Strategy Challenge Management Report
UNWTO Silk Road Project

Ukraine Action Plan

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1 Mission
To propose a strategy in the form of a “National Silk Road Action Plan” as initiated by UNWTO, for how the Ukraine can best position itself within the Silk Road for the coming 5 years. The focus for this tourism development plan will be on marketing & promotion, capacity building and destination management.

2 Fundamentals
The proposed strategy needs to take into consideration the following priorities: To be in line with the UNWTO Silk Road program: The proposed strategy must fall under the umbrella of the UNWTO Silk Route project, taking advantage of its promotional efforts and expertise in tourism development. Additionally, it allows travellers to experience diverse cultures and discover the past and the present of each country’s most memorable characteristics. To collaborate with each and every stakeholder: It is essential to take into consideration the stakeholders, as each of them determines the extent of the strategy’s ease of implementation, development and success, in both the short and long term. To remain environmentally sustainable: As a main concern of the UNWTO and one of the Millennium Development Goals, ensuring long-term sustainability is a paramount criterion in the proposed strategy. Sustainability will be achieved on a social, cultural, ecological and economic level.

3 Strategy: “Building sustainable tourism communities in rural Ukraine”
The proposed strategy focuses on the development of sustainable rural tourism communities, underlining the understanding of resident’s way of living and the local natural habitat. Through families and farmers providing accommodation, enabling touristic activities, and agritourism practices, communities can function as independent micro-economies and achieve continuing sustainability (see Appendix 1: Rural Tourism Definition & Components).

Reasoning
Vast natural landscape: The country benefits from a diversified geographical setting. As a long-standing agricultural producer, Ukraine’s rich cultivation gives way to services and activities provided by local families in the form of rural tourism. Mountain sights and natural landscapes enable outdoor activities, as well as an abundance of natural parks. Rich history and cultural heritage: With over 4’500 villages founded more than 300 years ago, the Ukraine is abundant in history. The country’s diverse heritage is influenced by a multitude of cultures from Eastern and Central Europe. Rural tourism emphasizes the nation’s authentic characteristics in the form of traditional lifestyles, ethnic food, and educational experiences. Saturation of coastal regions: While coastal areas remain popular among vacationers, they are also becoming saturated with tourist volume and development. On the other hand, the less populated
inland rural regions” touristic potential is still undervalued. **Low financial investment:** Considering the country’s current economic situation, rural tourism is a feasible strategy. The rural tourism product and clientele requires rather basic facilities, and current assets are adaptable to tourism development, therefore lessening the financial burden. **Infrastructure:** Being well connected, the current railway network is an enabling factor to rural tourism (see Appendix 2: Environmental Scanning Summary).

### Benefits

**Economic:** Inhabitants of rural areas are often constrained to purely agricultural sources of income. Rural tourism offers locals alternative means of employment, through diversification of services. This ultimately alleviates poverty and stimulates sustainable, long-term growth for rural societies. Locals are encouraged to establish enterprises and endeavour in profitable businesses. **Social:** Rural tourism encourages interaction, education and cultural activity among inhabitants, and the preservation of a community’s heritage and traditions. **Environmental:** Importance is given to the protection and maintenance of the natural and built environment. The preservation of historical sites and natural habitat is encouraged. Moreover, villages are often isolated and lack access to some essential services; by attracting tourists to those remote areas, accessibility becomes essential and encourages improvement of transportation and connectivity. **Product development:** Rural tourism allows for the diversification of the country’s tourism product, by offering an alternative to Ukraine’s already-established big cities and coastal areas. Rural product development also gives way to meeting the increasing demand for natural and cultural-based tourism. Additionally, rural communities offer a complete tourism package which encourages tourists to utilize several services, stay longer and ultimately spend more.

### 4 Rural Tourism in Ukraine

**Supply**

Currently, there are approximately 213 registered rural country estates across the Ukraine. The highest proportion of those is located in Western Ukraine, primarily in the Transcarpathian region which accounts for nearly 50% of the Western rural accommodation (see Appendix 3: Tourism Supply & Offer). There are, however, numerous unregistered properties which make it impossible to determine the exact quantity of supply. Although rural tourism is an existing concept in the Ukraine, it is highly disorganized and lacks consistency. In order to successfully position itself within the UNWTO Silk Road and attract a substantial amount of tourists, the country needs to achieve high levels of quality in product and service, collaborate with local authorities, and attain a community-based approach to rural tourism.
According to the Ukrainian Union for Green Tourism, 10% of village households (640,000 households) are willing to participate in rural tourism.

**Demand Drivers and Forecast**

Recent trends show that both the domestic and international traveller’s interests are moving towards nature, culture and educational recreation. Lower to middle-class domestic tourists continuously look for a less expensive travel experience in rural areas, where they can discover ecological products and familiarize with old customs. Rural tourism demand is driven by various forces which, when combined, create an increasing interest for a genuine rural experience:

- **Demand Forecast:** Ukraine’s rural tourism players predict a significant market growth of 30% in the near future. While the governmental bodies foresee a more modest evolution of the rural tourism industry, they confirm the market to be attractive and prosperous for future growth. A case study of the town of Grytsiv took a community-based approach to rural tourism which ultimately stimulated tourist arrivals. Research shows that 26% of all Ukrainian tourists visit natural and cultural sites in inland districts and can be regarded as potential rural tourists (see Appendix 4: Domestic Tourist Recreation Preferences).

Benchmarking analyses with comparable countries further indicate that demand for tourism in rural Ukraine has high potential. In rural Hungary between 1998 and 2008, guest night demand increased by 56% and the bed supply grew by 50%, while domestic tourist numbers tripled within a ten-year period (See Appendix 5: Rural Tourism in Hungary). During the same timeframe in Ireland, rural tourism’s contribution to the local economy grew by 5% and the market doubled its job offers. Italy shows how, besides profitability, the rural industry increases female participation within the community and gives them an alternative source of income (see Appendix 6: Benchmarking of Rural Tourism Strategies).

**Stakeholders**

Besides the UNWTO, two key stakeholders that significantly affect and can be affected by the proposed strategy have been identified: **The Carpathian Tourism Board (CTB):** This non-for profit organization led by the regional state administrations including Ivano-Frankivsk aims at supporting and
promoting tourism development in the Carpathian region. Its presence at international tourism fairs and its extensive network lead to additional market recognition and allow building upon existing partnerships. The CTB as such facilitates access to public and private funding streams. In return the CTB benefits from an increase in tourism arrivals and local awareness initiated through the proposed strategy. The CTB also acts as a medium between the UNWTO and local communities. **Local entrepreneurs:** Local entrepreneurs effectively impact the area’s tourism development and convey the project’s value of sustainability. Not only local farmers converting farmhouses into accommodations, but also entrepreneurs contributing to the tourists’ overall experience such as restaurant owners, tour guides and hiking instructors affect the project’s success. To encourage the local entrepreneurial spirit, raise awareness among locals and guarantee a sustainable community building business consulting and assistance in loaning funds to young entrepreneurs (see Appendix 7: Additional Stakeholders).

### Target Market

The key customer segment is the 20-49 year old active, urban residents of Southern and Eastern Ukraine with a lower than average to average income. Most of these individuals live in the larger cities, and travel to spend time with friends and family. These travellers choose rural destinations due to the natural environment, historical sites, active recreation, opportunity to pursue hobbies, cultures and traditions of local residents, extreme sports and their budget limits. Within the short term, the strategy focuses on attracting domestic tourists, whereas in the longer term, regional and international tourists are to be targeted as well (see Appendix 8: Market Segmentation and further Target Markets.).

### Geographical Focus

The strategy for building sustainable rural tourism communities within the coming 5 years is proposed to be in the Carpathian Region of Ukraine. Although Crimea is the only region located directly on the ancient Silk Route, Carpathian villages prove more popular. Western travellers and Ukrainian diaspora are showing an increasing interest in this region, especially so within Ivano-Frankivsk. With extensive railway connectivity, the oblast represents an ideal setting as it offers an array of small-towns displaying: agricultural and farm life; folklore and traditional handicrafts; natural landscape; national parks; outdoor activities; as well as various festivals and events. Western Ukraine has made several attempts in developing rural tourism and has already established associations which see a high potential in green tourism. Through the collaboration of the UNWTO and other key stakeholders, existing efforts can be reorganized and strengthened. **Halych:** The strategy will take the town of Halych, with a population of 6400, as an example for the implementation of a sustainable rural tourism community. The Halych Raion
itself is a cornerstone of culture and history, having an extensive historical and cultural reserve. The town was selected due to its railway connectivity; location on the Dniester river; widespread natural scenery; as well as agro and aquaculture. Although the town has an established tourism centre proposing touristic activities\textsuperscript{25}, it does not offer tourist accommodation (see Appendix 9: Halych Overview).

### Strategic Action Plan

The following strategic action plan is tailored to the town of Halych. In the long term, this strategy is implementable in any Ukrainian town which can focus its practices according to the community’s major strengths, such as heritage-tourism; nature-based/ecotourism and agricultural tourism\textsuperscript{26}. The objectives listed under each Key Area are considered the most essential in order to establish a firm background for future rural tourism development (see Appendix 10: Additional Strategy Objectives)

#### Key Area 1: Capacity Building

<table>
<thead>
<tr>
<th>1\textsuperscript{st} Objective (Immediate Implementation)</th>
<th>2\textsuperscript{nd} Objective (Ongoing)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>Form a community-based Halych Tourism Board composed of local members</td>
</tr>
</tbody>
</table>
| **Reasoning** | - A board representing local businesses guarantees a unified position when approaching private and public organizations for potential associations and funding.  
- Guiding locals in creating a sustainable rural community on social, cultural, ecological and economic levels, creating a unified tourist experience | Encouraging locals to become actors rather than spectators positively affects the economic situation of individuals and ultimately the entire community. Additionally, entrepreneurs provide employment to locals, avoiding rural depopulation. |
| **Primary Tactics** | 1. Attract locals interested in tourism, entrepreneurs with leadership skills and influence on their community to become members of the board; propose the organizational structure of the board.  
2. Put regular meetings into operation in order to guarantee ongoing development | 1. Negotiate possible funding loans for small farmers to modernize their properties for tourism purposes  
2. Provide entrepreneur workshop teaching of business strategy & planning, hospitality & tourism courses covering house-keeping, food-preparation & inter-personal skills courses |
| **Collaboration** | - **Key stakeholders**: to guarantee unity in strategic actions  
- **Village administration**: for annual public funding, facility provision and adaption of laws and regulations facilitating tourism development | - **Halych Tourism Board**: to reach out to potential entrepreneurs and provide partial funding  
- Associate with SBEDIF\* Business Centre in Ivano-Frankivsk offering training, coaching, and access to funding for start-ups and small businesses in the region. |
| **Monitoring** | - In return for annual funding and support, the town’s council needs to request the board’s meeting minutes and financial statements  
- Coherence with the UNWTO’s guidelines on sustainability needs to be ensured | - Professionalism and effectiveness of courses offered by SBEDIF need to be monitored on a regular basis by designing a feedback form for local course participants |
<p>| <strong>Funding</strong> | - Non-for profit organisation: Free meeting facilities provided by the town’s council, members meet on a voluntary basis. Admin and travel expenses to meet potential collaborators in the region. First year: ₴4’000 p.a. | - Entrepreneurial courses provided by SBEDIF are pursued in partnership with and sponsored by The Ministry of Labour |</p>
<table>
<thead>
<tr>
<th><strong>Measurement (5 years)</strong></th>
<th><strong>Objective</strong></th>
<th><strong>Reasoning</strong></th>
<th><strong>Primary Tactics</strong></th>
<th><strong>Collaboration</strong></th>
<th><strong>Monitoring</strong></th>
<th><strong>Funding</strong></th>
<th><strong>Measures &amp; Outcome</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of board members: 1st year 20 board members; 25% annual increase</td>
<td>Management of current and upcoming tourist offers</td>
<td>To maximize the potential of Halych as a tourism destination, one needs to ensure a diversified customer experience, as well as guaranteed integrity and transparency for tourists</td>
<td>1. Ensure high service and product quality to tourists through: a strict certification and grading system for rural tourism accommodation participants; creating a system of categorizing guest houses; provide a document specifying standards which need to be accomplished – to be regulated by the Halych Tourism Board</td>
<td><em>Local service providers: encourage product &amp; service diversity</em></td>
<td>- Establish a customer feedback system</td>
<td>- One of the key funding streams is provided by the town council as owner of public land and heritage sites who show a significant interest in an improvement in destination management</td>
<td>- Number of partnerships with tourism routes and cultural and heritage sites: 20% annual increase</td>
</tr>
<tr>
<td>Attendance at meetings: min 70%</td>
<td></td>
<td></td>
<td>2. Connecting the rural tourists to the already existing tourist offer in Halych and the surrounding region</td>
<td><em>Regional Tourist Information Centre</em>: create packages and a unified travel experience</td>
<td>- Collecting of records and statistics concerning tourist activities and behaviour</td>
<td>- Controlling of tourism routes and production of tourism products to guarantee highest service standards</td>
<td>- Engagement of town council representatives in meetings of the Halych Tourism Board</td>
</tr>
<tr>
<td>Diversity of attendees and partnerships</td>
<td></td>
<td></td>
<td>3. Facilitate transportation from Halych to outer regions for tourism purposes</td>
<td></td>
<td></td>
<td>- Controlling of tourism routes and production of tourism products to guarantee highest service standards</td>
<td>- Increase in profit for tourism route operators and tourism product suppliers: 5% annual increase</td>
</tr>
<tr>
<td>Annual increase in regional partnerships by 25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Controlling of tourism routes and production of tourism products to guarantee highest service standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conducting an official meeting every 2 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Controlling of tourism routes and production of tourism products to guarantee highest service standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in public funding: 30% annually</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Controlling of tourism routes and production of tourism products to guarantee highest service standards</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Small Business and Economic Development of Ivano-Frankivsk: Training, coaching, and access to funding for start-ups and small businesses in the region

### Key Area 2: Destination Management

#### 1st Objective

**Objective**

Management of current and upcoming tourist offers

**Reasoning**

To maximize the potential of Halych as a tourism destination, one needs to ensure a diversified customer experience, as well as guaranteed integrity and transparency for tourists

**Primary Tactics**

1. Ensure high service and product quality to tourists through: a strict certification and grading system for rural tourism accommodation participants; creating a system of categorizing guest houses; provide a document specifying standards which need to be accomplished – to be regulated by the Halych Tourism Board

2. Connecting the rural tourists to the already existing tourist offer in Halych and the surrounding region

3. Facilitate transportation from Halych to outer regions for tourism purposes

**Collaboration**

- *Local service providers: encourage product & service diversity*
- *Regional Tourist Information Centre*: create packages and a unified travel experience

**Monitoring**

- Establish a customer feedback system
- Collecting of records and statistics concerning tourist activities and behaviour
- Controlling of tourism routes and production of tourism products to guarantee highest service standards

**Funding**

- One of the key funding streams is provided by the town council as owner of public land and heritage sites who show a significant interest in an improvement in destination management

**Measures & Outcome**

- Number of partnerships with tourism routes and cultural and heritage sites: 20% annual increase
- Engagement of town council representatives in meetings of the Halych Tourism Board
- Increase in profit for tourism route operators and tourism product suppliers: 5% annual increase

### Key Area 3: Marketing and Promotion

#### 1st Objective

**Objective**

Create awareness of economic value of sustainable tourism development within the rural community

**Reasoning**

It is crucial for individual families to understand the benefits of rural tourism, and be directly involved in the process of developing a rural tourism community with the same goals in mind

**Primary Tactics**

1. Raise awareness through an environment-development campaign: Working with local schools, involving students, families

2. Create a promotion campaign targeting local authorities to explain the benefits which eco and rural tourism development can provide to their communities

#### 2nd Objective

**Objective**

Coordinated approach to branding/positioning of rural tourism in Halych

**Reasoning**

The uncontrolled attempts to promote rural tourism development within the Carpathian region need to be reorganized, guaranteeing wide reach and exposure; and forming an integral part of the UNWTO Silk Road project

**Primary Tactics**

1. Manage publicity through a unified community based organization through which approved individual households can register

2. Develop marketing surveys resulting in the development and implementation of marketing strategies

3. Promote community-based events, cultural heritage sites, recreational facilities and local handicrafts
| Collaboration | Halych Tourism Board: reaching out to families, schools and other community associations | UNWTO: utilize existing promotional efforts  
- Rural Green Tourism* and the Carpathian Project ** for a unified marketing strategy |
|----------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funding        | Schools and local organization integrating the campaign into their educational programs indirectly fund the rural tourism approach | The above mentioned collaborations give access to funding of the UN and the EU-community  
- One of the key stakeholders, the Carpathian Tourism Board, as public endeavour grants funding and support for marketing efforts |
| Monitoring     | Distribute a survey to members of the local community to evaluate impact of marketing efforts | Create a visual marketing dashboard to facilitate the annual marketing audit |
| Measurement    | Level of sustainable activities within community: 15% of families must attain the highest levels of sustainability; 70% attain an acceptable level  
- Amount of sustainable funding and integration into educational programs | Increased revenues for farmers based on marketing investments: 5% annual increase  
- Increased participation in coordinated marketing strategy  
- Visibility of rural regional assets in UNWTO/Rural Green Tourism/Carpathian Project promotion programs |

** * Union for promotion of rural green tourism development in Ukraine, partly financed by the UN  
** Organisation aiming for the protection and sustainable development of the Carpathians, co-financed by the EU-Community initiative programme for transnational cooperation

9 **Tourism communities in rural Ukraine: What will 2017 look like?**

Establishing controlled sustainable rural tourism through a community based approach sets the bar high. However, rural Ukraine has the resources required to succeed: A highly and motivated workforce driving value, abundant natural resources, as well as a rich and cultural heritage. All these are essential prerequisites for the country’s strong positioning within the UNWTO silk route project, as it allows for diversification and a rich educational and nature bound tourism experience. By carefully implementing and monitoring the above proposed strategic action plan the following major outcomes are expected for 2017 in the town of Halych:

- Existing rural tourism developments in the Carpathian region will reunite and gain on impact through UNWTO’s supporting guidance
- 10% of the local communities’ households (approx.183) will be part of the rural tourism initiative, either as primary or secondary participants
- More than 200 new jobs will be created within the rural tourism community
- Fully exploited diversification possibilities of rural tourism products and services enabling locals to developing specialized expertise of rural tourism activities
- Domestic guest nights in rural areas will increase by 20% annually until 2017 reaching 8’000 nights
- Improved public transportation facilities accessibility for tourists as well as community members
- Public and private funding raised through the strategic actions positively affect the natural and historical preservation and development of the community’s heritage sites
Appendix 1 – Rural Tourism Definition & Components

Rural tourism can be defined as: “recreation in rural territories, usually with overnight stay in country estates, private hotels or houses not belonging to visitors. This recreation entails being in contact with nature, as well as getting familiar with local life through hiking, excursions in the neighbourhood, entertainment and local food tasting.”

Appendix 2 – Environmental Scanning Summary

<table>
<thead>
<tr>
<th>Political</th>
<th>Potential political and economical co-operations are currently being discussed between Ukraine and the European Union. Political instability and diverging opinions concerning former Prime Minister Ms. Timoshenko’s jail sentence, however, have frozen the progress. Industry specialists view the collaboration with Europe and Ukraine’s overall political stability as essential for the nation’s sustainable economic development.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economical</td>
<td>Ukraine’s economy is concerned with the impacts of political instability, weak industrial growth, account deficit, credit rating downgrade and the further depreciation of the Ukrainian Hryvnia (UAH). Financing for the fiscal and external deficits is critical, as the International Monetary Fund will solely renew funding if Ukraine withdraws its energy subsidies – something unlikely to happen.</td>
</tr>
<tr>
<td>Social</td>
<td>Ukraine’s society is not only characterized by a rich cultural background, but also by a highly skilled and competitive labor force. Although the nation is said to lose it’s talented individuals to countries offering higher salaries and improved lifestyles, emigrated professionals bring greater benefits in the long term when returning to their motherland.</td>
</tr>
<tr>
<td>Technological</td>
<td>Technological progress is currently being constrained by insufficient governmental spending, especially concerning transportation and infrastructure. Despite progressing projects to improve Ukraine’s accessibility, road and air transport lack in quality. The nation’s railway network, on the other hand, is very well connected. However, most its stations, storage facilities and traffic control systems are outdated.</td>
</tr>
<tr>
<td>Environmental</td>
<td>According to Prime Minister Mykola Azarov, Ukraine has “both gas and oil. Moreover, it is not in 10 thousand kilometers from Europe, but in the center of Ukraine. We need time and money in order to master these deposits and we will have sixty billion cubic meters of domestic production, and will not depend on anyone”. From an environmental point of view, the nation meets all necessary conditions for a sustainable development.</td>
</tr>
<tr>
<td>Legal</td>
<td>In order to improve Ukraine’s general business climate, significant progresses have been made concerning the country’s legal and regulatory issues. Major challenges, however, remain. Consistency and legislative coherence, however, remain major challenges affecting investment decisions. A further issue concerns the established capacity of the nation’s authorities and judiciary to implement regulations.</td>
</tr>
<tr>
<td>Global Trends</td>
<td>Despite the uncertain economic outlook and the Eurozone’s mild recession, moderate growth is forecasted for the tourism industry in 2012. Emerging markets with rising incomes, stable unemployment and disposable income in mature markets are predicted to drive this year’s travel demand. Fortunately, Eastern Europe’s tourism industry is performing exceptionally well with occupancy rising by 7.5% earlier this year.</td>
</tr>
</tbody>
</table>
Appendix 3- Tourism Supply & Offer

Due to its diverse natural and cultural landscape, the Ukraine has a wide range of activities and services to offer for rural tourism purposes: 

**Accommodation** – Guest and farm houses, mainly providing Bed & Breakfast. 

**Food and Beverage** – Restaurants, and tasting of local cuisine at guest and farm houses. 

**Cultural heritage** – Experiencing local life and traditional living. 

**Hobbies** – Fishing, hunting and traditional crafts. 

**Active recreation** – Horse-riding, bike-riding, hiking, skiing, visiting attractions and sights. 

**Extreme sports** – Rock-climbing, bungee-jumping, river-rafting.

Appendix 4 – Domestic Tourist Recreation Preferences

![Graph showing rural tourism in Hungary](image)

Source: UNDP CIDP survey, 2009

Source: Rural Tourism Development in Hungary, 2009

Appendix 6 – Benchmarking of Rural Tourism Strategies

<table>
<thead>
<tr>
<th>WHERE</th>
<th>INITIATOR</th>
<th>GENERAL INFORMATION</th>
<th>TACTICS</th>
<th>NUMBERS</th>
</tr>
</thead>
</table>
| South Africa 2011 | National Department of Tourism | - Tourism should be private sector driven  
- Political will, cooperation, funding and marketing are c3 major key pillars. | - Increase the net benefits to rural people and increase their participation in managing the tourism product.  
- Poverty impacts are likely to be better off | - 75% of the world’s poor live in rural areas  
- 43% of South Africa’s population is rural |
| Ukraine 2006 | European Commission + TACIS/IBPP | - Recreation in rural areas = positive effect on economy → use private housing stock, increased employment opportunities, sell local products - Carpathian mountains = highest D → rural green tourism high popularity | - Assist local and regional organisations of the public, private/voluntary sectors in rural areas - Build their capacity as leaders of rural development - Encourage and promote communication & networking among similar organisations and individuals | - 6.2 million houses (98% privately owned) - Unemployed in rural areas: 3 million over 6.4 able bodied citizens |
| Moldova 2002 | Eurasia foundation | - RT creates new jobs, improves the livelihoods of rural population, develop additional revenues | - Enhance business practices (professional skills) - Strengthening NGO’s and tourist associations | - Ukraine is using nearly 1/3 of its capacity to build nation tourist sector |
| Belarus | Economy of Belarus | - Loans to the natural persons residing in rural areas & providing tourism services (interest rate 5%) | - Increase the total volume of tourist services - Provides loans on easy terms to farmers | - Total cost of the project: 11.2 million |
| Crimea/ Ukraine 2010 | United Nations Development programme | - Target market: urban residents who had travelled for touristic purpose. - RT gives employment, economic opportunities, improve rural infrastructure, and promotes cultural activities. - Inland areas remains underestimated in Ukraine and it would benefit local communities and redistribute incomes. | - 45% of Ukrainian urban adult population have travelled at least once in the last 12 months for touristic purposes. - 14.9% of Ukrainian spent their last vacations in RT |

**Appendix 7 – Additional Stakeholders**

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Point of Contact</th>
<th>Reasoning</th>
<th>Stakeholder Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Administration</strong></td>
<td>- Ministry of Tourism - Ministry of Agricultural - Ministry of Ecology and natural Resources</td>
<td>- Financial Support - Guidance and Leadership - Education concerning opportunities and implications</td>
<td>- Diversify country’s identity - Promotion of agricultural industry - Increase ecological participation</td>
</tr>
<tr>
<td><strong>Regional Administration (Ivano-Frankivsk Oblast)</strong></td>
<td>- Department of Tourism and Investments - Regional Center for - Regional Tourist Information Center</td>
<td>- Find investors interested in supporting rural tourism communities - Ensure unified and controlled development of rural tourism in the region</td>
<td>- Improve the region’s tourism facilities through development and diversification</td>
</tr>
<tr>
<td><strong>Farmers</strong></td>
<td>- Association of Farmers and Private Land Owners</td>
<td>- Ensure collaboration and integrity amongst all farmers of the community - Facilitate intellectual and product exchange amongst farmers - Simplify general communication concerning agricultural activities</td>
<td>- Provide alternative income related to non-agricultural facilities - Improve agricultural infrastructure and equipment - Obtain information on Eco farming and sustainability</td>
</tr>
<tr>
<td><strong>Local Workforce</strong></td>
<td>- Halych Labor Union</td>
<td>- Allow and encourage</td>
<td>- Provision of new job</td>
</tr>
</tbody>
</table>
employee’s participation
- Employees’ motivation is key to every strategy’s success
- Ensure workforce has required skills, otherwise educate

Green Tourism Organisations
- Eurasia Foundation
- Union of Green Tourism
- Carpathian Project
- TACIS
- Guidance regarding principles of sustainability
- Education on Eco farming
- Community benefits from promotion though the organizations
- Spread awareness of importance and benefits of green tourism
- Increase diversification of their portfolio

NGO’s
- Heifer-Ukraine, specialized in rural community development
- National Association of Regional Development Agencies of Ukraine (NARDA)
- Generate additional financial and educational support
- Ensure sustainable development
- The well-being of society is at the heart of every project
- Aid in accomplishing the Millennium Goals
- See how their help positively impacts the community’s development in various ways

Ukrainian Railway
- Ukrzaliznytsia
- Support and improve accessibility and connectivity to rural communities
- Negotiate for packages with tour operators and farmers
- Expansion of current railways network to remote areas
- Create additional demand for public transportation

Ukraine Tour Operator
- Green Ukraine
- Organize tours to the rural community
- Promote the community and its activities
- Increase demand for rural tourism
- Diversification regarding type of tourism and activities offered
- Eventually offer a cheaper alternative to lower income clientele

Appendix 8 – Market Segmentation

Inbound Tourism: According to Euromonitor, the majority of tourists are Domestic (71%), followed by Regional (27%), with a minority being International (2%). The main purpose of visit is leisure, with an average length of stay of 4-7 days, and the preferred means of transportation being rail. Domestic tourism expenditure accounts for 47% of total tourism receipts – spending less than international and regional tourists – and a 5.3% growth in expenditure is expected by 2022. Further customer segments for rural tourism include:

⇒ Origin: Gateway Silk Road travellers; Regional tourists; International tourist
Lifestyle segments: Families; Backpackers; Campers; Experiential/adventure travel; Historical and cultural interests; Eco-travel

Appendix 9 – Halych Overview

The below outlines the current rural tourism activities:

[Map and list of attractions]

Appendix 10 – Additional Strategy Objectives

<table>
<thead>
<tr>
<th>Key Area 1: Capacity Building</th>
<th>Key Area 2: Destination Management</th>
<th>Key Area 3: Marketing &amp; Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivate community and individual effort to pinpoint resources and develop diversification plans</td>
<td>Develop a Tourism Information Center to manage tourist requests in Halych</td>
<td>Improve the use of technology in marketing rural tourism travel within the Carpathian region</td>
</tr>
<tr>
<td>Ensure the identification of infrastructure gaps necessary for rural tourism development</td>
<td>Educate consumers as to the available attractions and heritage sites</td>
<td>Foster relationships to tour operators to offer rural tourism packages and create special events to increase visitation</td>
</tr>
<tr>
<td>Animate the elderly generations to pass on their skills so as to preserve the quality of production and diversity</td>
<td>Develop regional itineraries, tourism brochures and maps to facilitate travel and orientation within the destination</td>
<td>Develop national promotion to increase awareness (e.g., hiking, horse riding, handicrafts, etc.).</td>
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<tr>
<td>Encourage a ethnological / folklore approach within individual families to attract visitors to rural civilization</td>
<td></td>
<td>Create partnership with retail products and service providers to improve the tourist experience</td>
</tr>
</tbody>
</table>
11 References

2. PWC – Stakeholder Management
8. Holland, J., et. al., 2003. Tourism in Poor Rural Areas: Diversifying the product and expanding the benefits in rural Uganda and the Czech Republic.
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