect resources at sensitive sites

- Protected areas underfunded, inadequate sanitation, increasing damage to natural values, rock art

- Post COVID-19 sector recovery and resilience
Approach

- **Manage** tourism (parks), **catalyze** tourism (rural sites)

- Integrated designs/safeguards, water, energy efficiency (EDGE), climate resilience, gender focus

- 1\textsuperscript{st} grant, loan designed before pandemic; 2\textsuperscript{nd} grant, loan during pandemic – new emphasis on economic revitalization, disease resilience

- Market analysis, post-COVID recovery projections

- The first lending projects for tourism in Mongolia
Project components

- Institutional: tourism master plan, *aimag* plans, park mgnt plans, tour camp manual and certification standards

- Livelihoods: revolving funds, financing, capacity building

- Infrastructure: tourist centers and streets, women-led markets

- Waste management: landfills, WWTPs, onsite toilets

- Post-COVID resilience: WASH program – youth-led, WHO-aligned

- Nature, heritage protection: HQ, camp sites, fee stations

- Digital Museum – e-resource independent of travel restrictions
Benefits

• Improved sector planning and standards
• New skills, jobs for communities and MSME: ~27,305 people
• Improved WASH standards, COVID resilience
• Empower women and youth
• Green building designs with universal access
• Improved visitor experience
• Improved management of 8 PAs, heritage sites >3.1 m ha
Key Messages

• Tourism important for MON post-COVID recovery

• Early post-COVID tourism: regional focus

• Parallel national and regional support essential

• Multi-sector approach needed

• Careful design planning to improve visitor experience but protect natural, cultural resources
Thank you