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(SPECA)

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*“Sustainable Transport and Trade for a Green and
Inclusive Economy after the Pandemic”*

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**APPLYING PRINCIPLES OF CIRCULAR ECONOMY
TO SUSTAINABLE TOURISM
IN SPECA COUNTRIES**

(BRIEF ANALYTICAL OVERVIEW)

The brief analytical overview for the 2021 SPECA Economic Forum has been prepared by the UNECE secretariat based on the conducted study on “Applying Principles of Circular Economy to Sustainable Tourism in SPECA Countries”.

Introduction

In line with the decisions of the UNECE Committee of Environmental Policy at its 26th session held on 9-10 October 2020¹, the policies and approaches on green and circular economy for the two thematic areas – sustainable infrastructure and sustainable tourism in the Pan-European context are under review and would be further explored during the Ninth Environment for Europe Ministerial Conference that will take place on 5-7 October 2022 in Nicosia (Cyprus).

SPECA countries are part of the Pan-European Environment for Europe process. The Environmental Performance Review, the National State of Environment Reporting on environmental indicators, the National Policy Dialogues on Water, the Shared Environmental Information System (SEIS), and the activities of the EECCA Environmental/Green Task Force are among the most visible investments and assets generated by the Environment for Europe process in the past. A new area of work in the context of the Environment for Europe process is emerging to leverage opportunities of SPECA countries in applying circular economy principles to promote sustainable tourism.

Circular economy and sustainable consumption and production are essential to attain the UN Sustainable Development Goals (SDGs), the Paris Agreement and the green economy. The world is only 8.6% circular despite its importance for a green economy transition and sustainable development.²

UNEP has introduced its circularity approach, providing the guidance and principles³ to move from linear to circular business models, which are relevant to different value chain systems, and prevent excessive waste and further negative impacts. sectors.⁴ UNEP has also introduced “The Sustainable Consumption and Production Hotspots Analysis Tool (SCP-HAT) which aims at identifying the hotspots areas of unsustainable production and consumption to support setting priorities in national sustainable consumption and production as well as climate policies.⁵

The United Nations World Tourism Organization (UNWTO) under the One Planet Network platform has established a programme on sustainable tourism which includes circular economy strategies and the application of principles in concrete initiatives and projects (e.g., Global Tourism Plastics Initiative).⁶

Considering the fact that tourism has been in the past decade a visible contributor to the economic growth of the SPECA region, the efforts conducted by most countries to implement green economy policies and strategies and the knowledge and practices generated by UNEP, UNWTO,

¹Report by the Bureau of the Committee on Environmental Policy for January – June 2021, https://unece.org/sites/default/files/2021-09/ece.cep_2021.3.e.pdf

² WBCSD, <https://docs.wbcsd.org/2020/12/WBCSD-Forest-Sector-SDG-Roadmap-Implementation-Report.pdf>

³ Reduce by design is the guiding principle, meaning less use of materials and consumption patterns of the lifecycle of products and services. Refuse, repair, refurbish, remanufacture, reuse, reduce, repurpose, and recycle are the related circular processes applicable across economic

⁴ UNEP, <https://www.unep.org/circularity>

⁵ UNEP, <https://www.unep.org/resources/factsheet/sustainable-consumption-and-production-hotspots-analysis-tool>

⁶ UNWTO, <https://www.oneplanetnetwork.org/sustainable-tourism>

UNECE, among other key stakeholders on circular economy principles, this paper aims to highlight the needs and opportunities for SPECA countries to apply circular economy principles for sustainable tourism. Thus, contributing to the SPECA programme on water, energy, and environment⁷, and enriching it to generate valid policy advice to the SPECA constituents and stakeholders.

Opportunities to apply the circular economy in tourism

According to the World Bank, Europe and Central Asia had 1.183 billion visitors in 2019. Central Asia on its own has gained more attention as an emerging tourism destination, with strong potential under the common “Great Silk Road” name.⁸ This provides opportunities for the countries to foster a regional tourism strategy and attract international visitors as the Silk Road is one of the world’s most valuable tourism assets.

Countries in Central Asia can collaborate through a regional approach in order to enable the growth of sustainable tourism and leverage their cultural heritage sites and natural assets. Even if due to COVID-19 the tourism sector suffered a downturn, sustainable tourism is becoming a trend once global travel recovers.⁹ This offers a strategic position to Central Asian countries, since the region is still a nascent tourism destination. There are many opportunities for the countries to benefit from international experience and best practices in building a sustainable and resilient tourism sector, thereby avoiding the damage and pressures associated to massive or unplanned tourism exploitation, especially in natural areas.¹⁰

The pre-pandemic tourism growth was significant for the majority of SPECA countries (table 1). This was enabled through policies and incentives applied in the sector, the development of tourism infrastructure, and by hosting cultural and sport events especially during the past decade.

Table 1: Key tourism indicators of SPECA countries in 2018

Tourism indicators	Afgh	Azb	Kz	Kg	Tj	Tkm	Uzb
Revenue (mln USD)	50,00	2830,00	2651,00	518,00	171,00	N/A	1314,00
The GDP share (%)	0,27	6,01	1,48	6,26	2,2	N/A	2,61
Tourist arrivals (thousands)	N/A	2850	8789	6947	1035	N/A	5346
Tourist departures (thousands)	N/A	4908	10646	6839	31	N/A	8594

Source: UNWTO¹¹

Tourism is encompassed by an entire ecosystem of many sectors (e.g., agriculture, metal industry, construction, transport, services, etc.). The holistic and systemic nature of tourism gives

⁷ <https://unece.org/wg-on-wee>

⁸ World Bank, <https://www.worldbank.org/en/news/feature/2017/10/31/central-asia-tourism-a-driver-for-development>

⁹ ADB, <https://blogs.adb.org/blog/when-global-tourism-returns-silk-road-awaits>

¹⁰ World Bank, <https://www.worldbank.org/en/news/feature/2017/10/31/central-asia-tourism-a-driver-for-development>

¹¹ UNWTO, <https://www.theglobaleconomy.com/download-data.php>

the opportunity to apply circular economy principles, especially in value chain activities that prevent and mitigate more environmental damage (e.g., plastics), resource depletion (e.g., waste in the food system) or climate change threats (e.g., unsustainable construction in coastal areas with valuable ecosystems).

In addition, opportunities to apply principles of circular economy in the tourism industry can include decision-making across value chain activities such as: circular procurement, circular design, providing services instead of products, repair & reuse & renovate, using existing infrastructure (not building new ones), promote nature-based solutions and natural infrastructure, digitalisation.¹² SPECA countries could introduce some of these strategies and conduct value chain analysis and identify hotspots with the support of UNEP, UNWTO, UNECE and other key stakeholders.

Challenges to apply the circular economy in tourism

Environmental issues of Central Asia comprise significant water stress, land degradation, industrial and municipal waste, and air pollution in urban and industrial centers. The climate change impacts the region with glaciers melt¹³ and frequent droughts, desertification, and increased number of natural disasters¹⁴. Therefore, this situation makes it critical for SPECA countries to apply sustainable consumption and production strategies through circular economy principles. Table 2 provides an overview of the selected key resources, environment, and circular indicators by countries.

Table 2: Key resources, environment and circular indicators of SPECA countries

	Afgh	Az	Kz	Kg	Tj	Tkm	Uzb	Wrld
Income from natural resources (% of GDP) (2018) ¹⁵	0,92	29,25	21,78	4,65	4,54	24,07	17,98	
Level of water stress (share of withdrawal v.c. available (% (2018)) ¹⁶	54,76	53,73	32,65	50,04	61,51	143,56	168,92	18,41
Water use efficiency (USD per m3 (2018)) ¹⁷	0,93	3,87	7,20	0,86	0,91	1,53	1,42	19,01
Energy per capita supply (gigajoules (2017)) ¹⁸	3,00	61,00	183,00	27,00	21,00	201,00	59,00	75,00
CO2 emission (metric tons per capita (2018)) ¹⁹	0,20	3,22	12,06	1,74	0,81	12,26	3,40	
Annual mean level of fine particulate matters in urban areas (microgram per m3 (2016)) ²⁰	63,6	23,2	25,6	28,2	46,5	33,3	24,0	31,18
Ecological footprint (global hectares)	0,7/0,4	2,0/0,	6,0/3,7	1,5/1,2	1,0/0,5	5,2/2,4	2,0/1,0	2,77/1,6

¹² EU, <https://circulareconomy.europa.eu/platform/sites/default/files/circular-economy-in-travel-and-tourism.pdf>

¹³ UNRCCA, https://unrcca.unmissions.org/sites/default/files/glacier_book_04042015.pdf

¹⁴ UNDDR, <https://www.undrr.org/publication/gar-special-report-drought-2021>

¹⁵ <https://www.theglobaleconomy.com/download-data.php>

¹⁶ <https://unstats.un.org/sdgs/UNSDG/IndDatabasePage>

¹⁷ <https://unstats.un.org/sdgs/UNSDG/IndDatabasePage>

¹⁸ https://unstats.un.org/unsd/publications/statistical-yearbook/files/syb63/T21_Energy.pdf

¹⁹ https://unstats.un.org/unsd/publications/statistical-yearbook/files/syb63/T24_carbondioxide.pdf

²⁰ <https://unstats.un.org/sdgs/UNSDG/IndDatabasePage>

per capita v.c biocapacity 2017) ²¹	7							
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Some economic instruments might hinder progress of the integration of more resource-efficient alternatives, especially to the end beneficiaries and the private sector. The absence of climate-change related regulatory provisions is likewise an issue to address since the region is prone to climate-related threats. Moreover, circular economy is not yet considered a central strategic matter by governments to address resource management issues and it has therefore not been contemplated in green policies and sustainable strategies across sectors, including the tourism industry. Even if, the protection and preservation of natural resources are considered a priority across different regulatory provisions, considering tourism as enabler by most countries, the term “sustainable tourism” has not been introduced in the region.

SPECA countries are independently part of multilateral environment agreements or international cooperation programmes and are conducting individual efforts towards environmental protection. However, these actions imply regulations that are somehow not necessarily transversal with the involvement of different agencies, making it hard to have a more coordinated and integrated approach. Furthermore, even if a few governments are doing some progress regarding monitoring environmental indicators with a more established governance system, there is still a lack of coordination to gather sufficient data for decision-making purposes, especially for those that pertain the tourism sector.

Key Recommendations

1. Integrate ***circular economy strategies in existing green energy policies***. Overall SPECA countries have already policy frameworks that aim to promote the green economy and preserve natural resources. However, none of them include the concept of circular economy or Sustainable Production and Consumption (SPC) strategies as part of the green economy regulatory provisions and development plans. It is therefore advised that the countries include regulatory provisions under existing laws and initiatives.
2. ***Establish a sustainable tourism strategy and align it with the country’s development plan***. Tourism is an economic activity that should aim to follow the countries’ regulatory objectives for the protection of biodiversity and efficient use of natural resources. Tourism related policies should include the term “sustainable tourism” and be aligned with current environmental regulatory frameworks and green economy strategies. These should be complementary and supportive to sector-specific laws and programmes due to the holistic nature of tourism value chains.
3. ***Conduct a value chain mapping and hotspot analysis following existing practices involving all key stakeholders***. SPECA led by UNECE could support the assessment of circular economy opportunities in the tourism value chain together with specialized agencies and organizations (e.g., UNEP and UNWTO) and involving tourism operators’ businesses, among others, either at both urban or natural/rural areas. Some potential sectors to consider could be waste and water

²¹ https://data.footprintnetwork.org/?_ga=2.250087942.1044713488.1635328303-400924949.1635328303#/

management, sustainable transport, and energy efficiency. This can help improve the countries' capacity to develop concrete circular business models and strategies.

4. ***Work in improving governance and enabling a monitoring system and indicators for circular tourism.*** Most countries have no visibility if circular strategies are implemented by local tourism operators and businesses and no evidence of the impact of tourism in resource management activities. Therefore, defining a harmonized set of indicators following best practice examples could help improve the governance and data required for tourism sustainable and circular business practices in the region.

The Way Forward. An action plan could be formulated for the SPECA region, involving the above-mentioned.