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ANALYSIS OF

CIRCULAR ECONOMY INTRODUCTION

FOR HORECA SECTOR IN KYRGYZSTAN

June, 2024

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Disclaimer

Analysis of Circular Economy Introduction for HoReCa Sector in Kyrgyzstan was developed by the Public Association "Support to Public-Private Partnership".

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The report analyzes the scope of implementation of sustainable production and consumption (SPC) and energy and resource efficiency (ERE) in the tourism sector of Kyrgyzstan, with a focus on the hotel and restaurant sector (HoReCa). The report reviews the PERETO project, which promoted the introduction of energy efficiency measures in small and medium-sized enterprises in the tourism sector. Strategic documents, legislation, international experience and the results of a survey of entrepreneurs are analyzed. The main problems and barriers are identified, such as lack of interagency cooperation, systematic approach, economic incentives and business awareness. Recommendations are offered to strengthen public policy in the field of sustainable tourism development, including preferential financing, training, tax incentives and certification.

Keywords: sustainable production and consumption, energy and resource efficiency, tourism, Kyrgyzstan, HoReCa, PERETO, state policy, recommendations.

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The electronic version of the analysis is available on the PERETO project website: www.pereto.kg

This analysis was conducted by the official request of the Tourism Department of the Ministry of Economy and Commerce of the Kyrgyz Republic and was prepared as part of the project "Promotion of Energy and Resource Efficiency in the Tourism SMEs in Kyrgyzstan" (PERETO), implemented with the financial support of the European Union's Switch-Asia program.

The information in this document is the sole responsibility of the authors and does not necessarily reflect the views of the European Union.

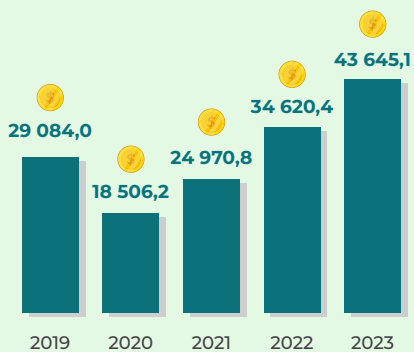
KEY FINDINGS

ECONOMY OF THE TOURISM INDUSTRY OF THE KYRGYZ REPUBLIC

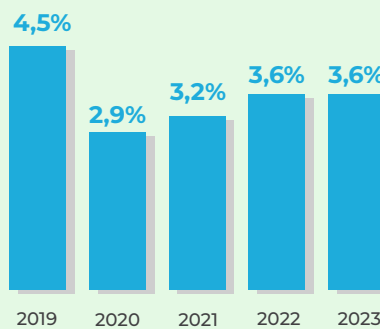
KEY INDICATORS OF TOURISM DEVELOPMENT IN KYRGYZSTAN



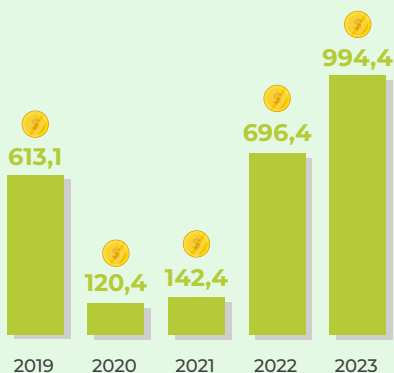
Gross value added in tourism activities, million som



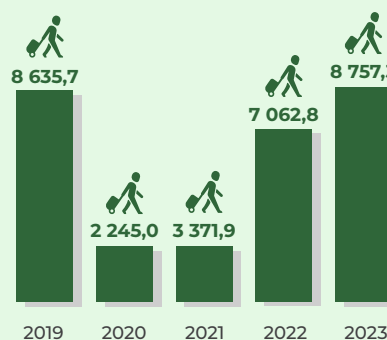
Share of tourism activities in GDP, %



Investment in fixed capital in tourism, million som



Export of tourist services, million USD



SURVEY RESULTS

THE MOST APPLIED GREEN MEASURES IN THE HORECA SECTOR



DIFFICULTIES AND BARRIERS OF SUSTAINABLE PRACTICES IMPLEMENTATION



50%

Lack of financial resources for implementing



6%

Long time required to implement sustainable practices



17%

Lack of qualified personnel for implementation



23%

Lack of knowledge about sustainable technologies and their benefits

RECOMMENDATIONS FOR OVERCOMING BARRIERS AND PROMOTING THE IMPLEMENTATION OF GREEN TECHNOLOGIES

75%

FINANCIAL INCENTIVES, SUCH AS PROVIDING SUBSIDIES, TAX BENEFITS, OR OTHER FINANCIAL INCENTIVES

50%

INTRODUCTION OF GOVERNMENT SUPPORT PROGRAMS, INCLUDING GRANTS FOR RESEARCH AND DEVELOPMENT OR TRAINING PROGRAMS FOR COMPANIES

30%

CONDUCTING EDUCATIONAL CAMPAIGNS AND PROVIDING INFORMATION ON THE BENEFITS AND OPPORTUNITIES OF GREEN TECHNOLOGIES

29%

PROVIDING COMPANIES WITH ACCESS TO INFORMATION ABOUT GREEN TECHNOLOGIES, THE MARKET, AND TRENDS

20%

DEVELOPMENT OF STANDARDS AND CERTIFICATION PROGRAMS FOR GREEN TECHNOLOGIES

RECOMMENDATIONS FOR EXPANDING THE APPLICATION OF GREEN TECHNOLOGIES IN THE TOURISM INDUSTRY OF THE KR

- Development of the Tourism industry development program: Include measures for sustainable tourism development, SPC and ERE principles, as well as mechanisms for interagency coordination and long-term planning.
- Infrastructure for sustainable tourism: Invest in the construction of centralized wastewater treatment facilities, especially in tourist areas, and create incentives for businesses that have undergone environmental certification, such as providing them with land allotments on favorable terms.
- Energy efficiency and Renewable Energy Sources: Simplify procedures for the installation of RES for tourist facilities, implement mechanisms for connecting to the power grid and purchasing excess electricity from tourism enterprises, and use green technologies in the construction of public tourism infrastructure.
- Financial and Informational support for sustainable tourism: Create a comprehensive support system, including tax incentives for the import of green technologies, preferential financial products, grants, subsidies, and informational campaigns about existing support measures and green technologies.
- Waste and resource management: Implement separate waste collection and recycling, encourage the opening of waste processing facilities, develop mechanisms for waste collection in remote areas, and reduce waste disposal fees for separated waste collection.
- Education and training: Organize training for specialists on the implementation of green technologies at the local level, develop pilot projects such as using thermal waters for heating, and create an electronic map of walking routes with information on sustainable tourism opportunities.

Executive summary

The purpose of this analysis is to determine the extent of implementation of Sustainable Production and Consumption (SPC) and Energy and Resource Efficiency (ERE) in the tourism sector of Kyrgyzstan, with a focus on the hotel and restaurant sector (HoReCa), and potential ways to strengthen state policy in sustainable development of the tourism industry through the introduction of sustainable consumption and production practices. This is based on the lessons and conclusions from the PERETO project, as well as information obtained through the collection of quantitative and qualitative data, interviews with project partners and beneficiaries, examination of existing data, legislative acts, government strategies, and best international practices.

A consortium of partner organizations from Kyrgyzstan and Europe implemented the project – promoting energy and resource efficiency in the tourism industry of Kyrgyzstan (PERETO) from March 2020 to August 2024 with financial support from the European Union's SWITCH Asia program. The PERETO project provides advisory support to entrepreneurs on the application of energy-efficient measures in small and medium-sized businesses operating in the tourism sector of Kyrgyzstan. The project not only achieved the established indicators but also exceeded some of them, demonstrating a significant impact on the sustainable development of Kyrgyzstan's tourism sector.

Tourism in Kyrgyzstan is one of the most dynamically developing sectors of the economy, accounting for 3.6% of the country's GDP by the end of 2023. Over 120 thousand economic entities are registered in the tourism sector, most of which are individual entrepreneurs.

Various international organizations operate in Kyrgyzstan to support the development of tourism and the application of SPC and CE principles, such as the German Corporation for International Cooperation (GIZ), the European Union (EU), the International Finance Corporation (IFC), the Agency for Technical Cooperation and Development (ACTED), the Japan International Cooperation Agency (JICA), the Asian Development Bank (ADB), the Swiss development organization Helvetas, the Korea International Cooperation Agency (KOICA), the State Secretariat for Economic Affairs of Switzerland (SECO), and others.

Analysis of strategic documents showed that sectoral and territorial programs and plans generally suffer from a lack of interdepartmental and intersectoral cooperation, a systemic approach, a lack of implementation of sustainable production and consumption principles, including energy efficiency and energy saving, waste reduction, awareness of the risks of climate change impacts on the development of territories and economic sectors, and consequently, conflicts between natural resource users, and the absence of plans for the implementation of such principles and the adaptation of the aforementioned plans and programs to current changes. Many strategic documents are declarative and not implemented in practice. Currently, there are no reports available in open sources on the implementation of plans and programs, despite the declared principles of accountability and openness as part of the executive power reform model in these documents.

Overall, the legislation today is more prohibitive and has few incentives for businesses to promote the implementation of green economy principles, including sustainable production and consumption, resource conservation, and resource efficiency. Many law provisions lack implementation mechanisms. Nevertheless, some regulations contain norms that indirectly contribute to the implementation of the above principles.

In general, analyzing the best international practices, it can be concluded that the development of sustainable tourism requires state support, a significant increase in social and environmental responsibility and awareness among businesses and citizens, and economic incentives for implementation. Only a combination of these factors can lead to a full transition of the tourism sector to a sustainable development path.

According to the results of a survey, it was found that the tourism and hotel-restaurant business is represented by small businesses with up to 10 employees in 70% of cases. Almost half of the economic entities in the sector are managed or owned by women.

The main problems for implementing green technologies in the tourism sector, as indicated by the entrepreneurs participating in the survey, were high costs, lack of knowledge, and insufficient incentives from the state.

The priority in the implementation of SPC and ERE practices by entrepreneurs is given to economically efficient measures that save costs, rather than those that address environmental and climate change risks but are economically unprofitable.

As the main recommendations, market participants indicated the provision of preferential financing, training, the introduction of tax benefits, and other incentives for companies that implement green technologies and undergo environmental certification and accreditation.

Abbreviation

KR	Kyrgyz Republic
SPC	Sustainable Production and Consumption
ERE	Energy and Resource Efficiency
CE	Circular economy
SPPP	PA «Support to Public Private Partnership»
MEC	Ministry of Economy and Commerce of the KR
Department of Tourism	Department of Tourism under the Ministry of Economy and Commerce of the KR
Tourism fund	JSC «Tourism Development Support Fund»
NLA	Normative Legal act
RES	Renewable Energy Sources
PERETO	Project “Promotion of Energy and Resource Efficiency in Tourism SMEs in Kyrgyzstan”
HoReCa	Hotel, Restaurant, Cafe

1. Forewords

Tourism in Kyrgyzstan is one of the most dynamically developing sectors of the economy, accounting for about 4% of the country's GDP. There are over 120,000 business entities registered in the tourism sector, most of which are individual entrepreneurs. Tourism enterprises are present in all the most remote regions of the country. Since Kyrgyzstan has identified sustainable development as a key priority in all its main strategic documents and has joined all major international conventions on environmental protection, sustainable development, and climate change, the country's tourism sector must also gradually transform to minimize environmental impact, implementing the principles of Sustainable Production and Consumption (SPC) and Energy and Resource Efficiency (ERE). This is especially relevant considering that the Kyrgyz Republic is mainly attractive to tourists for its unique but fragile mountain ecosystems. According to the Environmental Performance Index¹, Kyrgyzstan ranked only 126th out of 180 countries in the environmental performance rating for 2022. In the Presidential Decree "On Measures to Ensure Environmental Security and Climate Resilience of the Kyrgyz Republic" dated March 19, 2021, No. 77, the main negative factors for sustainable development and the country's ecology were identified as air pollution, pollution and irrational use of water resources, land degradation, waste, and loss of biodiversity. The tourism sector directly impacts these factors, especially in terms of water pollution, waste creation, and biodiversity reduction.

The purpose of this analysis is to determine how much the principles of sustainable development are currently implemented in the tourism sector of Kyrgyzstan, and what the main barriers and incentives are for Kyrgyzstan's transition to sustainable tourism, focusing on the hotel and restaurant sector (HoReCa). For this purpose, a review of existing sustainable tourism policies in Kyrgyzstan, an analysis of the legal framework, current projects of international partners in the field of tourism, and a series of in-depth interviews and focus groups with representatives of government agencies, experts, entrepreneurs, and other stakeholders in various regions of Kyrgyzstan were conducted. To study how entrepreneurs in the tourism sector apply SPC and ERE principles in their daily activities, a survey of HoReCa enterprises was conducted. This analysis also reflects the best international practices in sustainable tourism development and provides recommendations for expanding the application of SPC and ERE principles in the tourism sector of Kyrgyzstan at the systemic, institutional, and individual levels.

This analysis was conducted at the official request of the Tourism Department of the Ministry of Economy and Commerce of the Kyrgyz Republic and was prepared as part of the project "Promotion of Energy and Resource Efficiency in the Tourism SMEs in Kyrgyzstan" (PERETO), implemented with the financial support of the European Union's Switch-Asia program.

1. <https://epi.yale.edu/epi-results/2022/component/epi>

2. Methodology of analysis

The analysis methodology was based on a structured approach, which includes a detailed study of existing data, legislative acts, government strategies, and best international practices. The main goal of the methodology is a comprehensive investigation of the application of Sustainable Production and Consumption (SPC) and Energy and Resource Efficiency (ERE) principles in the tourism sector, with a focus on the hotel and restaurant sector. The analysis also includes a study of government policies, strategic documents, and best global practices to identify key factors influencing the development of sustainable tourism.

In the first stage of the methodology, the official documents of the PERETO project were reviewed, including a baseline study of representatives from the hotel and restaurant business conducted by the project in August 2020. A project indicator analysis was also performed, comparing project achievements with initially set goals and objectives to identify key performance indicators and to understand how far the project has progressed in achieving its goals.

The next stage involved a comparative analysis of the project's current achievements with planned indicators. This analysis identified deviations from the plans and determined the factors influencing these deviations. The effectiveness assessment was achieved through quantitative and qualitative analysis of the results, which helped identify the project's strengths and weaknesses.

A review of government strategies and policies regarding sustainable tourism development was also conducted. The comparative analysis of national policies with international standards and practices assessed their effectiveness and adequacy. This helped identify key directions and priorities of government policy in sustainable tourism.

To achieve the research objectives, the executor (PA "SPPP") conducted a survey using various methods, including Google Forms, telephone interviews with the use of computer-assisted telephone interviewing (CATI), in-depth interviews (IDIs), and focus group discussions (FGDs).

The selection of companies for the survey was based on databases of business association members, contacts provided by the PERETO project, and open sources containing contact information of managers and administrators in the target sectors. A total of 114 companies operating in the hotel and restaurant sector were surveyed. Among them, 21% were guesthouse owners, 20% were hotels, 32% were cafes, 15% were restaurants, and 11% were representatives of other types of enterprises, such as recreational centers. The survey covered hotel and restaurant sector companies from almost all regions of the country. Specifically, 16% of respondents represented companies from Bishkek, 5% from Osh. Participants from Batken region made up 2%, Jalal-Abad region 29%, Issyk-Kul region 20%, Naryn region 12%, Osh region 11%, Talas region 3%, and Chuy region 2%.

This approach ensured the representativeness of the sample and the compliance of the survey results with the specified criteria of geographical coverage.

The target audience for in-depth interviews included representatives from ministries and departments, business associations, educational institutions, and financial institutions with expertise in sustainable tourism, sustainable natural resource use, and environmental responsibility.

A total of 10 in-depth interviews were conducted. Experts were selected by PA "SPPP" based on recommendations received from the PERETO project.

Focus group discussions (FGDs) were aimed at members of business associations and representatives of hotel and restaurant sector companies in the cities of Bishkek, Osh, Cholpon-Ata, Karakol, and Jalal-Abad. Five focus groups were conducted with a total of 37 participants as part of the analysis.

The process of selecting FGD participants was carried out with the active involvement of PERETO project consultants in each of the specified localities. Thanks to this careful approach, qualified and representative participants were selected, capable of making a significant contribution to the discussion of issues related to sustainable tourism development and effective natural resource use.

3. Key information and brief overview of PERETO project achievements

The project "Promotion of Energy and Resource Efficiency in the Tourism SMEs in Kyrgyzstan" (PERETO) is being implemented with the financial support of the European Union within the framework of the SWITCH-Asia program by the American University of Central Asia (AUCA) in consortium with partner organizations: UNISON Group (Kyrgyzstan), Technopolis Group (Belgium), and Collaborating Centre on Sustainable Consumption and Production – CSCP (Germany).

The project's goal is to promote energy security and sustainable growth by advancing sustainable production and consumption (SPC) and energy and resource efficiency (ERE) practices among small and medium-sized enterprises (SMEs) in the tourism sector of Kyrgyzstan.

Project objectives:

- Increase awareness of SPC and ERE among consumers and SMEs in the tourism sector.
- Build capacity and technical readiness of tourism SMEs to adopt SPC and ERE measures.
- Promote private sector initiatives aimed at developing and achieving green economy goals in the Kyrgyz Republic.
- Develop new green financing products tailored to the needs of SMEs in the tourism sector.
- Promote national dialogue and develop policies for the implementation of SPC and ERE.

The PERETO project has achieved significant success in realizing its goals, exceeding or meeting most of the following project indicators:

- **Indicator 1: 300 small and medium-sized enterprises (SMEs) in the tourism sector informed and provided with technical support to implement SPC practices and ERE solutions.**

Actual achievements:

Ten consulting services were established nationwide, providing assistance and support to private entrepreneurs. More than 2173 tourism sector SMEs received information on SPC and ERE measures. Over 310 private entrepreneurs participated in training sessions organized by PERETO and gained valuable knowledge and skills.

- **Indicator 2: Improved access to green financing for implementing ERE solutions for SMEs in the restaurant and hotel sector.**

Actual achievements:

Three green credit products were developed in partnership with banks and financial institutions: "Eco-Tourism" by DosKredo Bank, "Green Tourism" by the Commercial Bank Kyrgyzstan, and "Green Credit for Renewable Energy" by Bailyk Finance. Additionally, the "Eco-Leasing" product was created by the Leasing Company Kyrgyzstan.

- **Indicator 3: 50 SMEs in the tourism sector demonstrate increased commitment to sustainable development by obtaining voluntary ERE certification developed with the project's support in collaboration with business associations.**

Actual achievements:

PERETO developed a pilot methodology for voluntary eco-certification "ECO KG" for the HoReCa sector and organized a familiarization tour to Europe for key organizations in the tourism and HoReCa sectors of Kyrgyzstan.

- **Indicator 4: Sectoral ministries equipped with tools to promote SPC and ERE practices.**

Actual achievements:

PERETO regularly holds large-scale regional meetings to establish political dialogue and promote sustainable tourism issues at the state level, equipping sectoral ministries with the necessary tools.

- **Indicator 5: Consumers (tourists and visitors to SMEs) are aware of SPC in the tourism sector.**

Actual achievements:

SPC and ERE measures are disseminated among SMEs through media, training sessions, websites, and social networks. ECO tours #SAKTA are regularly conducted in partnership with ULUSH TRAVEL. PERETO also publishes a series of videos and green recommendations for a sustainable lifestyle on social networks.

PERETO actively collaborates with six universities in the country, helping to integrate ERE and SPC principles into tourism curricula. These universities include: Tourism Academy, Osh State University, K.Karasayev Bishkek State University, S.Naamatov Naryn State University, K.Tynystanov Issyk-Kul State University, M.Ryskulbekov Kyrgyz Economic University.

- **Indicator 6: Reduction of energy, material, and other resource costs for SMEs.**

Actual achievements:

50 SMEs in the HoReCa sector underwent energy audits and received energy-saving calculations, contributing to reduced energy and resource costs.

Overall, the PERETO project has not only achieved its set indicators but has also exceeded some of them, demonstrating a significant impact on the sustainable development of the tourism sector in Kyrgyzstan.

4. Analysis of the current economics in tourism and HoReCa sectors in Kyrgyzstan

As of January 1, 2023, there were 121,100 economic entities (legal and physical persons) registered in the Kyrgyz Republic engaged in economic activities related to tourism.

The gross value added in the tourism sector in 2023, according to preliminary estimates, amounted to about 44 billion som, which accounted for 3.6 percent of GDP. The export of tourist services in 2023 reached almost 1 billion US dollars, making tourism one of the main export sectors of the economy.

According to the State Border Service of the Kyrgyz Republic, in 2022, the number of border crossings by foreign citizens (by country of citizenship) exceeded 7 million. The majority of crossings (arrivals) were by citizens of Uzbekistan, Kazakhstan, Russia, and Tajikistan. The main tourism indicators are presented in Table 1.

Table 1. Key Indicators of Tourism Development in Kyrgyzstan.

	2019	2020	2021	2022	2023
Gross value added in tourism activities, million som	29,084.0	18,506.2	24,970.8	34,620.4	43,645.1
Share of tourism activities in GDP, %	4.5	2.9	3.2	3.6	3.6
Investment in fixed capital in tourism, million som	27,184.2	13,653.9	12,914.9	19,391.8	16,983.0
Export of tourist services, million USD	613.1	120.4	142.4	696.4	994.4

The hospitality and restaurant business plays a crucial role in the tourism sector. In 2022, the total turnover of hotels and restaurants providing tourist services was about 30 billion som, of which about 4 billion was from hotel services and 26 billion som from food services (Table 2).

Table 2. Turnover of the HoReCa sector in Kyrgyzstan (million som)

Hotels and hotel services for tourism

	2018	2019	2020	2021	2022
Kyrgyz Republic	3,277.4	3,380.4	1,153.0	1,812.5	3,968.6
Batken Region	9.5	9.9	6.5	8.0	9.9
Jalal-Abad Region	149.1	160.8	40.5	56.9	64.2
Issyk-Kul Region	521.5	538.7	109.7	525.7	822.1
Naryn Region	6.3	6.3	3.7	7.9	8.7
Osh Region	15.3	17.6	7.4	13.0	14.7
Talas Region	40.3	42.8	18.2	18.5	19.1
Chuy Region	38.8	40.3	24.3	26.8	56.1
Bishkek city	2,385.5	2,443.5	878.3	1,070.6	2,872.1
Osh city	111.1	120.5	64.4	85.1	101.7

Cafes, restaurants, and food services for tourism

	2018	2019	2020	2021	2022
Kyrgyz Republic	20,555.6	22,283.1	14,864.2	19,503.1	25,880.6
Batken Region	966.0	1 023.0	887.9	1,056.4	1,230.3
Jalal-Abad Region	2,854.0	3,054.7	2,123.7	2,658.7	3,302.4
Issyk-Kul Region	537.3	564.7	198.9	270.3	396.9
Naryn Region	79.5	83.2	55.7	66.3	79.3
Osh Region	1,115.6	1,162.9	954.5	1,183.5	1,420.9
Talas Region	239.4	253.3	151.3	245.4	429.3
Chuy Region	1,424.8	1,529.2	1,20.1	2,649.3	4,073.3
Bishkek city	10,828.7	11,964.5	7,641.9	9,172.1	12,247.4
Osh city	2,510.3	2,647.6	1,830.2	2,201.1	2,700.8

In 2023, Kyrgyzstan had 1,489 hotels providing tourist services and 7,460 cafes and restaurants (Table 3).

Table 3. Registered economic entities (legal and physical) engaged in tourism activities

	2019	2020	2021	2022	2023
Kyrgyz Republic, Hotels	1,287	1,361	1,403	1,439	1,489
Batken Region	49	49	52	52	54
Jalal-Abad Region	121	123	129	140	157
Issyk-Kul Region	283	308	320	322	334
Naryn Region	88	93	92	95	100
Osh Region	47	51	51	52	51
Talas Region	39	39	42	42	41
Chuy Region	104	102	105	110	118
Bishkek city	453	489	498	510	527
Osh city	103	107	114	116	107
Kyrgyz Republic, Restaurants	5,858	6,248	6,497	6,876	7,460
Batken Region	608	686	734	782	851
Jalal-Abad Region	603	671	714	782	911
Issyk-Kul Region	612	638	657	672	729
Naryn Region	159	170	186	203	224
Osh Region	653	675	685	722	803
Talas Region	213	226	228	240	250
Chuy Region	810	863	920	967	1 035
Bishkek city	1,968	2,078	2,130	2,256	2,347
Osh city	232	241	243	252	310

As shown by the presented figures, the tourism and hospitality sectors in Kyrgyzstan have been successfully developing after the downturn in 2020-2021 caused by the COVID-19 pandemic. They play an important role in the country's economy, although their share in GDP has not yet reached pre-pandemic levels. Importantly, the sector is represented in all regions of Kyrgyzstan, playing a significant role in poverty reduction and socio-economic development of remote areas.

5. Analysis of implementation of sustainable production and consumption and energy and resource efficiency principles in the tourism sector in Kyrgyzstan

5.1. Analysis of the legislation, state policy and strategic documents

State Policy and Strategic Documents

Strategic frameworks, main directions, and activities resulting from management decisions in the field of applying "Green Economy" principles and sustainable development in the tourism Industry are covered in the following program documents:

National Development Strategy of the Kyrgyz Republic for 2018-2040 was approved by the Decree of the President of the Kyrgyz Republic on October 31, 2018, No. 221. This strategy highlights the Kyrgyz Republic's commitment to achieving the Sustainable Development Goals adopted by the United Nations, and the orientation of state policy towards creating a favorable living environment, rational use of natural resources for socio-economic development, and preservation of the unique ecosystems of the Kyrgyz Republic. Sustainable tourism development is recognized as one of the priority sectors.

National Development Program of the Kyrgyz Republic until 2026³, notes the need to focus the country's limited resources on such priority areas as agriculture, hydropower, tourism, mining, and light industry. It emphasizes the importance of implementing efficiency programs and the rational use of strategic resources. The strict protection of the environment in the interests of the local community and tourism industry entities, considering the environmental carrying capacity of tourist-recreational zones, is defined as the main principle on which the development of the tourism sector should be based. The modernization of basic components of tourism infrastructure to comply with international environmental standards is planned.

Roadmap for the Year of Protection of Mountain Ecosystems and Climate Resilience.

To implement this program, the Cabinet of Ministers of the Kyrgyz Republic adopted an action plan⁴, that includes a range of measures for applying sustainable development and green economy principles in various economic sectors. In terms of ecology and tourism, the action plan covers measures to preserve environmental sustainability, combat climate change, develop sustainable tourism, green transportation, renewable energy sources, energy efficiency, waste management, and promote the adoption of green economy principles in small and medium-sized businesses and local communities.

Concept of the Green Economy in the Kyrgyz Republic "Kyrgyzstan - a Country of Green Economy"⁵, was approved by the resolution of the Jogorku Kenesh of the Kyrgyz Republic on June 28, 2018, to reduce the negative impact of environmental pollution. This concept outlines the main directions for transitioning to a green economy in various sectors of the Kyrgyz economy. The "Biodiversity Protection" section proposes promoting the development of sustainable forms of tourism (ecological, rural, ethnic) considering the tourist capacity of natural areas.

2. cbd.minjust.gov.kg/act/view/ru-ru/430002

3. Decree of the President of the Kyrgyz Republic on 12 October 2021 № 435, cbd.minjust.gov.kg/act/view/ru-ru/430700?cl=ru-ru

4. Decree of the Cabinet of Ministers of the KR on 25 December 2021 № 352 «On approval of the Action plan for implementation of the National development program of the KR until 2026»

5. <http://cbd.minjust.gov.kg/act/view/ru-ru/83126>

Tourism Development Program for 2019-2023⁶ was the only sectoral document but has now expired. It outlined the main tasks to develop the tourism industry. It declared that "sustainable tourism (including ecotourism) is of great importance today as a key factor for sustainable development. According to the program, sustainable tourism primarily addresses socio-cultural, environmental, and economic issues, implying:

- Preservation of cultural values and national identity, which brings nations closer together;
- Optimal use of natural resources as the basis for tourism development;
- Engagement of local populations in sustainable employment, thereby expanding the economic opportunities for local residents and reducing poverty."

However, the action plan for implementing this program did not include measures sufficiently ensuring the active application of sustainable production and consumption (SPC) principles for business entities in the tourism sector.

Media Coverage reported on the development of the Draft Tourism Development Strategy in Kyrgyzstan for 2021-2030⁷, as well as recommendations for developing a tourism strategy for 2023-2033 on sustainable consumption issues⁸. However, these drafts were not approved. The drafted Sustainable Tourism Development Program in the Kyrgyz Republic for 2023-2027 also remains at the draft level.

Decree of the President of the Kyrgyz Republic "On Supporting Tourism Development in the Kyrgyz Republic" dated December 17, 2021, was issued to enhance the effectiveness of state support for tourism industry entities, improve tools for attracting domestic and foreign investments for the reconstruction and development of tourism infrastructure (including transportation, utilities, innovation, entertainment, and other infrastructure involved in tourism) and increase the tourism potential of the Kyrgyz Republic. The Cabinet of Ministers of the Kyrgyz Republic developed and approved the Regulations on the National Tourism Development Council in the Kyrgyz Republic and established the state institution "Tourism Development Support Fund in the Kyrgyz Republic."

Analysis of Strategic Documents in the Field of Sustainable Development and Sustainable Tourism showed that sectoral and territorial programs and plans generally suffer from a lack of inter-agency and inter-sectoral cooperation, a systematic approach related to the implementation of sustainable production and consumption principles, including energy efficiency and conservation, waste reduction, awareness of climate change risks affecting territory and sector development, and conflicts among natural resource users. The absence of plans to minimize such consequences and adapt these plans and programs to current changes is also noted.

Based on the above, it is necessary to strengthen the implementation of issues related to sustainable production and consumption, resource conservation and efficiency, and resource reuse in national policies, programs, and plans, as well as inter-sectoral and inter-agency coordination.

Currently, no reports are available on the implementation of plans, programs, or activities, despite these documents declaring principles such as accountability and transparency as foundations of the executive branch reform model.

Legislation Analysis

During the research, 55 normative legal acts (NLA) were analyzed for norms containing issues of sustainable production and consumption, resource conservation and efficiency, and resource reuse.

Overall, the legislation today is more prohibitive and lacks sufficient incentives for businesses to adopt green economy principles, including sustainable production and consumption, resource conservation, and efficiency. Many legal norms lack implementation mechanisms. Nevertheless, certain LAs contain norms indirectly promoting the adoption of the above principles.

6. <https://www.gov.kg/ru/programs/11>

7. https://24.kg/obschestvo/196078_strategiyu_razvitiya_turizma_do2030_goda_razrabotali_vkyrgyzystane/

8. <https://economist.kg/novosti/2022/10/10/v-kr-razrabatyvaetsya-strategiya-razvitiya-turizma-s-akcentom-na-ustojchivoe-potreblenie-i-proizvodstvo/>

Environmental Protection Legislation:

- Water Code of the Kyrgyz Republic provides for state stimulation and support for research or the development of new technologies, installations, and types of equipment aimed at reducing water consumption, preventing or reducing water pollution (Article 63). However, implementation mechanisms and law enforcement practices are lacking.
- Law of the Kyrgyz Republic "On Water" mandates the protection of water bodies and water management facilities by compensating for damages caused by water users. It also includes conservation incentives such as tax benefits for water users who adopt water-saving technologies and other effective environmental measures, and increased water usage fees for users exceeding planned usage volumes.
- Law of the Kyrgyz Republic "On Environmental Protection" in Article 7 declares "state support for the introduction of waste-free and low-waste technologies by natural resource users" and "the introduction of environmental entrepreneurship." In practice, implementation mechanisms for these norms are absent.
- Laws of the Kyrgyz Republic "On sustainable development of the eco-economic system of Issyk-Kul," "On biosphere territories," and "On mountain territories of the Kyrgyz Republic" are declarative and lack real implementation mechanisms.
- Law of the Kyrgyz Republic "On waste from production and consumption" mandates the prevention of negative impacts from production and consumption waste on the environment and human health, as well as the maximum involvement of waste "in economic circulation as an additional source of raw materials." Implementation mechanisms are not fully developed.
- Law of the Kyrgyz Republic "On state regulation and policy in the field of emission and absorption of greenhouse gases" requires state bodies to stimulate the production and application of advanced greenhouse gas absorption technologies, emission reduction measures, and the development of renewable energy sources. The use of emission sources by natural resource users is permitted only if they have sufficient allowable emission quotas. However, the quota system and the State cadastre of emissions and absorption of greenhouse gases mentioned in the document have not been developed.
- Decree of the President of the Kyrgyz Republic "On urgent measures to preserve the ecology of lake Issyk-Kul" lacks real implementation mechanisms.
- Local LAs have restrictions on installing treatment facilities at tourist sites located on pastures, forestry lands, and agricultural areas.

Energy Legislation:

- Law of the Kyrgyz Republic "On energy conservation" includes important provisions for creating an effective institutional and regulatory framework to improve energy efficiency. However, implementation mechanisms are underdeveloped, particularly rules and procedures regulating the energy efficiency of economic sector development projects (Article 10) and the creation of an energy conservation fund for energy equipment (Article 20).
- The Law of the Kyrgyz Republic "On renewable energy sources" prescribes a number of preferences for producers and consumers of electric and thermal energy generated using renewable energy sources (RES), including tax reductions, exemption from customs duties and fees, provision of favorable state loans with targeted benefits. Additionally, there are incentives to stimulate the connection of facilities using RES to the electrical and/or thermal networks of energy transmission organizations, the production of gas and renewable fuel in gaseous form to the system of organizations working with gas and heat networks, as well as liquid biofuel to the fuel sales system of organizations. From August 31, 2023, the preferential period for solar and wind power plants has been extended to 25 years. During the preferential period, the tariff for electricity is set by multiplying the tariff for electricity generated by installations using RES, as determined by the electricity tariff policy approved by the Cabinet of Ministers, by a factor of 1.3 (the coefficient for all

types of RES remains the same as before, 1.3). The tariff for electricity generated by installations using RES is subject to annual indexation in accordance with changes in the som exchange rate against foreign currencies, with the indexation procedure to be determined by the Cabinet of Ministers of the Kyrgyz Republic.

- Law of the Kyrgyz Republic "On energy efficiency of buildings" aims to promote the energy efficiency of buildings, considering thermal microclimate improvements, cost-effectiveness, reduced energy consumption, and greenhouse gas emissions. The law recognizes support and stimulation of energy efficiency measures in buildings as a principle of activity but lacks real implementation mechanisms.

Sustainable Tourism Legislation:

- The Law of the Kyrgyz Republic "On Tourism" includes the concepts of "Sustainable tourism development" and "Sustainable tourism."
- Sustainable tourism: A type of tourism that ensures the rational use of environmental resources, supports the socio-cultural characteristics of host communities, ensures the efficiency and viability of long-term economic processes, and directs part of the funds received from tourism development towards the restoration of tourism resources and the improvement of tourism service production technologies.
- Sustainable tourism development: Long-term tourism development in which economic, environmental, social, and cultural development goals are balanced, based on the rational use of tourism resources and comprehensive partnerships, taking into account the interests of all stakeholders.
- Although Article 3 of the Law of the Kyrgyz Republic "On Tourism" states that state policy in the field of tourism provides for the development of sustainable tourism, the Law "On Tourism" as a whole does not provide for the implementation of the principles of sustainable production and consumption.

Other Legislative Acts:

The Code of the Kyrgyz Republic "On non-tax revenues" provides fees for: environmental pollution, waste disposal, the use of natural objects of the plant and animal world, mushrooms, and the state forest fund, the use of water resources and water bodies, the use of pasture lands; fines and compensation for damage caused to objects of the animal and plant world, mushrooms, and the state forest fund, including by enterprises in the tourism sector.

The Tax Code of the Kyrgyz Republic provides the following tax benefits aimed at stimulating the development of a green economy, which can be used in the tourism sector:

- Exemption from value-added tax (VAT) on the supply of technologies, equipment, and their components that meet energy and resource efficiency (ERE) requirements. The list is determined by the Cabinet of Ministers of the Kyrgyz Republic (Article 284, paragraph 1). At the time of the report, the list is being formed but has not yet been adopted.
- Exemption from VAT on imported goods, equipment, and their components (Article 297, paragraph 22) that meet ERE requirements, the list of which is determined by the Cabinet of Ministers of the Kyrgyz Republic.
- Exemption from VAT on imported specialized goods and equipment intended for the construction of energy installations based on the use of renewable energy sources (Article 297, paragraph 20).
- Exemption from paying 50 percent of the property tax due for buildings, premises, and structures that meet ERE requirements, as determined by the Cabinet of Ministers (Article 409, paragraph 2).

However, the aforementioned tax benefits are not fully applied at present, as the relevant by-laws have not been approved.

Overall, it can be concluded that the current legislation of the Kyrgyz Republic contains stimulating norms that, to a certain extent, contribute to the application of circular economy principles, including in the tourism industry, by increasing the efficiency of energy and water resource use and the substitution of energy resources with less environmentally harmful ones, and reducing non-recyclable waste. However, the reuse of materials to minimize waste is weakly regulated, and stimulating norms for this are not provided. As a result, the practice of law enforcement is complicated by the following problems:

- Weak control over law enforcement.
- Lack of demand from society for the prompt update and adoption of legislation.
- Limited or absence of a set of stimulating norms for the widespread application of the principles of the circular economy and green economy. For example, limited benefits and holidays on taxes and non-tax fees, lack of stimulating norms for the recycling and reuse of materials, and other mechanisms affecting the transition to a green economy.
- Lack of specific mechanisms for the implementation of legislative acts and insufficient funding for adopted regulatory acts in the field of environmental protection and biodiversity conservation, taxation, and other areas. This leads to the laws not being implemented at the proper level.

5.2. Overview of the international projects and programs supporting Sustainable tourism development in the Kyrgyz Republic

In Kyrgyzstan, various international organizations are active in supporting the development of tourism and the application of circular economy (CE) and sustainable production and consumption (SPC) principles, such as the German Corporation for International Cooperation (GIZ), the European Union (EU), the International Finance Corporation (IFC), the Agency for Technical Cooperation and Development (ACTED), the Japan International Cooperation Agency (JICA), the Asian Development Bank (ADB), the Swiss development organization Helvetas, the Korea International Cooperation Agency (KOICA), the Swiss State Secretariat for Economic Affairs (SECO), and others.

European Union

*Regional Program "Central Asia Invest"*⁹

Based on the EU Strategy for Central Asia, the European Union implements the large-scale regional program "Central Asia Invest" to support private sector development in the five Central Asian countries with a special focus on small and medium enterprises (SMEs). The program selects sectors that have strategic importance for the economy, private sector development, and sustainable development of the countries as a whole, improving income distribution and reducing social inequality. Since 2008, through five phases of the "Central Asia Invest" program, €26.2 million have been allocated for the implementation of 41 projects in Central Asian countries, with 15% directed towards the tourism sector.

Tourism projects under the 4th and 5th phases of the EU Central Asia Invest program:

- CAI Phase 4: The project "Comprehensive Economic Development of Central Asian Countries by Strengthening BPOs in Rural and Community Tourism". The goal of the project is to promote community tourism at the regional and national levels by assisting business intermediary organizations and SMEs in the tourism sector in Central Asia. The project was implemented from 2017 to 2019 in Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan.
- CAI Phase 5: The project "Community-Based Tourism Silk Road: Linking Community-Based Tourism in Central Asia with European Markets". The project aims to stimulate investment, develop the private sector, and promote economic diversification by strengthening the community-based tourism sector. The project worked with business intermediary organizations in Kyrgyzstan, Tajikistan, and Uzbekistan from 2020 to 2023.

*SWITCH-Asia Program*¹⁰

The EU launched the SWITCH-Asia program in 2007 to support sustainable consumption and production (SCP) and the transition to a low-carbon, green, and more circular economy in Asia. Currently, the program covers 24 Asian countries. In 2019, the program was extended to the five Central Asian countries. A total of 23 new projects are being implemented under the program, of which 7 were selected for Central Asia. The SWITCH-Asia programs fund pilot projects helping SMEs adopt cleaner technologies and more sustainable production practices and helping consumers act more responsibly in their everyday choices.

Tourism grant projects in Central Asia:

1. SUSTOUKA - Implementing SCP practices and sustainable models in the operation of tourism MSMEs in Kazakhstan.
2. GREENTOUR - Implementing the best sustainable practices in tourism supply chains in Kyrgyzstan and Central Asia through an integrated business approach. Kyrgyzstan.

9. https://eu-cai.org/wp-content/uploads/2020/07/%D0%95%D0%A1-%D0%A6%D0%90%D0%98_ru.pdf
10. https://www.switch-asia.eu/site/assets/files/2551/switch-asia_programme_ru.pdf

3. PERETO - Promoting energy security and sustainable growth by enhancing the energy and resource efficiency of SMEs in the tourism sector in Kyrgyzstan.
4. Sustainable Tourism Model in Central Asia: Building capacity, raising awareness, implementing technologies. Uzbekistan, Tajikistan, Kazakhstan.
5. Promoting energy efficiency and renewable energy production in the local tourism sector in Central Asia. Kyrgyzstan, Uzbekistan, Tajikistan.

German Corporation for International Cooperation (GIZ)¹¹

GIZ is a German federal company supporting the German government in achieving its international cooperation goals for sustainable development.

Projects related to supporting the tourism sector:

1. GIZ implements the Kyrgyz-German project "Green Economy and Sustainable Development of the Private Sector in Kyrgyzstan" in partnership with the Ministry of Economy and Commerce of the Kyrgyz Republic, commissioned by the Federal Ministry for Economic Cooperation and Development of Germany (BMZ) and the Swiss Agency for Development and Cooperation (SDC). Its goal is to implement ecological principles in three sectors: fruit and vegetable production, livestock, and tourism.
2. Under the "Integrated Rural Development Program", GIZ helped tourism enterprises improve service quality and develop new products, promoting community-based tourism and establishing the "Destination Jalal-Abad" tourism management organization.

Switzerland (SECO)

The Swiss Cooperation at the Embassy of Switzerland coordinates Swiss projects implemented and financed in Kyrgyzstan by two federal agencies of the Swiss government - the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO).

Tourism projects funded by Switzerland:

1. The project to promote growth and investment in the tourism sector of the Kyrgyz Republic (implemented by the International Finance Corporation IFC).

The goal is to attract investment and reduce regulatory burdens for business. The project works in five strategic areas to address major obstacles to private sector development and investment: identifying strategic priorities and market positioning in tourism; creating favorable conditions for the development of air services; removing regulatory barriers; developing tourism products in selected segments and attracting investment; facilitating access to financing for small businesses in tourism.

2. Sustainable Winter Tourism Development (WTK), implemented by Helvetas.

The project aims to develop sustainable competitive and high-quality tourism products and services provided by micro, small, and medium-sized enterprises, create a more favorable business environment, formalize coordination mechanisms, enhance competitiveness, and ensure better access to the value chain in winter tourism.

3. The "Bai Alai" program for the development of small and medium-sized businesses in the Alai and Chon-Alai districts (implemented by Helvetas).

The "Bai Alai" program aims to increase economic engagement and inclusiveness of households involved in production in Alai and Chon-Alai by increasing income and employment. The program focuses on the development of four sectors: livestock, beekeeping, tourism, and handicrafts.

¹¹ <https://www.giz.de/en/downloads/giz2021-ru-giz-in-kyrgyzstan.pdf.pdf>

United States Agency for International Development (USAID)

*USAID Project for Entrepreneurship and Business Environment Development (Future Growth Initiative)*¹²

The USAID project aims to increase the competitiveness of rapidly growing industries in Central Asia through a market systems approach that stimulates behavior change in the private and public sectors. The project supports the regionalization of business consulting and the establishment of favorable ecosystems, harmonizes policies and regulations, develops trade and market links, and aligns the skills of women, youth, and vulnerable groups with the needs of the private sector.

Through USAID's collaboration with tourism stakeholders in Tajikistan and Uzbekistan, more than 50 guesthouses participated in a new quality classification system; dozens of communities are now involved in local tourism programs, creating and improving 467 jobs (40 percent of which belong to women). Local tourism agencies created about 30 new tourist routes, promoting many of the region's least developed areas. Additionally, the project supported familiarization trips involving 11 representatives of Kyrgyz tour operators who visited Tashkent, Samarkand, and Almaty. As a result, 176 memorandums of understanding on cooperation were signed between Kyrgyz, Uzbek, and Kazakhstani tourism companies.

Asian Development Bank (ADB)

*Central Asia Regional Economic Cooperation (CAREC) Program*¹³

CAREC 2030 Strategy defines a new long-term strategic framework for the CAREC program until 2030. The strategy is based on the mission of creating an open and inclusive regional cooperation platform that connects people, policies, and projects for shared and sustainable development. CAREC 2030 focuses on five operational clusters: (a) economic and financial stability, (b) trade, tourism, and economic corridors, (c) infrastructure and economic connectivity, (d) agriculture and water resources, and (e) human development.

*CAREC Tourism Strategy 2030*¹⁴

The CAREC Tourism Strategy 2030 provides a comprehensive strategic framework to guide tourism activities in the CAREC region until 2030. It outlines a long-term vision, guiding principles, strategic elements, and goals to promote sustainable, safe, and inclusive tourism development in the region and enhance its attractiveness as a competitive world-class tourist destination.

World Bank (WB)

*Central Asia Regional Links Program (CARs-3)*¹⁵

The World Bank is implementing the third phase of the Central Asia Regional Links Program, directly benefiting residents of the Issyk-Kul region involved in the tourism sector and agricultural product exporters. The project will finance the reconstruction of existing roads connecting the Issyk-Kul region of Kyrgyzstan with the Almaty region of Kazakhstan. This direct route almost halves the distance from Almaty to the administrative center of the Issyk-Kul region, Karakol. This will improve access to health and entertainment facilities and historical attractions in Kyrgyzstan for tourists from Kazakhstan, who make up nearly 70% of tourists visiting the Issyk-Kul region. Road reconstruction will promote tourism and trade, establish market links, and create additional jobs.

*Regional Economic Development Project in Osh Region and Osh City.*¹⁶

The project's goal is to support the government of Kyrgyzstan in enhancing economic and regional development and building the institutional capacity of the Osh region and Osh city through targeted activities in tourism and agriculture. The project will support economic and regional development in the Osh region and Osh city comprehensively, creating jobs, reducing poverty, creating and developing value-added systems for agricultural products, and promoting the tourism industry.

12. <https://www.usaid.gov/ru/central-asia-regional/fact-sheets/usaid-central-asia-future-growth-initiative>

13. <https://www.adb.org/sites/default/files/institutional-document/388801/carec-2030-ru.pdf>

14. <https://www.adb.org/sites/default/files/institutional-document/668406/carec-tourism-strategy-2030-ru.pdf>

15. <https://www.vsemirnyjbank.org/ru/news/press-release/2018/10/09/kyrgyz-republic-to-increase-regional-connectivity-and-boost-tourism-in-its-prime-traveler-attraction-area-with-world-bank-support>

16. https://www.aris.kg/index.php?option=com_content&view=article&id=139&lang=ru&Itemid=332

Japan International Cooperation Agency (JICA)

*Project for the Master Plan of Regional Development and Promotion of Tourism Using World Heritage Sites in the Chuy Region*¹⁷

Under this project, JICA implements several pilot projects aimed at developing sustainable tourism in the Chuy region of Kyrgyzstan. The main goal is to contribute to improving the entrepreneurial activities of local businessmen involved in tourism.

As part of the project, the creation of the tourist destination "Altyn Sary-Ozon Chuy" was initiated. The tourist destination, in cooperation with the project and local authorities, agreed to take actions to promote and implement joint projects, exchange information, organize and participate in scientific and practical conferences, forums, seminars, and interact with public organizations and the expert community.

¹⁷ https://www.jica.go.jp/Resource/kyrgyz/english/office/topics/221122_ru.html

6. Overview of the best international practices for implementing sustainable production and consumption principles and energy-resource efficiency in the tourism sector

The World Tourism Organization (UNWTO) defines sustainable tourism as tourism that "meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is not a type of product but an ideal that underpins all tourism activities. Thus, it is an integral part of all aspects of tourism development and management, rather than an additional component."

The term and concept of "sustainable tourism" officially emerged at the first World Conference on Sustainable Tourism in 1995, where the World Charter for Sustainable Tourism was initially adopted. Twenty years later, at the World Summit on Sustainable Tourism (ST+20), it was updated to include the conditions, actions, and goals we see today. Ultimately, the goal of sustainable tourism is to balance the needs of the tourist with the needs of the destination, thereby preserving the economic and social benefits of tourism and mitigating any negative social, economic, historical, and cultural impacts on the destination. Different countries use various mechanisms to achieve sustainable tourism principles. Below are some of the most successful practices.



Sustainable Tourism in Spain

Spain is one of the leaders in global tourism and simultaneously faces challenges related to the environmental impact of tourism. In response to these challenges, Spain is taking several steps to implement sustainable development principles in the tourism industry:

- **Use of renewable energy sources:** Many hotels and tourist facilities in Spain use solar panels, wind turbines, and other renewable energy sources to meet their electricity needs.
- **Water conservation:** Hotels and tourist facilities implement various measures to reduce water consumption, such as installing water-saving showerheads and toilets and using recycled water for irrigation.
- **Waste reduction:** Hotels and tourist facilities implement programs to reduce waste, such as composting, recycling, and eliminating single-use items.
- **Sustainable transportation:** Spain is developing a public transportation network, including trains, buses, and metro systems, to make tourism more environmentally friendly.
- **Biodiversity conservation:** Spain creates protected areas and implements programs to conserve biodiversity to protect the natural resources that tourism relies on.
- **Education and awareness:** The Spanish government and the tourism industry are working to raise tourists' awareness of sustainable development principles and encourage them to choose eco-friendly options.
- **Enhancing the competitiveness of the tourism sector:** Tourists are increasingly choosing destinations committed to sustainable development principles.

Examples of successful initiatives for implementing sustainable SPC and ERE principles in Spain:

Hotel Hacienda La Botica:

This hotel in the Canary Islands uses 100% renewable energy, composts all its waste, and conducts educational programs for guests on the importance of environmental protection.

Ruralia Eco-Hotel Network:

This network of hotels across Spain offers guests eco-friendly rooms, local cuisine, and eco-tourism opportunities.

"Green Tourism" Project in Mallorca:

This project aims to promote sustainable tourism development on the island of Mallorca. It includes various initiatives such as developing eco-routes, training hotel staff, and raising tourist awareness.

Sustainable Tourism in Austria:

1. Energy efficiency and renewable energy sources (RES):

- **Use of renewable energy sources:** Many Austrian hotels and tourist facilities use solar panels, geothermal energy, and biomass to meet their energy needs.
- **Implementation of energy-saving technologies:** Hotels are adopting energy-efficient light bulbs, optimizing heating and air conditioning systems, and using smart energy management systems.
- **Encouraging guests to use energy-saving practices:** Hotels inform guests about the importance of energy conservation and suggest measures such as turning off electrical appliances when leaving the room and choosing shorter laundry cycles.

2. Water conservation:

- **Installation of water-saving devices:** Hotels and tourist facilities install water-saving showerheads, faucet aerators, and low-flow toilets.
- **Collection and reuse of rainwater:** Rainwater is collected and used for garden irrigation and floor cleaning.
- **Raising guest awareness on water conservation:** Hotels inform guests about the importance of water resources and suggest measures like reducing shower time and reusing towels.

3. Sustainable waste management:

- **Reducing waste:** Hotels and restaurants implement waste reduction programs, such as composting, recycling, and using reusable dishware.
- **Supporting local producers:** Hotels purchase food and other goods from local producers, thus reducing transportation costs and supporting the local economy.
- **Offering eco-friendly products and services:** Hotels provide guests with eco-friendly food, cosmetics, and souvenirs.

4. Sustainable transportation:

- **Encouraging use of public transport:** Hotels provide guests with information on public transport routes and offer discounts on tickets.
- **Developing bicycle infrastructure:** Hotels offer bicycle rentals and create bike routes for guests.
- **Promoting use of electric vehicles:** Hotels provide charging stations for electric vehicles.

5. Supporting the local community:

- **Collaboration with local businesses:** Hotels collaborate with local businesses, offering guests excursions, tastings, and other activities.
- **Supporting social and cultural projects:** Hotels donate funds to support local social and cultural projects.
- **Preserving cultural heritage:** Hotels are committed to preserving the region's cultural heritage and supporting local traditions.

In addition to these practices, there are several government initiatives in Austria aimed at supporting sustainable tourism:

- **Austrian eco-label:** The Austrian eco-label "Österreichisches Umweltzeichen" is awarded to tourist facilities that meet strict environmental standards.
- **"Green Tourism" program:** The "Green Tourism" program offers financial support to tourism businesses that implement sustainable practices.
- **National sustainable tourism development strategy:** The national strategy sets goals and objectives for the sustainable development of tourism in Austria.

Examples of Austrian tourist facilities implementing best sustainable practices:

Hotel Drei Zinnen, South Tyrol:

This hotel operates on solar energy, uses a rainwater collection system, and composts food waste.

Biohotel Guglwirt, Salzburg:

This hotel is a certified bio-hotel that uses organic food products and biodegradable cleaning agents.

Hotel Arlberg, Vorarlberg:

This hotel offers guests discounts on public transportation and bicycles for rent.

Ecotourism Salzkammergut, Salzkammergut:

This organization offers eco-friendly tours.



Sustainable Tourism in Kazakhstan

The government of Kazakhstan is taking several measures to support the development of sustainable tourism.

In 2019, the State Program for Tourism Development until 2025 was adopted, where one of the priorities is the development of "green" tourism.

In 2020, the Council for the Green Economy was established under the President of the Republic of Kazakhstan, one of whose tasks is to promote the development of sustainable tourism.

In 2021, the National Standard "Sustainable Tourism Management Systems" was developed, which sets requirements for the environmental, social, and economic responsibility of tourism enterprises.

Examples of successful implementation of SCP and ERE principles in Kazakhstan's tourism:

Use of renewable energy sources:

Hotel "Rixos Borovoe"

in Borovoe uses solar panels for hot water and heating.

Guest House "Green Apple"

in Almaty uses wind turbines to generate electricity.

Water conservation:

Hotel "Chak Chak"

in Shymkent has installed water-saving showerheads and toilets.

Hotel "Kazakhstan"

in Astana uses a rainwater collection system for garden irrigation.

Waste management:

Hotel "Hyatt Regency Almaty"

sorts and recycles waste.

Tourist Complex "Burabay"

in Borovoe composts food waste.

Use of local products:**Restaurant "Aidana"**

in Astana uses seasonal products grown on a local farm in its dishes.

Guest House "Koktal"

in Turkestan offers guests dishes prepared using traditional Kazakh recipes and local ingredients.

Conservation of natural resources:**Tourist Company "Kazakh Guide"**

organizes eco-tours where tourists can explore Kazakhstan's unique flora and fauna without harming the environment.

National Park "Burabay"

implements programs to preserve rare species of animals and plants.

**Sustainable Tourism in Japan****Reducing energy use:**

- Hotels are adopting energy-saving technologies such as LED lighting, HVAC (heating, ventilation, and air conditioning) management systems, and renewable energy sources like solar panels.
- Transportation companies are investing in hybrid and electric vehicles, as well as more energy-efficient buses and trains.

Reducing water consumption:

- Hotels use water-saving technologies such as low-flow showerheads and toilets, and rainwater collection systems for irrigation.
- Restaurants and cafes encourage guests to drink tap water instead of bottled water.

Waste reduction:

- Hotels and other tourist facilities are reducing the use of disposable items such as plastic bottles, bags, and utensils.
- Composting food waste and recycling are becoming increasingly common practices.

Supporting the local community:

- Tourism companies purchase goods and services from local suppliers.
- Tourists are encouraged to participate in volunteer projects and activities that support the local community.

Preserving natural and cultural heritage:

- National parks and other protected areas implement strict environmental protection regulations.
- Tourism companies offer eco-friendly routes and tours that minimize negative environmental impact.
- Tourists are educated about respecting the environment and cultural heritage.

Examples of SCP and ERE principles in Japan's tourism sector:**Hoshinoya Hotel Group:**

This luxury hotel chain is a leader in sustainable tourism in Japan. Hoshinoya hotels use renewable energy sources, reduce water consumption and waste, and support the local community.

The Prince Park Tower Tokyo

This skyscraper in Tokyo is an example of energy efficiency. The building uses LED lighting, HVAC management systems, and other technologies to reduce energy consumption.

JR East:

The railway company JR East invests in hybrid and electric vehicles, as well as more energy-efficient trains.

Planetair:

This tourism company offers eco-tours throughout Japan. Planetair collaborates with local communities to protect the environment and support cultural heritage.

Overall, analyzing the best international practices, we can conclude that the development of sustainable tourism requires government support, a significant increase in social and environmental responsibility and awareness among businesses and citizens, and economic incentives for implementation. Only a combination of these factors can lead to the full transition of the tourism sector to the path of sustainable development.

7. Review of the research results on the application of SCP and RECP principles in the tourism sector in the KR

7.1. Conducting the survey through questionnaires

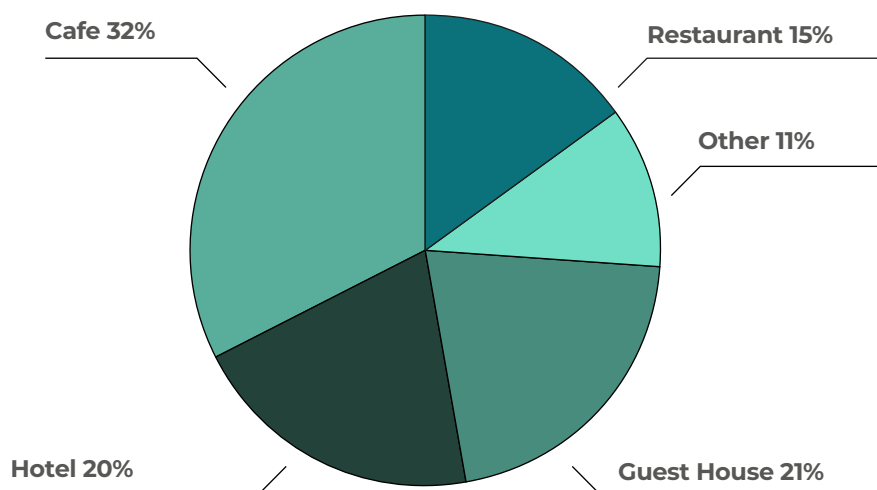
Company profile

Initially, the survey among enterprises in the hotel and restaurant business was planned to be conducted by distributing a questionnaire through Google Forms. This questionnaire was pre-approved with the PERETO project and distributed among members of various business associations such as the HoReCa Association, the JIA Business Association, the International Business Council, the American Chamber of Commerce, the Kyrgyz Association of Tour Operators, the Kyrgyz Tourism Association, as well as through various regional and city Destination organizations. However, due to the insufficient number of responses to the questionnaire and tight deadlines, it was decided to also conduct telephone interviews using computer technology.

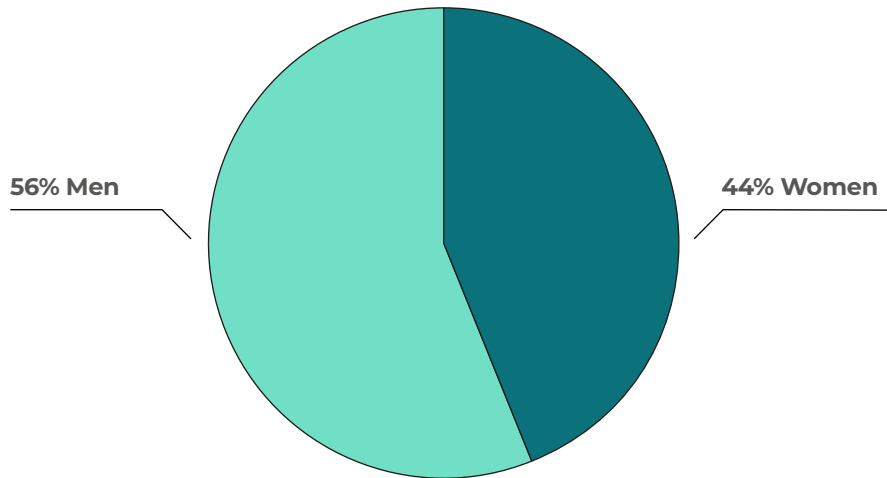
The target audience of the survey includes enterprises in the hotel and restaurant sector, such as restaurants, cafes, hotels, guesthouses, and yurt camps. The target audience for the questionnaire includes company owners, managers, or key decision-makers in the companies.

During the study, representatives of 114 companies operating in the hotel and restaurant sector were surveyed. Among them, 21% were guesthouse owners, 20% were hotel owners, 32% were cafes, 15% were restaurants, and 11% were representatives of other types of enterprises such as recreation centers.

Diagram: Allocation of companies by types of enterprises



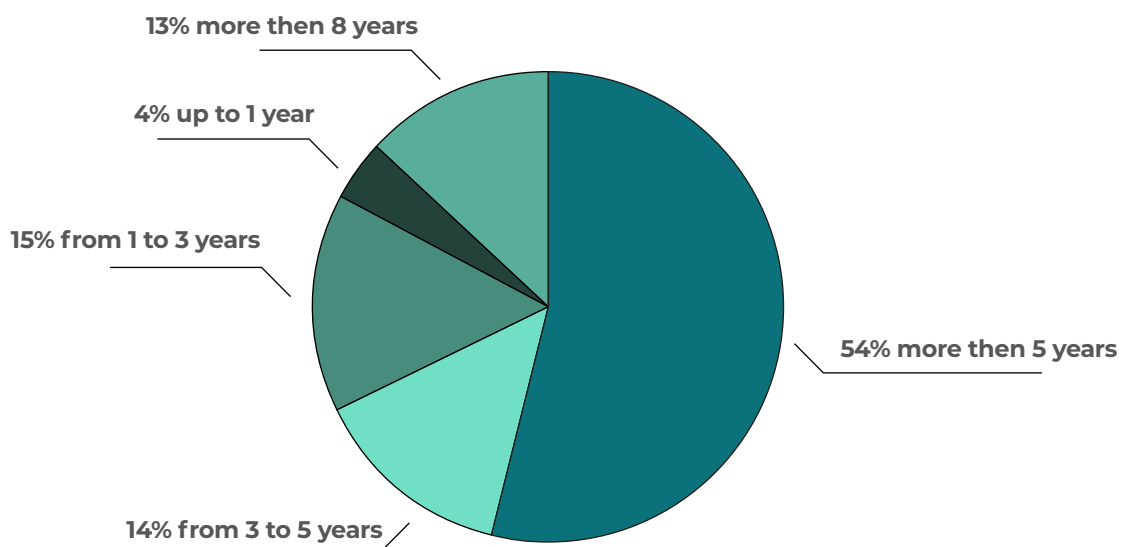
Of this sample, 44% represent companies owned by women (either solely or as co-owners) or led by women.

Diagram: Gender Distribution of Owners and Managers in the HoReCa Sector

The age structure of the surveyed representatives of the hotel and restaurant sector is as follows: 12% of respondents are aged 18 to 30 years, 39% are aged 31 to 44 years, and 49% are 45 years and older.

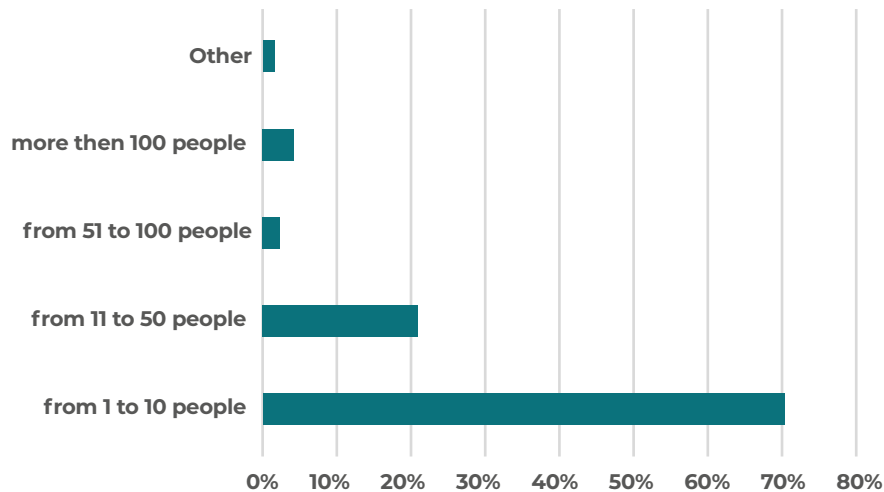
The survey covered hotel and restaurant sector companies from almost all regions of the country. Specifically, 16% of respondents represent companies from the city of Bishkek, 5% from the city of Osh. From Batken region, 2% of participants were surveyed, from Jalal-Abad region — 29%, from Issyk-Kul region — 20%, from Naryn region — 12%, from Osh region — 11%, from Talas region — 3%, and from Chui region — 2%.

Among the analyzed companies, 54% have been operating for more than 5 years, and 13% have been in operation for more than 8 years, indicating the stability and long-term activity of these companies in the market. Only 4% of companies have been in the sector for less than a year. This percentage reflects the small share of new enterprises that are just starting their activities and are still at the initial stage.

Diagram. Allocation of companies by length of service in the hotel and restaurant sector

In the analyzed sample of companies, the majority, namely 70%, have a staff of 1 to 10 employees. Companies with 11 to 50 employees account for 21%. Only 3% of companies have 51 to 100 employees, and 4% have over 100 employees. Finally, 2% of respondents indicated other staffing options. Thus, the hotel and restaurant sector in Kyrgyzstan is predominantly represented by small businesses.

Diagram: Allocation of companies by number of employees in the hotel and restaurant sector

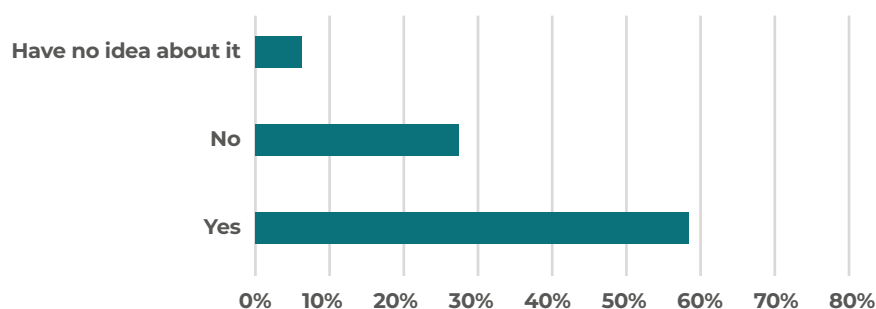


According to the survey results, it became clear that only one-third of the companies, specifically 36%, are members of business associations and chambers of commerce. This indicates that the majority of companies prefer to operate independently or find other ways to obtain information and support in their industry. Among those who do join associations, sectoral business associations such as HoReCa, KATO, KCBTA, as well as various Destinations, predominate. This is because these associations offer specialized support and information most relevant to the specific market segments in which their members operate. A small number of companies indicated that they belong to the JIA business association.

Application of SPC and ERE principles

Most companies (63%) responded positively to the question about the application of SPC and ERE principles. This indicates a high level of awareness and recognition of the importance of these principles for sustainable business development. Almost a third of the surveyed companies (29%) are not yet applying SPC and ERE principles. A small proportion of companies (7%) stated that they were hearing about the principles of sustainable production and consumption, as well as energy and resource conservation, for the first time.

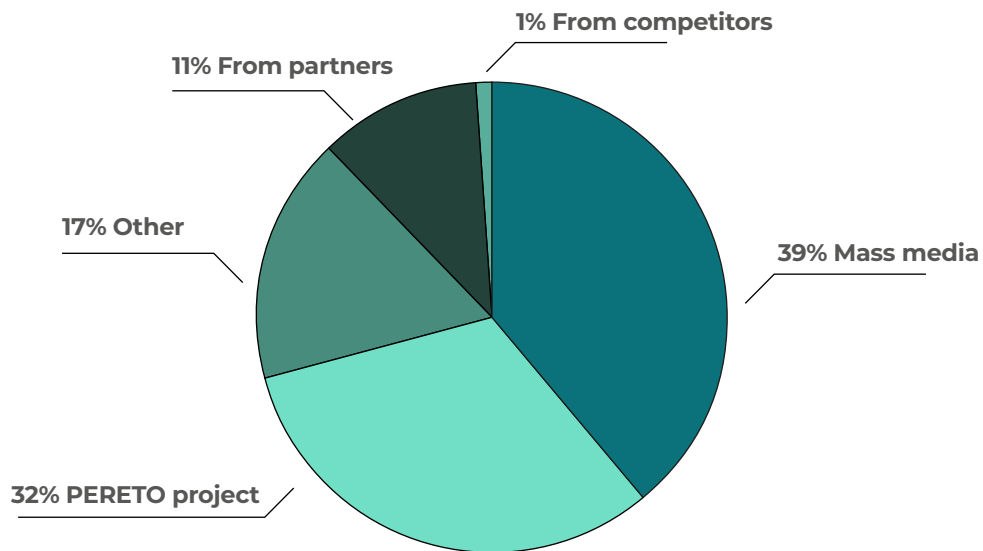
Diagram: Application of SPC and ERE in Companies



The majority of companies (54%) already understand the importance of training and preparing staff on SPC and ERE principles, which is reflected in their positive responses. However, a significant share of companies (40%) have not yet done this, which indicates the need for additional measures and initiatives.

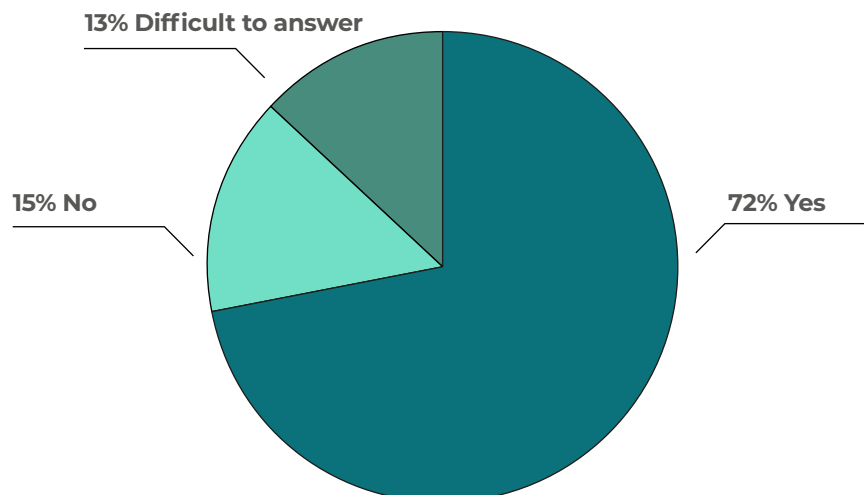
Among the 75 companies that confirmed the implementation and understanding of SPC and ERE principles during the survey, it was revealed through which sources they obtained this information. The results showed that companies use various channels to gain knowledge in the field of sustainable development. A significant portion of companies, specifically 39%, indicated that they learned about SPC and ERE principles through the media. The second most significant source of information, noted by 32% of the surveyed companies, was the PERETO project. 11% of companies reported receiving information about SPC and ERE principles from their partners. The remaining 17% of companies indicated that they learned about SPC and ERE principles through other sources, such as electricians, builders, and other specialized professionals.

Diagram: Sources of information on SPC and ERE principles among companies



The survey revealed that 72% of companies consider the environmental friendliness of goods and services when making purchases. This includes factors such as the use of recycled materials, eco-friendly packaging, and organic agricultural products. 15% of companies stated that they do not consider environmental aspects when making purchases, while 13% were unsure how to answer this question.

Diagram: Consideration of environmental friendliness of goods and services in company procurement processes



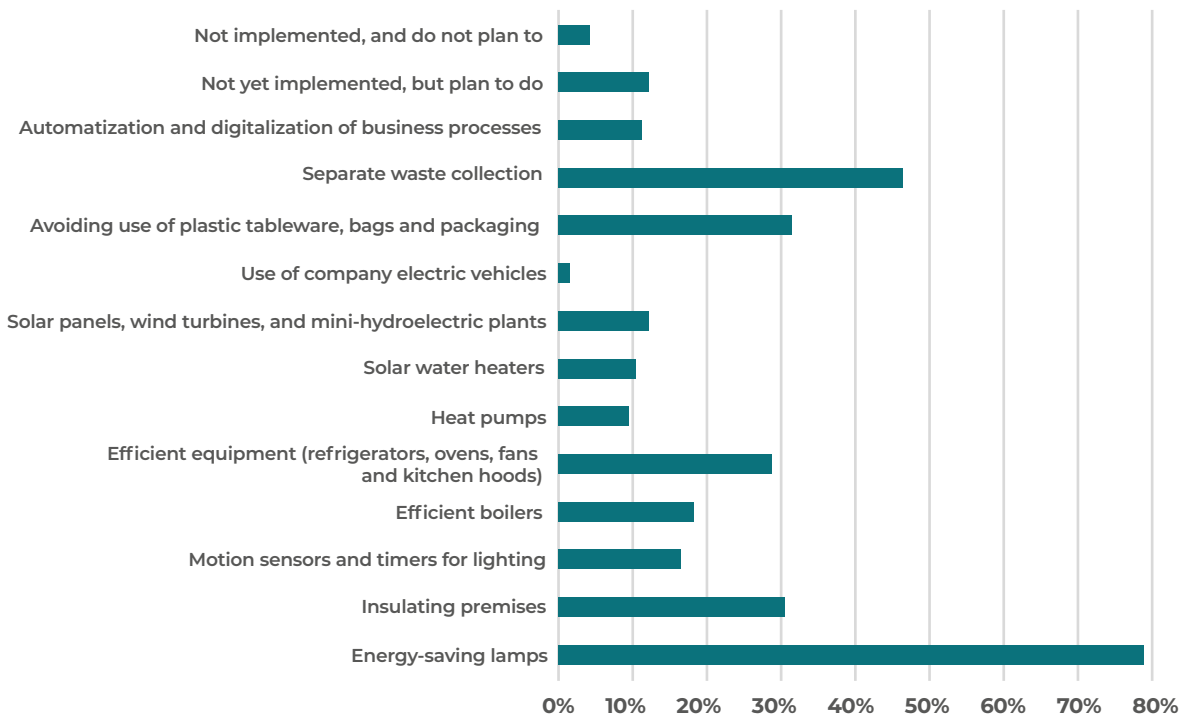
The survey results also revealed which measures and technologies companies are implementing to improve the energy efficiency and environmental friendliness of their activities. The most popular measure is the use of energy-saving lamps, which 79% of companies employ. Avoiding the use of plastic tableware, bags, and packaging is supported by 32% of companies, and separate waste collection is implemented by 46% of companies. Insulating premises to reduce heat loss is used by 31% of companies, and motion sensors and timers for lighting are used by 17%. Efficient boilers are installed by 18% of respondents, and efficient equipment such as refrigerators, ovens, fans, and kitchen hoods is used by 29% of companies.

In addition, 10% of companies have installed heat pumps, and 11% have installed solar water heaters. Solar panels, wind turbines, and mini-hydroelectric plants are used by 12% of companies. Automatization and digitalization of business processes are applied by 11% of respondents. The use of company electric vehicles is not yet a popular measure and is practiced by only 2% of respondents.

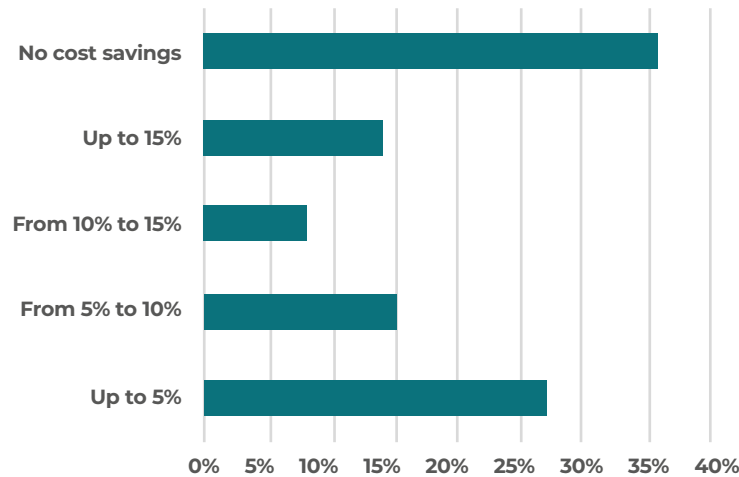
Some companies have not yet implemented any of the listed measures but plan to do so in the future (12%), while 4% of companies have not implemented and do not plan to implement these technologies and measures.

Thus, the survey results show that the majority of companies are actively implementing various energy-efficient and environmentally friendly technologies; however, there remains a portion of companies that have not yet adopted such measures.

Diagram: Measures for improving energy efficiency and environmental friendliness in companies



Although 36% of companies did not notice any cost savings, a significant portion of the respondents (64%) noted a positive financial impact from implementing these principles. 27% of companies noted that implementing SPC and ERE principles allowed them to save about 5% of their expenses. 15% of companies reported savings of up to 10%. This more significant cost reduction can be achieved through a more comprehensive approach to sustainable development. 8% of companies noted savings of up to 15%, indicating a high level of efficiency in the measures implemented. 14% of companies achieved savings of over 15%.

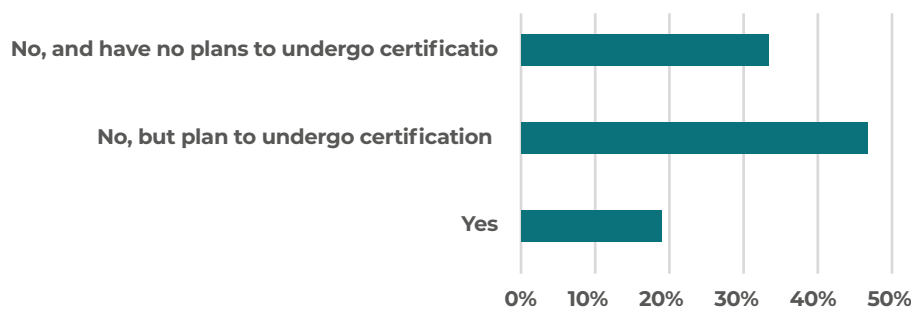
Diagram: Economic results of implementing SPC and ERE principles in companies

66% of respondents reported that the implementation of SPC and ERE did not affect the number of employees.

Environmental certification and accreditation process

Only 19% of companies confirmed that they have already undergone environmental certification or accreditation. This indicates that environmental responsibility and certification are not currently a priority. However, 46% of companies have plans and intentions to undergo certification in the future.

The overall survey results showed a wide range of attitudes towards environmental certification among companies. Some are already actively applying environmental standards in their activities, others are only planning to do so, and some do not yet see the need for it.

Diagram: Status of environmental certification of companies

In response to the question about the types of certifications that respondents undergo, companies indicated the following diverse types of environmental certifications and accreditations, including international environmental standards, national initiatives, and internal certifications within professional associations:

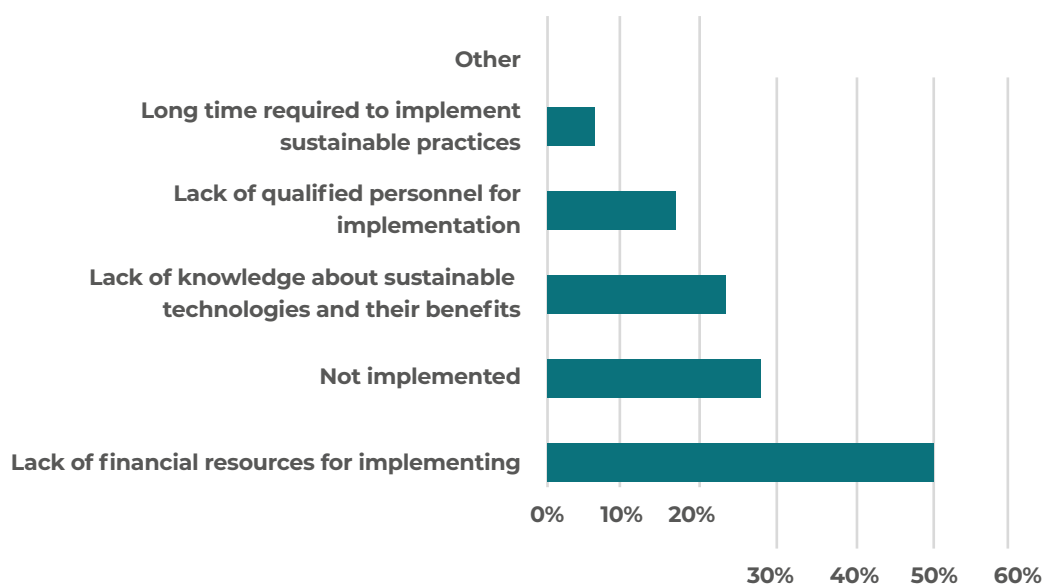
- Certification "Eco.Kg"
- Green certificate from Travelife
- Good Travel Seal certification
- Internal certification within the KCBTA Kyrgyzstan Association
- Nomination "Green Business", Enactus Kyrgyzstan

Eco-friendly practices and technologies implementation barriers

During the survey of company executives, various difficulties were identified that they face when implementing sustainable practices and technologies in their business. The main problem, identified by 50% of respondents, is the lack of financial resources for implementing these technologies. 23% of respondents noted a lack of knowledge about sustainable technologies and their benefits for the business. The lack of qualified personnel for implementing sustainable practices was noted by 17% of companies. The long time required to implement sustainable practices was a barrier for 6% of respondents. The long implementation time can deter companies from transitioning to more sustainable business methods.

Thus, the key problems companies face include financial constraints, lack of knowledge and personnel, and the duration of the implementation process.

Diagram: Difficulties in Implementing SPC and ERE in business



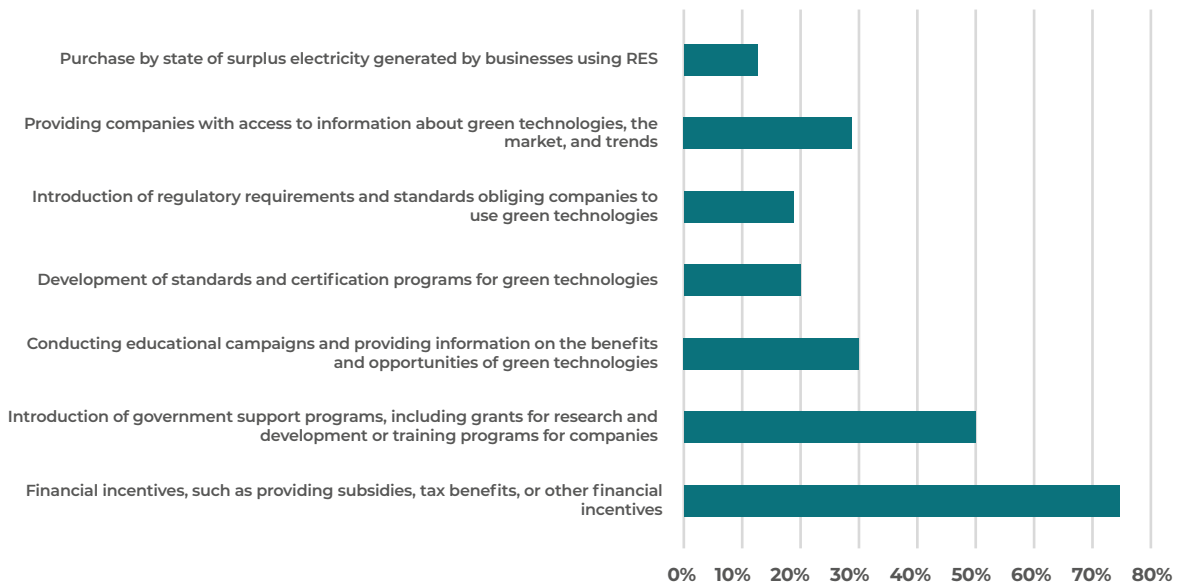
Priority support measures to strengthen business sustainability

To overcome barriers and stimulate businesses to adopt green technologies, companies in the restaurant and hotel sector proposed various support measures. The most popular measures are financial incentives, such as providing subsidies, tax benefits, or other financial incentives, supported by 75% of respondents. These measures aim to reduce the financial costs associated with implementing eco-friendly technologies. 50% of respondents supported the introduction of government support programs, including grants for research and development or training programs for companies. Educational and informational initiatives, such as conducting educational campaigns and providing information on the benefits and opportunities of green technologies, were considered important by 30% of respondents. The development of standards and certification programs for green technologies, which can facilitate their implementation and increase trust in them, was supported by 20% of respondents. Regulatory measures, including the introduction of regulatory requirements and standards obliging companies to adopt green technologies or comply with environmental standards, were noted by 18% of companies.

29% of respondents believe it is important to ensure information transparency by providing companies with access to information about green technologies, the market, and trends. This will help businesses make informed decisions and effectively implement eco-friendly technologies.

Thus, the most necessary support measures for developing business sustainability in the restaurant and hotel sector are financial incentives and government support programs. These measures, combined with educational initiatives, standardization, regulatory measures, information transparency, and the possibility of selling excess energy, will create a comprehensive support system that promotes the active adoption of green technologies and sustainable business development.

Diagram: Recommendations for overcoming barriers and promoting the implementation of green technologies



Legislative amendments to increase the attractiveness of green technologies implementation

During the survey of company executives, various changes in legislation and policy were proposed that could improve the situation and make adopting green technologies more attractive for businesses. The most popular measure, supported by 58% of respondents, is increasing tax benefits for companies adopting green technologies.

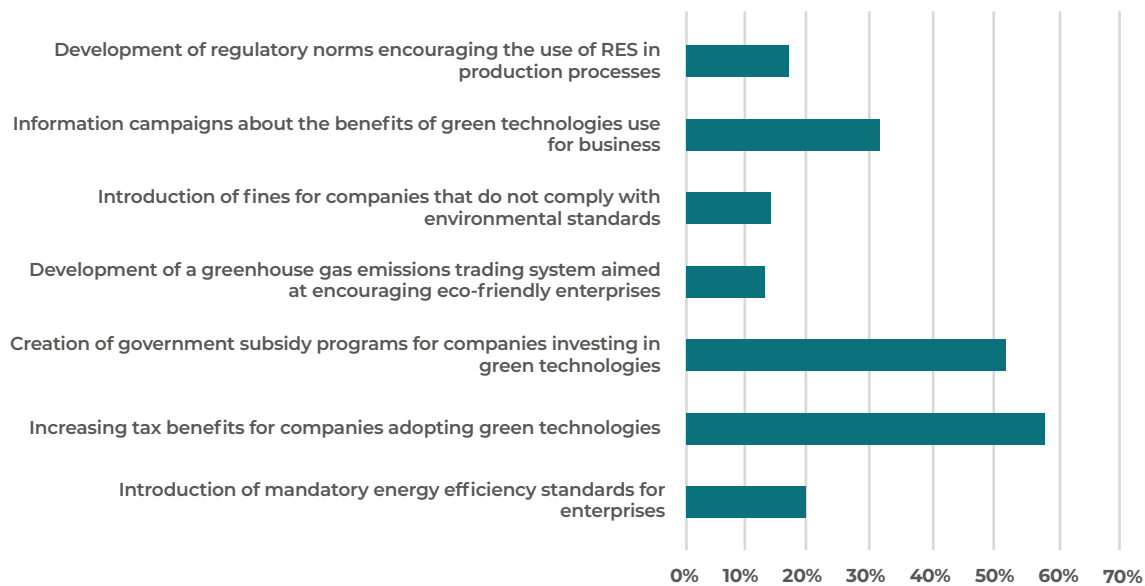
The creation of government subsidy programs for companies investing in green technologies was noted by 52% of respondents.

19% of companies supported the introduction of mandatory energy efficiency standards for enterprises.

The development of regulatory norms encouraging the use of renewable energy sources in production processes was supported by 17% of respondents. This indicates the need to create conditions conducive to the transition to renewable energy sources.

14% of respondents supported the introduction of fines for companies that do not comply with environmental standards.

The development of a greenhouse gas emissions trading system aimed at encouraging eco-friendly enterprises was proposed by 13% of respondents. This measure can help reduce emissions and encourage companies to transition to cleaner technologies.

Diagram: Legislative measures to promote the implementation of green technologies

Among the proposed urgent and most necessary measures, particular attention is paid to financial and tax support, as well as local support.

Thus, for the further development of tourism sector sustainability, the most necessary government support measures are preferential financing, tax benefits, and preferences, as well as local support. These measures will help tourism companies overcome financial difficulties, stimulate investment in sustainable development, and strengthen interaction with local communities. As a result of such comprehensive efforts, the tourism industry will become more sustainable and competitive in the long term.

7.2. Conducting focus group discussions

Focus group discussions (FGDs)

Focus group discussions (FGDs) were aimed at members of business associations and representatives of companies in the restaurant and hotel sector in the cities of Bishkek, Osh, Cholpon-Ata, Karakol, and Jalal-Abad (Appendix 5).

The selection process for FGD participants was conducted with the active participation of PERETO project consultants in each of the specified locations. This careful approach ensured the selection of qualified and representative participants capable of making a significant contribution to discussions on sustainable tourism development and efficient natural resource use.

During the FGDs, important aspects of sustainable tourism development, the implementation of green technologies, and solving environmental problems were discussed. These conversations revealed several key points that can aid in the further development of sustainable tourism in the country.



Photo: Conducting focus group discussions in Osh.



Photo: Conducting focus group discussions in Jalal-Abad.



Photo: Conducting focus group discussions in Cholpon-Ata.

General problems noted during FGDs:

Resource Shortages:

- Insufficient water and electricity.
- Lack of knowledge, technologies, and resources for using thermal waters for heating.
- High cost of heating equipment.
- Lack of access to preferential financing and financial instruments adapted for the tourism and HoReCa sectors.
- High costs of retrofitting facilities to implement new technologies such as heat pumps and solar panels.

Lack of Information and Specialists:

- Insufficient awareness of green technologies and their economic benefits.
- Shortage of local specialists for implementing new technologies.
- Weak interaction between government agencies and the private sector.

Lack of Infrastructure:

- Lack of centralized treatment facilities, especially in coastal areas.
- Waste recycling issues due to a lack of raw materials and processing plants.

Bureaucratic Problems:

- Frequent changes in government representatives, hindering the implementation of developed plans.
- Difficulties with passing state examinations for new technologies.
- Difficulties obtaining preferential loans due to bureaucratic procedures.

Lack of Incentives and Support:

- High cost of new technologies and lack of service support.
- Low electricity prices, reducing the economic viability of using green technologies.
- Lack of state incentive mechanisms and subsidies. Нехватка Песчрсов:

FGD Participants Recommendations:

Information Campaigns and Training:

- Conduct information campaigns and training activities on green technologies.
- Disseminate information through specific examples or pilot projects.
- Start with the implementation of simple technologies such as motion sensors, aerators, and LED bulbs.

Financial Support:

- Introduce financial instruments that encourage the use of green technologies, such as long-term leases or preferential loans.
- Provide grant support for startups.

Infrastructure Development:

- Encourage the opening of new recycling plants (plastic, paper).
- Address issues with centralized treatment facilities with state support.

State Support and Preferences:

- Introduce state preferences for financing green technologies.
- Develop and implement mechanisms for the offsetting or purchasing of surplus generated energy.

Creating Examples and Pilot Projects:

- Organize study tours to enterprises with installed green technologies.
- Create information stands with vivid examples of green technology applications.

General Opinion:

- It is important to continue efforts to raise awareness about green technologies.
- Active participation of the state is necessary in disseminating information and supporting the implementation of green technologies.
- The understanding and adoption of green technologies have significantly improved in recent years, but further work is still needed in this direction.

7.3. Conducting in-depth interviews

The target audience included representatives from ministries and agencies, business associations, educational institutions, and financial institutions with expertise in sustainable tourism, sustainable natural resource use, and environmental responsibility (Appendix 5).

The selection of experts was carried out by PA SPPP based on suggestions from the PERETO project.

In the interviews with key representatives of the tourism industry, government service, and educational institutions in the Kyrgyz Republic, important aspects of sustainable tourism development, the implementation of green technologies, and overcoming environmental challenges were discussed. These conversations highlighted several key points that can aid in the further development of sustainable tourism in the country.

Key findings from the in-depth interviews

Green technologies contribute to the careful use of natural resources, which is crucial for the long-term development of tourism. These technologies can also benefit local communities by stimulating economic development and creating jobs. However, a significant portion of the population and entrepreneurs still lack understanding of environmental responsibility.

« MAKSAT USUBALIEV

Vice President of the "Tourism Development Support Fund in the Kyrgyz Republic"

emphasized the necessity of banning the operation of tourist facilities on Issyk-Kul without treatment facilities. He also noted the need for a systematic information campaign among the population about the possibilities of green technologies and the use of energy-saving materials. In his opinion, it is important to use real-life examples to convince small and medium-sized businesses to adopt sustainable practices.



Successful implementation of green technologies requires financial support. Preferential loans and subsidies can help companies overcome financial barriers. Additionally, information campaigns and training programs on sustainable development are important to help businesses understand the benefits of green technologies.

Financial incentives, such as tax benefits and subsidies for companies implementing green technologies, are key support measures. Government programs, including grants for research and development and training programs, are necessary to encourage the adoption of sustainable practices.

Developing energy efficiency standards and environmental norms will help create favorable conditions for transitioning to green technologies. This includes mandatory standards for enterprises and measures to ensure compliance.

Local communities should be actively involved in the development of sustainable tourism in collaboration with regional destinations. Local self-government bodies (LSGs) play an important role in promoting tourism and should be more aware of the specifics of the tourism industry.

« KYIAL KENZHEMATOVA

Deputy Director of the Department of Tourism under the Ministry of Economy and Commerce of the Kyrgyz Republic

noted that eco-tourism should start in regions where there are already successful examples of sustainable tourism. She emphasized the importance of involving local communities and supporting cultural heritage, including traditional crafts of each region.



Educational institutions play a key role in promoting sustainable tourism through reforming educational programs, collaborating with businesses, and developing new methodologies. However, achieving full sustainability requires active interaction among all stakeholders and state-level support.

Academic institutions can significantly aid in conducting scientific research and developing mechanisms to enhance responsibility. It is important to involve not only tourism but also related sectors such as construction and energy in these processes.

To create a sustainable and environmentally friendly tourism industry in Kyrgyzstan, a comprehensive approach is necessary, which includes: ensuring access to financing and tax benefits for enterprises implementing green technologies; conducting extensive information campaigns and educational programs on sustainable development; modernizing water supply and sewerage systems; creating eco-routes and information centers; involving local residents in tourism development through the preservation of cultural heritage and traditions; reforming educational programs; collaborating with businesses and developing new methodologies.

These measures will help create a sustainable and environmentally friendly tourism industry in Kyrgyzstan, contributing to the long-term development of the economy and the preservation of the country's natural resources.

8. Recommendations for expanding the application of SCP and ERE principles in tourism (Implementation at systemic, institutional, and individual levels)

These recommendations are based on the opinions of participants from a conducted survey, in-depth interviews, and focus groups, as well as suggestions from participants of the Round Table "Discussion of analysis results on implementing sustainable consumption and production (SCP) and energy and resource efficiency (ERE) principles in the HoReCa sector of Kyrgyzstan" held to present preliminary analysis results on June 20, 2024, in Bishkek. The preparation of recommendations considered the results of the analysis of best international practices in sustainable tourism development, as well as the analysis of legislation and program documents in the field of sustainable development of the Kyrgyz Republic.

1. Adoption of a Tourism Sector Development Program defining policy measures for sustainable tourism development and SCP and ERE principles in the tourism sector to enhance interagency coordination and long-term priority setting.
2. Adoption of subordinate acts to implement the provisions of the Tax Code providing VAT exemption on the supply and import of technologies, equipment, and components that meet ERE requirements.
3. Conducting a broad information campaign on existing preferential financial products and state programs subsidizing sustainable investments in the tourism sector.
4. Continuing information campaigns and training activities on green technologies in the tourism sector for entrepreneurs and citizens, explaining their social and environmental significance and role in improving the economic efficiency of economic entities.
5. Increasing state investments in the construction of centralized treatment facilities, especially in the coastal zone of Lake Issyk-Kul and other recreational water bodies.
6. Introducing legislative incentives for economic entities that have passed environmental certification and accreditation.
7. Providing land plots on priority terms by local governments and assisting in resolving administrative issues for tourism companies implementing green technologies and SCP and ERE principles, including simplified procedures for land allocation for nature-saving solutions and systems.
8. Conducting a pilot project and training on the use of thermal waters for heating purposes using heat exchangers without free discharge or circulation of mineralized waters.
9. Developing and implementing green credit products in financial institutions for the HoReCa sector, considering the seasonality of the business and the lack of direct monetization of nature-saving solutions. Preferential financing may include low-interest loans, grants, and subsidies that help companies invest in infrastructure modernization, implementation of environmentally friendly technologies, and improvement of service quality.
10. Implementing separate collection and recycling of collected waste by municipal companies. Encouraging the opening of new waste processing enterprises. Reducing waste disposal fees in case of separate collection and reduction of household waste volume.
11. Organizing training for specialists in the implementation of green technologies at the local level.

12. Allocating funds in the state budget for waste collection in remote regions, jailoo, and mountains.
13. Reducing the number of procedures and permits for the installation of renewable energy sources (RES) by tourism facilities for self-consumption.
14. Setting up environmental posts at the entrances to gorges managed by local tourism destinations, directing collected funds for waste collection and removal.
15. Creating an electronic map of hiking trails with online access for tourists by the authorized tourism body.
16. Simplifying conditions for the construction of tourist facilities from adobe.
17. Introducing the procedure for connecting to distribution networks by power distribution companies of RES facilities used by tourism entities for self-consumption. Purchasing, bartering, or offsetting electricity produced by tourism entities using RES by power distribution companies.
18. When creating state and municipal tourism infrastructure, information centers, rest points, and other tourism infrastructure facilities, using green technologies as a visual demonstration.

ANALYSIS OF
**CIRCULAR ECONOMY
INTRODUCTION**

FOR HORECA SECTOR IN KYRGYZSTAN

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