
Programme: Private Sector Development and TVET in South Caucasus (PSD TVET SC)

PN: 16.2179.6-002.00

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Activity: Development of Tourism Cluster on the Silk Road

Period: 18.06. – 28.09.2018

1. Brief information about the programme

The Private Sector Development and Technical Vocational Education and Training programme which has been developed jointly with the Public partners and private sector in the South Caucasus Countries, aims at promoting the private sector development with a high attention to employment impacts and a close integration of vocational education and training.

Due to the small domestic markets with limited purchasing power, the South Caucasus Countries have focused so far on expanding foreign trade to promote economic development. The export-dedicated strategy achieved only limited success in improving the employment situation and living conditions. Employment growth in sectors that afford the greatest potential for *pro-poor growth* and employment promotion in comparable economies and also in South Caucasus, such as tourism and agricultural, cannot be sustained, because businesses lack well-trained skilled labor.

The core challenge consists thus in the difficult framework conditions for sustainable economic development in the sectors relevant for employment. The capacities available are not yet sufficient to generate the envisaged employment and growth momentum.

Therefore, the programme **module objective** is: The conditions for sustainable economic development have improved in selected sectors relevant for employment.

The programme will adopt the integrated approach of German development cooperation in employment promotion. It will address both the supply and demand side of the labour market to lay a better foundation for employment. Development assistance will focus primarily on involving the private sector in vocational training.

To do this, the programme will operate in three intervention fields:

Intervention field 1 will aim to strengthen capacities for improving competitiveness in the sectors relevant for employment.

In **intervention field 2**, private and public actors will cooperate to improve the labour-market relevance of selected training courses for these sectors.

Intervention field 3 will seek to strengthen the regional and international exchange of experience in sustainable private sector development and dual-oriented vocational training.

Improving the promotion of economic development will contribute to raising demand for labour. At the same time, supporting vocational training and qualification will increase the supply of qualified labour, i.e. trainees that have successfully completed initial and continuing education and training will be better prepared to cope with the requirements and their tasks in enterprises. In the medium and long term, this will make a contribution to reducing structural unemployment and underemployment and to social and sustainable economic development.

The programme is scheduled for a term of 3 years (from April 2017 to April 2020).

2. Context and current situation in the field of assignment

Armenia is actively involved in product diversification and thematic packaging. One of the themes largely discussed within the industry locally is the Grand Silk Road that was passing through Armenia when the Silk Road was the world's largest chain of cross-cultural contacts and trade, promoting to the universal humanity development more than two thousand year. Today, Silk Road is considered as an important tool for supporting intercultural dialogue and consolidation cooperation between countries.

In 2016 - 2017 WTO accepted Silk Road Action Plan¹ for Tourism sustainable development in the Silk Road countries. It tends to contribute to the elimination of poverty in the Silk Road countries, at the same time maintaining cultural and natural resources. Armenia as a Silk Road Member State is in a unique position to capitalise on cooperation with especially neighbouring member states in the areas of product development, tourism route development, travel facilitation and in a longer run on cross border initiatives.

Based on above, GIZ PSD TVET will partner with a local company / NGO to design "Armenia by Silk Road" tour package involving and uniting local community tourism service providers to form a cluster to scale up to new business models through training courses and individual on job training.

3. Conditions of the assignment

3.1 Objective and tasks

By having a rich historical and cultural heritage and wonderful natural sights "production" and design of the Armenia Silk Road as a tour package will enable Armenia to be better introduced on a world-wide known Grand Silk Road and will give chance of private SMEs on the Silk Road to promote and sell their products under a unified brand in a form of a cluster. In this regard focus will be on the cluster development through training the

¹ http://cf.cdn.unwto.org/sites/all/files/docpdf/sr2016web_0.pdf

members on the notion of the Silk Road internationally, theory of tourism, destination management, service provision concentrating on the theme of Silk Road historic background.

The project will be implemented in 4 stages:

1. Inventory and Review of existing tour packages thematically connected to the Armenian Silk Road as a basis to develop a new or improved business model
2. Research and conceptualise the selection of at least 15 towns and villages and at least 20 SMEs providing tourism services as well as merchandise.
3. Signing MoUs with interested SMEs and holding training sessions on the concept of forming a cluster on the Silk Road.
4. Introduce the trail to the local tour operators through profound training sessions for both local communities and tour operators for further retail.

1. Inventory and Review of existing tour packages thematically connected to the Armenian Silk Road as a basis to develop a new or improved business model

Although Silk Road is a new product in Armenia, still it is necessary to check if there are any related or similar products in the market to include into the trail for further cooperation.

2. Research and concept on Armenia on the Silk Road description, selection of cities and at least 20 SMEs providing tourism services as well as merchandise.

For the project kick off it is essential to draw the route and carry out an assessment of the existing and potential SMEs (accommodation, food services, guiding services, Silk Road identical arts and crafts studios, wine and agro producers, etc) for tourism services provision. The concept note will provide a detailed description and inventory of the product potential located on the original Silk Road. This will help to clearly present the whole picture of the route. Importantly the research will cover historic background of Armenia being on the Silk Road as well as will inventory the artefacts and other items related to the topic in the museums of Yerevan and communities to include into the concept.

3. Signing MoUs with interested SMEs and organising training sessions on the concept of forming a cluster on the Silk Road.

After the selection of partner SMEs MoU will be signed with them agreeing to operate as a Silk Road tour which then will be pursued by training sessions on business management, entrepreneurship, sustainable and green tourism, notion of the Silk Road and concept presentation.

4. Introduce the trail to the local tour operators through profound training sessions for both local communities and tour operators for further retail.

The product will be developed with local Tour Operators (TO) who will further promote the route to their international partners and include into their annual program. As part of the capacity building activity for the Partner Company / NGO workshops will be held as well as onsite visits as familiarisation trip(s) and on job training for both service providers and tour operators. The Partner Company / NGO contribution to the project will be the development of the project brand, such as logo and motto, leaflet and other possible branded items. Logistic expenses and any printing cost will also be covered by the Partner Company / NGO.

a. Deliverables and resources

Tasks – Deliverables	Timeline	Expert day
Inventory and Review of existing tour packages thematically connected to the Armenian Silk Road as a basis to develop a new or improved business model	18.06 – 20.06.2018	3 days
Research and concept of Armenia on the Silk Road route, selection of at least 15 towns and villages and at least 20 SMEs providing tourism services as well as merchandise.	21.06. – 02.08.2018	27 days
Signing MoUs with interested SMEs and organising training sessions.	03.08. – 30.08	20 days
Capacity Building activities to introduce the route to the local tour operators and guides	31.08. –28.09	20 days
Total		70 days

b. Conditions and payment terms

The activity should be realized within 4 months from the start date. It is envisaged to have 3 payments according to the following time frame and deliverables, presented below:

Timetable, Deliverables and Payments

Expected date	Deliverables	Payments
Signature of contract	Advance payment	30%
02.08.2018	Concept on Armenia on the Silk Road	30%
Upon completion	<ul style="list-style-type: none"> - List of SMEs - Copies of MoUs - Training modules / presentation - List of participants - Photos - List of TOs and Guides at the Fam trip - Soft files of the branded items 	40%

c. Coordination and communication

The reports should be submitted to Wilhelm Hugo, Team Leader Armenia and Armine Israyelyan, Programme Expert Armenia.

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