USAID
FROM THE AMERICAN PEOPLE

Comprehensive Development Plan: Jermuk as a Destination Spa & Winter Tourism Center

Volume 2 – Action Plan

DECEMBER 2008

Prepared by the USAID-funded Competitive Armenian Private Sector Project on behalf of the RA Ministry of Economy

Comprehensive Development Plan: Jermuk as a Destination Spa & Winter Tourism Center

Volume 2 – Action Plan

DISCLAIMER: The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

TABLE OF CONTENTS

A. Structure of Action Plan 5

B. Direct Tourism Objectives 6

Objective #1: Upgrade and improve the quality and range of spa, hotel, guesthouse and other accommodation facilities and services to orient them more toward today's demanding foreign and domestic consumers (including introduction of international standards) 6

Objective #2: Improve, upgrade, provide evidence for and diversify the range of medical treatment facilities and services at spas, to orient them more toward today's demanding foreign and domestic consumers 10

Objective #3: Develop and enhance the winter skiing and other winter sports facilities and services available in Jermuk. 12

Objective #4: Develop and enhance Jermuk's reputation as an international center for chess competitions through the provision of appropriate facilities and effective promotion. 14

Objective #5: Develop Jermuk's capacity and reputation to host high-value and quality pan-Armenian and international youth camps through the provision of quality facilities and human resources. 15

Objective #6: Improve the quality and diversity of related and supporting industries to the tourism cluster in Jermuk, including attractions, restaurants, shops, leisure activities, etc. in order to provide tourists with more activities, increase daily expenditure per tourist and increase longer stays 17

Objective #7: Improve tourism destination and enterprise management and staff capabilities, skills and competence and quality of unemployed labor, through local tourism training programs, internships, apprenticeships and vocational training. 19

Objective #8: Develop a unique "brand" for Jermuk aligned with its current and potential competitive advantages, identify appropriate target customer group(s), and actively promote the destination and theme to them. 21

Objective #9: Upgrade information on tourism services for Jermuk that will encourage tourists to visit, enable them to more easily orient themselves, and to assure that they are aware of everything there is to do in Jermuk. 23

C. Indirect Tourism Objectives 24

Objective #10: Enhance and protect the character of Jermuk as a tourism destination, typified by the architecture, green space, quality of the environment, cleanliness, hospitality of the people, etc. 24

Objective#11 – Improve, upgrade and expand transport infrastructure and transportation services to and from Jermuk 26

Objective #12: Upgrade modern communication links to Jermuk. 29

Objective #13: Expand medical and health facilities 30

Objective #14: Determine how many additional jobs are likely to be created as part of this initiative and assure that adequate and affordable housing is available to them. 31

Objective #15: Improve the existing infrastructure by committing to tear down or renovate each building in need of repairs, by improving the quality of signage and developing a modern, pleasing appearance for city streets, pavements and the park. 33

Objective #16: Develop solid and sewage waste treatment and disposal methods. 35

Objective #17: Seek to align local agricultural production toward the needs of accommodation establishments, restaurants and retail outlets; focusing on high quality organic production and local traditions. 36

Objective #18: Provide community facilities and services to improve the living standards and social environment of local people. 37

Objective # 19: Promote the religious and cultural heritage of Vayots Dzor and Jermuk, as a supporting element of Jermuk's vision and for the economic and social benefit of the local community and visiting tourists. 39

Objective #20: Maintain and enhance the rural environment in and around Jermuk. 42

Objective #21: Devolve some authority for the development of Jermuk to the town itself and actively attempt to engage the community in the development of Jermuk by encouraging participation and feedback, with the expectation that these measures will enhance the sustainability of Jermuk's development. 44

Objective #22: Enhance the business environment to increase the chances of attracting private sector actors to invest in Jermuk. 46

D. Framework Matrix 47

A. Structure of Action Plan

The Action Plan is the second of the development plan documents in the Jermuk Local Development Framework. The Plan provides narrative discussion around the objectives laid out in the Core Strategy (Volume One of the Development Framework documents) and justification for the individual actions, where necessary, based on the SWOT analysis. The direct tourism objectives are outlined first, followed by the indirect supporting objectives.

A framework matrix at the end of the Action Plan outlines responsibility and suggests indicators to determine whether the actions have been achieved. Further work will be required on indicators as some of the actions will require further discussion amongst stakeholders and the development of more detailed plans. Similarly, further discussion will be required on targets amongst those with more specialist knowledge. One column in the framework matrix is reserved for the anticipated cost of undertaking each activity. The research team has been unable to complete this; it requires more specialized knowledge from those more intimately aware of the subject area.

The Action Plan should be read in conjunction with the Cores Strategy and the two further Local Development Framework documents; the Development Process Guidelines and Development Control Guidelines.

B. Direct Tourism Objectives

<u>Objective #1:</u> Upgrade and improve the quality and range of spa, hotel, guesthouse and other accommodation facilities and services to orient them more toward today's demanding foreign and domestic consumers (including introduction of international standards)

Jermuk's facilities and services are still largely reflective of the Soviet culture in which they were created. The spas themselves are largely drab colors and even in cases where the designs of the facilities are nice, landscaping tends to be shabby or non-existent. In addition, many of the spas are somewhat dilapidated or run down. Enhancing the appearance of these buildings is critical. Additionally, new construction does not appear to follow strict design guidelines. An example here is the 'Castle' architecture of a partly constructed hotel on the way into Jermuk. It does not fit within the character of Jermuk, although building materials used are similar to those used in other buildings within the town. A town that has basalt as a local stone may want to consider promoting its use as a building material.

The hotels and spas must provide clients with more of a hotel rather than clinical hospital feel if they are to attract the higher paying 'wellness' tourists. Rugs on tiled floors, pictures on the walls, more comfortable seating areas with tables and lamps, addition of indoor plants in public areas or guest rooms will give a warmer feel to the establishment. All additions should of course be tasteful and high quality. Guest room facilities can be improved in the higher quality hotels and spas; comfortable beds that do not dip in the middle, fluffy duvets and soft clean sheets, a choice of pillows, soft towels, exclusive and attractive toiletries in the bathroom rather than cheap Chinese soaps and shampoos, soft toilet rolls, provision of bath robes and slippers, etc.

The range of facilities and services can also be expanded to include small shops for everyday essential items and souvenirs, business centers, room service catering, travel agent services, welcome packs in rooms outlining services available within the hotel, laundry and dry cleaning, and safety deposit facilities. In addition, infrastructure inside of the hotels frequently does not reflect the latest innovations in technology. For instance, none of the spas offer wired or wireless internet access in rooms, and only a limited number offer any point of access anywhere in the hotel. TV channels tend to be entirely in Russian and Armenian; most spas do not offer alternatives in other languages, such as English, French, and German.

Visitor service also largely reflects the Soviet mentality toward customers. Staff can frequently be inattentive to customer needs and rarely demonstrate a friendly and caring personality demanded by foreign guests. Typical staff responsibilities are often undertaken in a manner that suggests that they are imposition or inconvenience. Staff rarely show a clear enjoyment of their work. Not all staff wear uniforms or have badges identifying them.

For client safety and security, accommodation establishments must provide fire alarms, sprinkler systems, smoke detectors and information of evacuation procedures.

In compliance with the concept of healthy and active living, hotels, spas and other accommodation establishments should seriously consider providing no smoking public areas, restaurants and rooms. Preferably, rather than designating areas for non-smokers, areas should be established for smokers.

Management tools also fail to reflect best practices in hotel management; reservation systems could be upgraded by implementing IT-based reservation and hospitality management applications. This would allow for differentiated pricing where appropriate, such as lower prices for off-season visits, discounts for extended stays, etc.

The menus and quality of food served to guests can be improved. Most spas offer only one fixed menu that everyone has to eat at set times. There is adequate room for innovation here; possibilities include foods catering to healthy eaters (especially important in the context of Jermuk as a center for healthy living), as well as the introduction of fusion food with Armenian traditional cuisine mixed with healthy options. Choice and flexibility are important for foreign guests. They want to eat when they want and choose from a menu that caters for different diets (some perhaps as a result of religious persuasion), children, allergies and general dislikes.

One overarching alternative to addressing many of the issues highlighted above includes auditing the spas through the European Spa Association quality scheme, which would encourage them to achieve and maintain high standards for both the facilities and the services. The benefits of the scheme are said to include appreciation by overseas tour operators, promotion through the Association, recognition of international quality amongst spa-goers, quality testing of treatments, assessment of professionalism, regular monitoring and competition analysis.

The scheme specifically analyses the following:

Management system and conformity

a) General requirements for proper spa operation

- Quality of medical procedures and structure
- Treatment plan
- Preventive measures
- Final examination, medical report, letter from the spa doctor
- Analysis of natural local remedies (e.g. healing water, peloids, climate)
- Balneological report

b) General conformity with local regulations regarding natural local remedies and environmental protection

- Official approval for the extraction of natural remedies (healing water, peloids, etc)
- Drinking water quality
- Sewage and waste disposal

c) Therapeutically relevant structure and organization

- Qualifications of doctors, therapists and other medical personnel
- Standards of spa-related and general healthcare provided by doctors and pharmacies
- Quality and safety management executive

d) General quality and safety management

- Treatment measures
- Quality assurance in relevant medicinal procedures
- Data protection/confidentiality
- Hygiene plans, measures to prevent pathogens
- Disaster protection plans
- Safety facilities (fire protection, infection prevention, accident prevention, etc)

e) Quality and safety management (spa-specific aspects)

- Analyses of healing water and peloids including scope
- Documentation of cure analyses
- Quality assurance for external procurement of remedies and raw materials
- Risk analysis for medical products
- Cleaning and disinfection measures in connection with remedies

f) Analytical quality control

- Data management
- Regular analyses of pump rooms, baths, inhalations and mud applications

- Measures to check for and prevent the outbreak of Legionnaires' disease
- Surface hygiene

Procurement and provision of remedies

a) Protection of medicinal springs and peloids

- Conservation of nature and resources
- Springs

b) Production, treatment and storage of remedies (peloids, healing water)

- Storage, processing and transport
- Hygiene
- Treatment, reuse
- Bathing water treatment
- Environmental protection, safety management

Therapies, treatment, swimming pools, wellness

a) Medical sector

- Patient management, patient files
- Medical rooms
- Drug management
- Emergency infrastructure and management

b) Treatment and rest areas

- Hygiene management
- General suitability of premises and technical infrastructure

c) Bathing and sauna areas

- Safety management
- Bathing standards
- Cleaning and disinfection in and around baths
- Safety and hygiene in saunas, Turkish and steam baths, as well as other wellness areas and changing rooms

Accommodation

a) Accommodation and hotel infrastructure

- Standards of rooms, sanitary facilities and public areas: hygiene, patient safety, other spa-specific aspects
- Safety and hygiene regulations

Catering standards

b) Cuisine

- Kitchen hygiene, HACCP
- Range of meals
- Catering outlets

The spa associations of different countries, the UK being a good example, also have guidelines and quality assessment schemes that can assist hotels and spas in developing their facilities and services. The UK example focuses more on client services than the European scheme; information and enquiries, booking and arrival procedures, ancillary areas, other spa facilities and hospitality.

Any development relating to the Spas and their medical services and facilities should be coordinated with the Government concept for the development of Jermuk (and Armenia) as a recreation-health center. It is understood that this concept is currently in a discussion stage.

<u>Suggested Actions</u>

- ► Action 1: Reconstruct or refurbish accommodation establishments to reflect best practice, where necessary spa design and spa facilities, and to improve the external and internal appearance of the buildings. Ensure establishments provide suitable access for disabled guests. Maintain grounds surrounding accommodation.
- ► Action 2: Upgrade general visitor services to match demands of higher value international clients; wireless internet access in rooms, business centers, range of international TV channels.
- ► Action 3: Implement modern management techniques; IT-based reservation and hospitality management applications that provide different room rates according to season, period prior to stay, length of stay, etc.

- ► Action 4: Improve menus and quality of food served to guests; cater for a wide variety of health-related diets (gluten-free, vegan, vegetarian, etc), introduce fusion food combining Armenian traditional cuisine with healthy options.
- ►Action 5: Accredit spas to the European Spa Association scheme to achieve and maintain high standards of facilities and services.

<u>Objective #2:</u> Improve, upgrade, provide evidence for and diversify the range of medical treatment facilities and services at spas, to orient them more toward today's demanding foreign and domestic consumers

Spa services are the basis for Jermuk's economic and tourism strategy. Given the apparent qualities of the water and the fact that it is the premier spa destination in Armenia, Jermuk should look to best practices in spa tourism development around the world to develop appropriate facilities, services, and supporting services and attractions.

Currently, spa services are geared towards those looking for treatment for specific illnesses and ailments. There is a wide range of these types of services available, and staff are knowledgeable about providing the treatments. The assets inventory, undertaken as part of the strategy development process, identified these as:

- Mineral water baths
- Turf/paraffin procedures
- 4-chambered galvanic bath
- Underwater massages
- Gynecological syringing
- Hydrocolonotherapy
- Gastric/duodenal washing
- Mineral water and herbal inhalations
- Electro-massages
- UV light therapy
- Herbal masks
- Classic massage
- Peat-electrotherapy
- Electro-physiotherapy

Apparently, evidence for these procedures exists, in general and particularly relating to the benefits of Jermuk water, although no such research was readily available to the research team. It is anticipated that such research was undertaken during the Soviet period and therefore can be considered to be out-of-date. To strengthen Jermuk's brand and image of the currently available treatments, existing studies about the mineral waters should be reviewed by an external independent medical research commission to provide specific evidence for the health-related benefits that Jermuk mineral water may provide. New research may also be required where there is a belief that the treatments may actually cause harm or if the quality of historic research is questionable. The lack of recent, independent scientific evidence prevents Jermuk from effectively promoting its treatments to a new market of potential tourists; foreign visitors will be apprehensive in visiting and undertaking a treatment regime with which they are unfamiliar and which has not been independently approved. In addition to this, many of the spa facilities provided in Jermuk are old and in a poor state of repair – bare wires or poor wiring for equipment requiring electricity, significant rust and limescale, etc. Equipment should be assessed on an annual basis (particularly if electricity is used) and upgraded when required.

Additionally, in order to expand the tourism sector in Jermuk and attract new types of visitors, spa services will need to be expanded and more flexible to meet the needs of a variety of customers. The services to be focused on would be primarily for the wellness market, as Jermuk already offers services for medical tourism.

There is a broad range of spa treatments that could be considered and professionals in this industry would be better poised to offer suggestions. However, examples include facials, manicures and pedicures, reflexology, saunas, steam baths, Jacuzzis, aromatherapy massages, body treatments, hydrotherapy, waxing, eye treatments, body wraps, skin exfoliation and dermabrasion, stone treatments, etc. Many spas have introduced specialty treatments that they have developed themselves and Jermuk spas could do the same.

In addition to specific spa treatments, wellness services may also focus on nutrition and healthy eating, sexuality, stress management, substance abuse, weight loss, fitness programs, mental health, health classes, yoga, pilates and a variety of massage types. The choice of activities should be determined through further analysis of the potential markets and market demand. For example, winter sport tourists could also be spa-goers, but may have different needs and interests. If Jermuk is to provide a range of active outdoor pursuits, then it may need to focus more on relaxation treatments. Since research suggests that many visitors to Jermuk currently do not stay overnight, there may be a strong market for day or half-day therapies.

The individual spas within Jermuk should also try to differentiate themselves from the others, to provide potential tourists with a range of options in terms of experience and service types.

Any development relating to the Spas and their medical services and facilities should be coordinated with the Government concept for the development of Jermuk (and Armenia) as a recreation-health center. It is understood that this concept is currently in a discussion stage.

Suggested Actions

- Action 1: Collate existing research into the medical evidence for the health benefits of mineral water treatments (inhalation, digestion, bathing, etc), particularly where studies have been taken on mineral waters with a similar chemical composition to that in Jermuk. Additionally, commission external independent medical research to provide specific evidence for the health-related benefits that Jermuk mineral water may provide.
- Action 2: Re-orient and diversify spa services and treatments to reflect the growing interest in the wellness tourism segment, including complimentary indirect health-related services. Target specific treatments and design treatment packages according to market demand; winter sport tourists as well as spa-goers, different age groups, gender, etc. Ensure differentiation from other spas in the region and the town. Focus on providing spa treatments for day visitors as well as those staying overnight.
- Action 3: Update and modernize facilities and equipment used for spa treatments to those used by the best spas in Europe.

<u>Objective #3:</u> Develop and enhance the winter skiing and other winter sports facilities and services available in Jermuk.

Jermuk's recent introduction of a ski slope is an attempt to enhance the attraction of Jermuk as a truly year-round destination. However, it will likely require some enhancements in order to make it a truly world-class facility.

For one thing, the slope currently features only one run (with another currently under construction and expected to be ready soon). Additional slopes would be helpful; Jermuk will likely want to monitor the number of visitors in both peak and off-peak seasons in order to determine whether the additional investment would be likely to show a positive return.

Currently, the slopes really only cater to individuals who are already capable skiers. Not only does a professional training facility not exist; but even the second slope (currently under construction), which is theoretically designed for beginners, is a bit steep and perhaps not suitable for complete beginners. A valuable addition to the facility would be a professional ski school with modern equipment (in line with the equipment, such as boots and skis, that have already been procured), and trained instructors capable of reaching both young and adult amateur skiers. The instructors would benefit from language training in order to teach skiers of different nationalities.

Another challenge is that transportation to the slope can be challenging. Although it is arguably in walking distance from some from the spas, the slope is several kilometers away. Those who do not want to walk are forced to drive; and parking in the area may be limited at peak periods. A useful addition would be public transportation that runs between the hotels and spas in the center of the town to the ski lift. A shuttle that runs perhaps every 30 minutes would serve the purpose.

As mentioned under the objective focusing on health facilities, there is a need to ensure tourist safety through the provision of trained first aiders, or preferably paramedics, and necessary first aid facilities.

In addition, other innovations could enhance the appeal of the slopes. These include: a ski pass scheme for day and longer-term visitors; the addition of other winter sports activities, such as cross-country skiing and tobogganing, snow-shoeing and the organization of special events and competitions related to the winter tourism theme. Such competitions could be of a serious nature or focus on providing fun and entertainment. Further research would need to be conducted in order to measure market demand.

The ski area will provide food and beverage facilities during peak periods. Efforts should be made to ensure that they cater to the foreign tourist by providing menus in foreign languages and an appropriate range of snacks and drinks. Menus should obviously cater to market demand but at the same time, ensure that options are in line with the concept of healthy living.

<u>Suggested Actions</u>.

- ► Action 1: Monitor the performance of the ski facilities in terms of visitors served during the winter and off-peak periods in order to provide evidence for consideration of further expansion of lifts and runs.
- ► Action 2: Establish professional ski schools, with modern equipment hire, trained and qualified multi-language instructors catering for young and adult amateur skiers.

- ► Action 3: Provide transportation between the hotels and spas in the center of the town and the ski lift.
- ► Action 4: Design and implement ski pass scheme for day and longer term visitors.
- ► Action 5: Research and conduct feasibility studies for additional winter sports opportunities; snow shoeing, cross-country skiing, tobogganing, outdoor ice-skating, etc.
- ► Action 6: Organize and implement special events and competitions on the theme of winter tourism; skiing, tobogganing, etc and combine with cultural elements.

<u>Objective #4:</u> Develop and enhance Jermuk's reputation as an international center for chess competitions through the provision of appropriate facilities and effective promotion.

Jermuk is already considered by the Armenian Chess Federation as a center for Chess in Armenia. Indeed, a number of national and international tournaments have been held there. According to the Federation, the constraints to optimizing use of the town are the capacity of existing facilities (the school is only able to accommodate 120 people), accessibility caused by the poor infrastructure and distance from Yerevan, and the lack of funding to provide adequate promotion of the tournaments and prizes.

The capacity of facilities could be addressed if a large indoor sports facility is created (see objective 5). Funding could be increased through the local municipality or from the hotels and spas that would be hosting participants. The Armenian Chess Federation should receive support from the community and local government in reaching out to other national chess federations.

If Jermuk is to increase its reputation as a chess center, consideration should also be given to organizing prominent lessons by chess masters, arranging seminars or other appropriate activities.

<u>Suggested Actions</u>

- ►Action 1: Consideration of the needs of the Armenian Chess Federation in the design and construction of other buildings within Jermuk in order that large chess tournaments can be held in Jermuk.
- ► Action 2: Provide support to the Armenian Chess Federation in promoting Jermuk (and its facilities and services) to the International Chess Federation, and in providing prize funds, in order to stimulate greater demand for participation in Armenian competitions and tournaments.

<u>Objective #5:</u> Develop Jermuk's capacity and reputation to host high-value and quality pan-Armenian and international youth camps through the provision of quality facilities and human resources.

Jermuk has successfully hosted two 'Baze' (Eagle) Pan-Armenian Youth Camps in Jermuk – in 2007 and 2007. Each camp lasted 10 days and involved around 600 young people; 25% of them from the Diaspora. The camps were hosted around the Gladzor, Nareg and Tulis hotels so that the young people were essentially contained within one part of the city. The strict rules of participation ensured that there was no unruly behavior or disruption to other guests staying in the town.

After studying the format and structure of the camps, it is apparent that the concepts – of physical, mental and cultural engagement and interaction - fit well with Jermuk's overall vision. However, two key issues, raised by the deputy director of the Pan-Armenian Youth Federation need to be addressed.

The first relates to the accommodation facilities available in Jermuk. Although the current accommodation supply is sufficient (there are enough available beds in the three hotels chosen to host the participants), indoor space is required to hold a number of the events being undertaken – quizzes, cultural performances, entertainment, fashion shows, debates, etc. This obstacle could be removed by the construction of an indoor sports arena large enough to accommodate the number of participants.

Consideration should be given to the sustainability of hosting the camps. Whilst accommodation prices are relatively low at present, these could conceivably increase as Jermuk's tourism potential and demand increases. If the three hotels currently hosting participants are renovated and/or enhanced further they may be able to attract higher paying clients, thereby restricting the ability of the Foundation, through its partners and funders, to cover the accommodation costs; currently the major part of the camps' costs.

The second issue relates to the activities available in the town. Jermuk has very pleasant surroundings for a youth camp but realistically very little to specifically make it more attractive than other destinations, such as Tsaghadzor, which is closer to Yerevan and provides, through its larger ski facilities, more opportunities for physical activity. Jermuk will become a preferred destination if it can start providing a range of physical outdoor pursuits for the young people to engage in.

These could include rock climbing, mountain biking, sailing, rowing, abseiling, trekking, horse riding and an assault course. Such activities would complement the theme of healthy and active lifestyles and would be of interest to tourists; thereby increasing the likelihood of them being sustainable financially year round. It is therefore suggested that Jermuk seek to establish a number of sports and adventure clubs in and around the town that provide professional trainers, suitable facilities for seminars and indoor training, modern equipment, sanitary facilities (toilets and showers) and other facilities relevant for the specific pursuit.

The individual activities should be run as businesses in order that they make a profit to further invest in expansion and upgrade equipment, although grants could be considered to establish them and cover costs such as training the initial group of trainers. All facilities should be created according to international best practice in safety and trainers accredited to standards established by international bodies. The choice of which pursuits to adopt first should be based upon an assessment of the community's interests and growth of each sport in Armenia.

The Government's policy toward physical education and sport is outlined in the Government's 2008 Program: "the population's health improvement, creating conditions for the harmonious development of individuals, continuous physical education for different age and social groups and access to physical education and sports, physically fit young people ready to protect their country, as well as preparing highly skilled sportsmen and ensuring effective participation of teams and sportsmen from the Republic of Armenia in Olympic games, world and European championships." Commitment is specifically made for providing facilities in rural areas.

Suggested Actions

- ► Action 1: Establish affordable recreational facilities and services (in the form of specific sports clubs) that complement the Jermuk vision of active and healthy lifestyles. These should include sports fields and a multi-activity center (for mountain biking, rock climbing, horse riding, windsurfing, rowing, trekking, etc). An assessment should be undertaken to identify the interests of the local community and the interest in providing sports courses. The recreational facilities should be devised and developed to also take account of their future use by domestic and foreign tourists.
- ► Action 2: Fit out the multi-activity center (sports clubs) with modern and safe equipment and qualified trainers.
- ► Action 3: Construct a purpose built facility for indoor sports to include a fully functional gymnasium (fitness center), swimming pool and arena for boxing, weightlifting and martial arts. The facility should also take into consideration the need for suitable space to hold international chess competitions and tournaments.

<u>Objective #6:</u> Improve the quality and diversity of related and supporting industries to the tourism cluster in Jermuk, including attractions, restaurants, shops, leisure activities, etc. in order to provide tourists with more activities, increase daily expenditure per tourist and increase longer stays

While the spas and ski lift are the primary attractions within Jermuk, attention must also be given to those industries or sectors that support tourism. This is key because, in addition to raising the levels of satisfaction among visitors, they provide another outlet for tourists to spend money, elevating expenditure on a daily basis from their current relatively low levels. Given Jermuk's largely isolated location, it potentially enjoys a "captive audience" with very few other outlets for spending.

Although spas currently offer all-inclusive packages which include three meals a day, this is expected to change in the longer term as visitors will want to have a greater amount of choice in where and what they eat. Consuming the same food everyday in the same environment becomes tedious, unless the diet is specifically regulated on medical grounds. However, there is little in the way of choice for tourists; choice in restaurant or on the menu. Food offered in the restaurants is not dissimilar to what is provided in the spas – perhaps apart from the barbecued meat. Restaurants should be encouraged to provide more comfortable and appropriately designed interiors, improved signage for easy identification, a wider range of menu options (particularly in line with the concept of good nutrition and appealing to western tastes), daily specials, evening entertainment, and staff able to speak a foreign language and make recommendations on the menus. All restaurants should have regular inspections for health and safety in line with government legislation. Those restaurants no longer operating or able to be renovated should be condemned.

In compliance with the concept of healthy and active living, restaurants and other public venues should seriously consider providing no smoking areas and rooms. Preferably, rather than designating areas for non-smokers, areas should be established for smokers.

The area around Jermuk is renowned for the quality of its organic and naturally growing food products. The fish are particularly popular. Restaurant owners and managers should attempt to fuse the Jermuk and Armenian cuisine with healthy options to produce new menus that can be attractively presented, using local produce that cater to a variety of tastes and that are healthy.

In many ski resorts around the world, winter sport participants are able to take advantage of après-ski facilities available. The term was established around the idea of going to a bar on the last run of the day, still wearing ski clothing. It is also similar to the '19th hole' in golf, where golfers like to socialize with their friends after a round of golf. Après-ski facilities typically consist of venues for eating, drinking, dancing, socializing with friends and participating in or watching cultural performances. Jermuk's facilities at present only extend to a small café at the base of the ski lift. Facilities should be expanded, not necessarily along the traditional idea of après-ski, but to provide evening entertainment for guests who currently have little to do at the end of the day. The art school in Jermuk trains the local community in singing, dancing and music, so there should be plenty of talented people available.

As mentioned under objective five, there is a need to provide more for visitors to Jermuk to do, other than just skiing and undertaking spa treatments. As a center of healthy and active living, Jermuk needs to accommodate the needs and interests of tourists as well as the domestic population. The range of activities has already been described. However, foreign

tourists will require additional facilities and services to Armenians. For trekking, horse riding and mountain biking, specific trails should be developed to provide an extra level of comfort for those not familiar with the Armenian terrain and geography. They will need to know in advance, levels of difficulty of specific trails and the length of time required to follow each trail. Foreign tourists may also be more demanding of equipment, such as mountain biking helmets and riding caps that Armenians are not used to wearing. Details of all trails and where tourists can go to rent horses and cycles should be provided by the hotels and spas with details of prices. Staff responsible for each activity should have some level of language ability that enables them to communicate effectively. All equipment used must be adequately maintained.

Apart from a few stores selling basic groceries, toiletries and souvenirs, there is little in the way of retail opportunities for tourists. Objective 19 deals with the provision of handicrafts and artwork, but there are also opportunities for local enterprises to sell Jermuk branded merchandise, ski clothing and equipment, outdoor pursuits-related items (clothing, maps, tents, ropes, etc), local processed food products and photographic goods.

There is a distinct lack of internet facilities in Jermuk. As well as providing internet access for guests not staying overnight in hotels and spas, internet cafes should be encouraged for those staying at accommodation establishments without such services. Other tourist needs will include ATMs accepting international VISA, MasterCard, Diners Club and American Express cards and exchange kiosks.

There are a number of tourist attractions in and around Jermuk that may provide for an interesting diversion from the active pursuits and spas. Worth mentioning are the Pilkahas Caves and Mamarza Settlement, although neither of these were visited by the research team. Any attraction of local or national significance should be highlighted, made more accessible and provide information, in the form of multi-language interpretation boards or signage, to make the visitor experience more enjoyable.

Suggested Actions

- ► Action 1: Renovate and enhance existing tourist attractions such as the Pilkahas Caves, Mamarza settlement; provision of multi-language interpretation boards, road and pedestrian signage, improve access.
- ► Action 2: Encourage sale and/or redevelopment of run-down restaurants and enhance offerings of existing restaurants; diversified menus, introduction of healthy options, improved signage, multi-language menus.
- ► Action 3: Develop après-ski facilities and opportunities; bars, music clubs, cultural entertainment venues in keeping with target markets and Jermuk's character.
- ► Action 4: Develop network of marked hiking/trekking trails of varying difficulties and lengths; clearance of paths and installation of necessary infrastructure (bridges, drains, steps, etc), provision of signage and interpretation boards, creation of maps.
- ► Action 5: Establish mountain biking and horse riding trails; designation and marking of routes, provision of bike rental and maintenance facilities, identify or establish equestrian center with quality equipment and trained horses, creation of maps.
- ► Action 6: Encourage and establish retail outlets catering to the needs of foreign and domestic tourists; including souvenir/handicraft shops, outdoor equipment stores, ski equipment retailers.
- ► Action 7: Encourage establishment of additional tourism services; limited number of public-access internet cafes (not gaming centers), exchange kiosks, ATMs accepting international credit and debit cards.

<u>Objective #7:</u> Improve tourism destination and enterprise management and staff capabilities, skills and competence and quality of unemployed labor, through local tourism training programs, internships, apprenticeships and vocational training.

Key to Jermuk's ability to deliver to tourists customer-oriented products and services, will be the quality (and quantity) of its workforce. It is understood that many of those currently working in the tourism and hospitality industry in Jermuk have had little in the way of academic or vocational training, although there are exceptions to this. Scholarships have been provided, albeit to a very limited extent, and there is evidence that students from Jermuk are undertaking tourism-related courses at Yerevan universities. However, discussions with the local employment office suggest that there is difficulty in encouraging students to return to the city after studies; there is a brain drain of the most talented students. The nearest higher education establishment to Jermuk is the Yeghegnadzor Branch of the Yerevan State University of Economics. The Branch has only recently commenced teaching tourism and hospitality-related curricula. The Armenia Spa has apparently engaged with the Marriott Hotel in Yerevan to train some of its staff. However, the fact remains that skills and knowledge building programs are required for existing staff and managers of many of the tourist enterprises in the town (retraining).

With employment growth anticipated with the implementation of this strategy, it is also important to train a new generation of workforce. Most of the future job openings will be related to service and operational employment and therefore the focus must be on vocational training. There will be a smaller need for people with management skills developed through academic programs.

Management training will be required specifically in hospitality, spa operations, destination management, food & beverage operations, event management, marketing, and general business management.

Vocational training needs are broader and will need to focus on the specific jobs within each of the major enterprises:

1) Accommodation Establishments – cooks, waiters, barmen, front desk, back office, housekeeping, concierge, maintenance, maids.
2) Spa Services – doctors, medical and treatment personnel, nutritionists, fitness consultants, counselors.
3) Restaurants – cooks, waiters.
4) Ski Facilities – operators, instructors, attendants.
5) Sports & Pursuits providers – instructors.
6) Other – tour guides, travel agents, museum guides.

There are also a number of cross cutting training needs including first aid, customer service and language skills that should receive attention.

Training should, wherever possible, be conducted according to international standards, for which curricula and skilled trainers are often available. Utilizing existing international capabilities may be more expensive but can lead to higher levels of customer satisfaction.

There are several mechanisms for delivering training to address these needs. The nature of the training that is necessary will depend in large part on the target audience and the skill being taught, but among these include:

1) Internships. These provide students with an opportunity to put their academic skills to work in a practical environment. It also gives potential employers both a source of

cheap, short-term labor, and (more importantly) the opportunity to evaluate the candidate for potential full-time work upon graduation. These are most useful in professional fields.

2) Apprenticeships. Very useful for skill-based vocations, apprenticeships provide students the opportunity to hone their skills under the tutelage of an experienced veteran in the field.
3) Vocational Training Courses. An excellent opportunity to build skills faster than one could in a university setting.
4) In-House Training. The spas and hotels may also offer in-house training for skills specific to their operation. This is a good way of building the skills of existing employees that the firm does not want to lose to study for a period of time.

Such mechanisms are highlighted in the Government's Program for 2008, where the need for improved direct links between the business world and educational institutions should be developed. Emphasis, in the Program, is also placed on increasing the accessibility of education for disadvantaged groups, implementing targeted training and developing vocational training opportunities. A similar approach is also outlined in the EU Neighborhood Policy Action Plan for 2007-13: Make further reform efforts in the fields of education, vocational training as well as continuous/adult education (to promote human resources development as one of the main pillars of the Government's Poverty Reduction Strategy). The EU Action Plan also argues to: Reform and modernize the education and training systems within the framework of Armenian plans towards convergence with EU standards and practice.

Consideration must be given to the venue for vocational training. Since Jermuk does not have any higher education institutions, and since it may be difficult to persuade lecturers to reside in the town, a compromise of locating training facilities in Yeghegnadzor, as a part of the Branch of the Yerevan State University of Economics may be more appropriate. However, local stakeholders have indicated that training should ideally be held in Jermuk. What is also important is that training is followed by a period of assistance from qualified individuals to help the workforce adopt the new techniques and skills they have developed.

<u>Suggested Actions</u>

- ►Action 1: Train existing staff in general tourism and hospitality skills; customer service, language skills.
- ►Action 2: Train management and senior staff in hospitality management, restaurant management, spa management, destination management, tourism and marketing.
- ►Action 3: Train existing staff according to specific duties and responsibilities; front-desk, back office, spa assistants, housekeeping, concierge, waiting, cooking, tour guides, ski lift attendants, ski instructors, outdoor pursuits instructors. Use international accredited courses wherever possible.
- ►Action 4: Establish a tourism office within the Jermuk Municipality to manage the process of tourism development and destination marketing. Funding will need to be identified through the local municipality or other government and private sector contributions.

<u>Objective #8:</u> Develop a unique "brand" for Jermuk aligned with its current and potential competitive advantages, identify appropriate target customer group(s), and actively promote the destination and theme to them.

It is essential that Jermuk portray a consistent image in signage, brochures, tourist information websites and other promotional materials to promote its brand and differentiate itself from other locations within Armenia and around the region. This is done through the development of a branding strategy. The first step of this process will be to identify the target markets so that the Jermuk brand will be enticing to those markets and successfully attract them to spend time in the town.

The municipality will have to work closely with the national level tourism associations and ensure successful destination management and adequate promotion of the Jermuk opportunities. This includes lobbying the national and regional governments for assistance, changes, and cooperation as needed to carry out the proposed LDF and master plan for tourism development, as well as working to strengthen Jermuk's relationships with ATDA and tourist-oriented business associations, such as the Armenian Guides Guild, Hotel Association and Restaurants Association based in Yerevan. The municipality should do what it can to cooperate with Armenia's overall vision for tourism, while also playing an active role to ensure Jermuk is presented by other tourism organizations as a place for healthy and active living. Any activities the municipality can carry out to encourage the strengthening of the tourist-oriented business associations (such as allowing them to meet at community centers, inviting the presidents of the associations for a weekend in Jermuk, etc.) to help Jermuk businesses to develop these relationships, would be helpful towards improving community participation and coordination to promote Jermuk as a tourist destination.

Once a brand is developed, the municipality should incorporate their logo/slogan into a variety of tourist-oriented information (websites, brochures, maps, etc) and infrastructure, including "welcome" signs to the town, on signage at tourist information centers, and banners that can be put on street lights.

Part of the Jermuk brand should be that it is inviting to a variety of tourists. This can be done by ensuring a range of tourist services are available and making it easy for people unfamiliar with the town to find tourist attractions. Main tourist facilities should therefore have road signs pointing the way to each, in Armenian, Russian, and English. These signs should be designed to be easily recognized as pointing out a tourist facility by using consistent colors, shapes, or designs throughout the municipality for all of these types of road signs. The municipality may also consider doing a workshop with major tourist facilities to help managers to understand the municipality's branding campaign and assist them to understand their business' role within that campaign and how they can design their promotional materials to fit within both Jermuk's brand as well as each organization's unique brand.

Another activity which can help to strengthen the brand and also reach out to specific target markets is to develop tourist circuits to be added to existing tours that provide activities in keeping with the brand & vision of Jermuk for different timeframes (short add-ons, 2-day, 3-day, 5-day itineraries, etc.)

The independent scientific study regarding the qualities of the water in Jermuk (see objective 2) would also provide additional support for the Jermuk brand, particularly for today's more discerning tourist.

Suggested Actions

- ► Action 1: Clearly identify the characteristics and profile of the target markets, including age, gender, expectations, etc.
- ►Action 2: Develop a branding and promotion strategy for Jermuk that clearly identifies the brand identity, promise, personality, and equity based on target markets, the products, services and experiences they demand, and the key messages required to attract the markets.
- ► Action 3: Design and print a range of promotional materials (maps, leaflets, guides, brochures, posters, etc), in coordination with the Armenian Tourism Development Agency and local enterprises to promote the town and its tourism offerings through international travel fairs, direct mail, the visitor information center.
- ► Action 4: Enhance the existing web portal for Jermuk in line with the brand strategy, to provide multi-lingual information to potential tourists on the products and services available in the town.
- ► Action 5: Develop tourist circuits to be added to tours that provide activities in keeping the brand & vision of Jermuk for different timeframes (short add-ons, 2-day, 3-day, 5-day itineraries, etc.)

Objective #9: Upgrade information on tourism services for Jermuk that will encourage tourists to visit, enable them to more easily orient themselves, and to assure that they are aware of everything there is to do in Jermuk.

Key to attracting tourists to Jermuk and to building the Jermuk brand, in addition to the infrastructure and other upgrades recommended in this document, will be a strong effort to communicate what Jermuk has to offer to the outside world. This communication must always take place on two levels: First, at the level of the remote tourist seeking a destination; and second, at the time that the tourist arrives in Jermuk for their visit. On both levels, Jermuk will need to communicate its offer more clearly to tourists.

At the "remote" level, it is very difficult to find information about Jermuk for the casual tourist surfing the web for tourist destinations. Not only is it difficult to find information about Jermuk as a destination, but accommodations (spas) are generally poorly presented, are not delivered in multiple languages, and do not provide tourists with the ability to purchase accommodation and treatment packages online, in real time. In addition, the ski lift could benefit from provision of details such as when open season is, what weather conditions are like, and pricing, among other things. The ski school proposed above could also be marketed on this website.

Similarly, tourists arriving on-site for their visit are provided very little assistance in discovering all that Jermuk has to offer. There is no visitor information center at the town's entrance to share information about Jermuk or to provide a map of the town. At visitor sites, there is a lack of signage describing what visitors are looking at or what its importance is.

In addition to addressing the issues above, Jermuk would benefit from promoting its opportunities to both Armenian and regional tour operators. These operators can act not only as booking agents, but as marketing agents that spread the word about Jermuk to potentially interested individuals who simply lack enough information about Jermuk to make an informed choice to visit.

Suggested Actions

- ►Action 1: Improve the visibility and quality of tourism accommodation and spa websites – information availability in a range of languages, ability to purchase accommodation and treatment packages online, in real time.
- ►Action 2: Establish website and promotional materials for the ski lift operation in a variety of languages; providing details of opening times, snow conditions, prices, ski schools, equipment hire, ski runs.
- ►Action 3: Establish Visitor Information Center in cooperation with the Armenian Tourism Development Agency, similar to the local information center established in Dilijan, providing information to tourists prior to and during their stay in Jermuk and assisting in accommodation bookings, etc.
- ►Action 4: Design, construct and install tourism information panels at various prominent locations in the town, providing details of nearby attractions, accommodation, shops and restaurants to ease navigation.
- ►Action 5: Promote Jermuk's new tourism opportunities to Armenian and regional tour operators.

C. Indirect Tourism Objectives

<u>Objective #10:</u> Enhance and protect the character of Jermuk as a tourism destination, typified by the architecture, green space, quality of the environment, cleanliness, hospitality of the people, etc.

To attract tourists, a consistent and pleasant town character is required, through the use of architecture and other design elements. Tourists appreciate a unique and local style of architecture and building materials, and a coherent integration of development for ambiance and good photographs. A mixed variety of architecture, types of buildings, and building materials in a small tourist center like Jermuk can result in a disjointed and displeasing look. Therefore, given Jermuk's current reputation for natural beauty, relaxation, and family, and its vision to be a tourist center, these qualities should be supported by any new development or renovations.

Architecture in Jermuk is a wide mix of styles. Many buildings are simple rectangular buildings from the Soviet era, some buildings have a pleasing European and/or local design, some buildings reflect modern architecture, and others are designed purely for function with no sense of design at all. New development and renovation should not detract in any way from the landscape, since the landscape is essential to the tourism industry in Jermuk.

The native Armenian architecture, however, uses local materials, provides visual interest for tourists, and is based on Roman and Greek architecture. Roman-style architecture in particular is pleasing for spas, and is a common architectural style for major spa towns such as Karlovy Vary. Good examples of this architecture include the Armenia spa, Olympia spa, and Tulis hotel which can serve as models for future architectural development. In addition to local architecture, other European architectural styles should be considered, such as ski lodge-style architecture (Interlaken, Switzerland) or elements of French or Czech architecture, in keeping with the type of tourism that Jermuk wishes to attract.

Signs and advertisements in Jermuk do not appear to be regulated in any way, and as a result, some signs work against the character of the town – such as the advertisement billboard just after crossing Friendship Bridge.

Street landscaping is partially achieved in Jermuk, and continuing this trend would enhance the town's natural character. The streets in Jermuk are largely clean and quiet, which fits well with the town character. There is also quite a bit of public art, such as in the park and at monuments, and this artwork also enhances the town's character as long as it is in keeping with architectural styles in the town.

Unfortunately, the large number of dilapidated buildings and some examples of unaesthetic architecture take away from the town's image. This is due to several factors, including pressure for development (which leads to accepting poor design or inefficient uses), lack of vision of Jermuk as a tourist center, haphazard development, poor maintenance, and loss of population and tourists over the past 2 decades.

These issues can be largely resolved through the adoption of development control guidelines (provided Volume Four of this Local Development Framework), the development of building maintenance codes, and enhanced enforcement.

Commitments made in the Government's 2008 Program are a step toward resolving these issues. The section on Urban Development states the Government will:

1) Address issues of restoration of architectural heritage and historical environments of cities as a stimulus to preserve originality and attractiveness, and also to encourage the creation of new jobs. For implementation of programs on historical construction and urban restoration of settlements, public-private partnership principles will be applied upon researching and localizing the international experience.
2) Continue measures aimed at improving investment attractiveness and the business environment through the progressive development pace of capital construction. Importance will be placed not only on the increase in volume, but also on the continuous improvement in quality standards, and in the promotion of investment initiatives, especially in less strongly developed areas.
3) Follow up with measures considered important from the perspective of ensuring urban development quality standards, such as enhancement of technical documentation and urban development standards systems to internationally accepted standards, thereby helping inter-operations of construction production and services in a common market, modernization of technologies, and increase in design and construction quality,
4) Focus on ensuring the seismic security and reliability of structures through increased seismic preparedness projects, reduction of the impact of dangerous estrogenic geological processes and man-made phenomena, including through development and implementation of the necessary, mainly preventive, engineering and protective measures in landslide areas.

Zoning is also an important component of any development plan. Zoning became an important part of development during the Soviet era, which is perhaps a result of why many of the residential buildings are located on left side of the town (close to the old airport). Zoning is an important factor in the Jermuk Master Plan, and the Plan should be updated on the basis of this strategy. Ideally, tourism infrastructure should be developed on the right side of the town, where most of the spas and hotels are located now. Residential buildings and community facilities should be developed on the left side of the town. Infrastructure that is of benefit to both the local community and tourists, such as the suggested sports facility, requires further consideration; perhaps somewhere between the tourist and residential areas.

Zoning, as part of the Development Framework, should also highlight community or publicly owned land that could be made available for development. In accordance with national legislation.

<u>Suggested Actions</u>

- ► Action 1: Devise, adopt and implement sound planning and urban design guidance and policies (See detailed Development Control Guidelines as part of Local Development Framework – Volume Four).

Objective#11 – Improve, upgrade and expand transport infrastructure and transportation services to and from Jermuk

Jermuk requires a modern, high quality, efficient and convenient transportation infrastructure and services between the town center and Yerevan.

The town, located approximately 175km from the capital is only accessible by road and takes approximately 2.5 to 3 hours with a good vehicle. Times for bus transportation are longer. The roads, particularly the M2 highway prior to Areni Village and from the M2 highway to Jermuk town are of a reasonable quality, although there are patches where resurfacing or reconstruction would be beneficial.

The Ministry of Transport & Communications has recently developed, in partnership with the Asian Development Bank, a national transport strategy. The strategy highlights five specific sector objectives: 1) upgrading international corridors; 2) rehabilitation of networks; 3) enhancement of governance and regulation; 4) improvement of institutional structure and capability; and 5) provision of better and more efficient service. A strategy for transport development is in line with a specific objective of the European Neighborhood Policy Action Plan document for the period 2007-13: Elaborate and start implementing a national transport strategy, including transport infrastructure development.

Jermuk will benefit from the upgrading of the north-south corridor between Yerevan and the border city of Meghri. Of the total distance of 175km, only 25 km of these are on the local road between Jermuk and the M2 National Highway. Development of the M2 highway to a dual carriageway for the whole length of the route between Yerevan and Meghri will reduce travel times by up to one third.

No decisions have yet been made on implementing the strategy. Asian Development Bank consultants will return to Armenia at the beginning of 2009 to undertake feasibility assessments. Therefore, concrete long-term actions concerning road infrastructure cannot be outlined in detail until the feasibility studies have been completed. This includes a decision on the feasibility of a road tunnel between Yerevan and Jermuk that is outlined in the government decree.

The Government of Armenia has indicated that it would like to establish a rail link between Armenia and Iran. Suggestions have been made that the rail link could connect Jermuk to Yerevan by either connecting to the existing rail infrastructure that stops at the border with Nakichevan at Yerakshavan or to the rail infrastructure that exists around Vardenis.

As with the road transport infrastructure, the feasibility study will need to be completed before any concrete actions can be determined.

Jermuk, at one time, provided the facility for small aircraft to land on the runway in the southern part of the town. The airport building and landing strip have now been unused for many years. According to the General Department for Civil Aviation, there is no opportunity for this same landing strip to accommodate small planes in the future; the approach to the airport is unsafe. The fact that a church has been positioned at the end of the landing strip also creates a considerable obstacle.

The Government of Armenia has indicated that it would like to have a new airport located in Jermuk's vicinity and the Government's Jermuk decree includes this provision. Two potential locations have been selected; one near Gorhayk Village and one near Karmrashen (both approximately 15-20 km from Jermuk). However, both locations are not without constraints.

One suffers from strong winds and the other has a very narrow landing. In any event, the altitude of both locations suggests that landing strips must be a minimum length of 2000m in order to accommodate the lower air pressure. Before any decision can be made on the ideal location, climatic studies must be undertaken. The International Civil Aviation Organization recommends that such studies take place over a five year period.

Other stakeholders suggested one other location for the airport, NE of the town. They suggested that climatic studies had already been undertaken, although there are doubts whether this is really true.

Alongside the climatic research required to select an ideal location, a thorough feasibility study should also be undertaken to examine the costs involved, the interest of the private sector in running either scheduled or charter flights and the demand for air transportation vis-à-vis other transport options. There is little point investing heavily in establishing a new airport unless the Government is sure that there is significant demand from Armenian citizens and foreign tourists and also interest from the private sector in operating flights.

An alternative suggestion to an airport, and one which has already been considered in the Ministry of Urban Development's Master Plan for Jermuk is the establishment of a heliport or location for helicopter landings. The same arguments apply concerning demand from consumers and the interest in private sector operators, however, the costs for establishing a location for helicopter landings are significantly less. Given that the number of helicopters visiting Jermuk is undoubtedly going to be low, the impact and inconvenience of noise will be very limited. Therefore, location within Jermuk for a helicopter landing is not considered to be particularly important. It should obviously not be located near to any protected areas or close to residential areas. Since it is presumed that visitors using helicopter services will be high paying clients staying in one of the town's spas, the landing location should be fairly close.

The growth of personal vehicles in Armenia has been very high in the past few years, despite official information on the number of registered vehicles being impossible to obtain. Since, for the foreseeable future, the majority of Jermuk visitors will travel by road, the municipality must ensure that the town provides sufficient vehicle parking space for cars, SUVs, minibuses and coaches.

Based on the current number of spa and hotel rooms (around 1000) and the assumption that 25% of overnight visitors during peak times will have their own personal vehicle, the accommodation establishments should provide a minimum number of 250 car park spaces between them.

Additionally, with an anticipated 1000 day visitors during the peak seasons (including winter skiing period) there should also be additional parking facilities for coaches, minibuses and cars. Consideration must be given to the possible visitation of disabled or elderly drivers and the additional space and convenience that they will require with parking.

It is anticipated, given Jermuk's vision, that there will be an increased number of cyclists on the town's streets. Therefore, provision should also be made for bicycle parking spaces at the major sites frequented by visitors during the day. These include cultural sites, the mineral water spring, the waterfall and restaurants.

A growth in arrival numbers to Jermuk will necessitate an increase in the number of direct public transport connections between Jermuk and the towns of Vayk, Yeghegnadzor, Martuni and Yerevan. The operation of such services will, as now, require the tendering of the routes according to provisions established by the Ministry of Transport &

Communications. Preference should be given to providers able to offer larger, modern, more comfortable and more environmentally friendly vehicles.

Consideration should also be given to providers able and willing to provide high levels of service; such as online timetables and ticket booking facilities, information widely available within the destinations served in a variety of languages, flexible ticketing options, easy purchasing, English speaking staff and operators, facilities for disabled travelers, fitted and operational seatbelts, and high standards of cleanliness of the vehicles.

As with many other national public transportation systems, it may be necessary to provide subsidies for the successful operation of the routes.

Three minibuses currently ply the roads in and around Jermuk providing transportation for local citizens. It is not anticipated that foreign tourists will utilize the local public transportation options, since the majority will visit and stay in the area around the spas.

Suggestion has been made in the Government decree to provide electric cars within the city. This could take the form of a slow-speed tourist-friendly electric bus service enabling visitors to travel to different locations in and around the town. Such a service should not duplicate routes provided by other local public transportation options.

<u>Suggested Actions</u>

- ► Action 1: Repair and undertake maintenance of certain sections of the road between Yerevan and Jermuk – particularly between Yerakshavan and Tigranashen, between Chiva and Areni, and between Arpi and Yeghegnadzor.
- ► Action 2: Provide adequate and substantial road signage (in English, Russian and Armenian) throughout the route between Yerevan and Jermuk, indicating direction and distance.
- ► Action 3: Develop road and rail transportation links according to the National Transport Strategy (should rail transportation be deemed viable).
- ► Action 4: Undertake feasibility study for establishment of airport and/or heliport; including climatic studies, study of demand and costs.
- ► Action 5: Produce a plan for the development of additional parking spaces (for coaches, minibuses, cars and bicycles) as demand grows – as part of Jermuk Growth Management Strategy.
- ► Action 6: Develop a plan for increasing the number of direct public transportation connections between Jermuk and other cities as demand grows – as part of Jermuk Growth Management Strategy.

Objective #12: Upgrade modern communication links to Jermuk.

The development of Jermuk as a modern tourism center will require the town to have high quality, reliable and efficient communication links. Improving communications, largely internet access to rural areas, is also a priority of the Government, as outlined in their 2008 Program. It is also an objective in the EU Neighborhood Policy Action Plan: Progress in the development and use of Information Society applications.

The town apparently has internet access provided by satellite, although reliability and speed are considered to be sub-standard. Access to the internet within the town also appears to be inadequate with only a few spas and the municipality building having access; likely due to high cost and limited reliability. Where access is provided, it tends to be one or two computers in an establishment rather than internet access available in bedrooms or WiFi access.

For accommodation establishments and other tourism service providers to promote themselves effectively and respond quickly to client enquires, it is critical that a 24 hour reliable internet service be established. The most suitable method to do this will be to install an optical cable from the main highway and then provide an incentive for local internet service providers to establish operations in the town.

To avoid unnecessary and unsightly cables being installed, operators offering WiMax technology should be encouraged, and if necessary subsidized.

The development of internet services in the town will encourage local businesses to adopt greater use of IT technologies. These could and should include online, real time access to online booking engines for accommodation establishments, greater acceptance of credit and debit card payments and greater reliance on web technologies. It will also encourage the establishment of internet cafes; providing affordable economic opportunities for local people.

Tourists would be attracted more to the town with the knowledge that they could remain in good contact with the outside world.

Although both VivaCell and Armentel both provide cellular coverage in Jermuk, there are areas within the town that have difficulty picking up a signal. An assessment of coverage by both cellular providers would be beneficial to examine the extent of the problem.

Suggested Actions

- ► Action 1: Install an optical cable to the town, from the main highway and establish WiMax services to provide high speed internet access to businesses and individuals.
- ► Action 2: Encourage greater use of and access to real time credit card payment facilities.
- ► Action 3: Ensure improved coverage of cellular phone reception.

Objective #13: Expand medical and health facilities

As a center for 'healthy and active living' it is critical that Jermuk provides a more complete array of health facilities in order to make tourists feel that they will be well taken care of in the event of an accident or emergency. Improved medical facilities also benefit the health of the local community. The Government of Armenia, in its 2008 Program, states that the quality and accessibility of healthcare services (hospitals and medical personnel) should match international standards, particularly in the Marzes. This is mirrored in one of the objectives in the EU Neighborhood Action Plan for 2007-13: Health Sector Reform.

Although Jermuk does have a polyclinic to provide basic care, there is not currently a hospital facility capable of attending to more severe injuries. In any tourist destination located several hours' drive from the nearest city (in this case Yerevan) where such care is available, this would be a concern, but it is especially relevant given the profile of the tourist Jermuk will be trying to attract. As a center for those seeking a healthy and active lifestyle, Jermuk will be offering activities (such as hiking and skiing) where there is a serious risk of injury. Having a hospital where relevant diagnostic facilities (such as x-ray equipment) and care (such as surgery and adequate drugs) is available, will be critical.

More immediate care should also be provided at the ski lift during opening hours in the form of paramedic services and a fully equipped ambulance to take patients either to the hospital in Jermuk or directly to hospitals in Yerevan.

Jermuk has dental surgeries but the extent of treatment available is limited. More advanced dental services should either be provided at existing clinics or at the proposed hospital.

Jermuk lacks an optician at present. Whilst this is not critical, it should be considered in the future as more and more visitors come to the town.

Pharmacies were not visited during the assessment process. Analysis should be made on the quality, variety and availability of drugs against the Armenian list of registered drugs.

Suggested Actions

- ► Action 1: Upgrade Jermuk hospital's facilities and equipment to provide Accident and Emergency services; particularly catering to potential skiing accidents.
- ► Action 2: Establish specialized dental clinic and optician within the town.
- ► Action 3: Provide dedicated and trained medical personnel for the ski facilities and an ambulance.

<u>Objective #14:</u> Determine how many additional jobs are likely to be created as part of this initiative and assure that adequate and affordable housing is available to them.

Jermuk currently boasts ample housing for its residents. However, several issues related to the housing situation could present major obstacles as Jermuk prepares for a greater influx of tourists.

First, although adequate housing does exist for the current number of residents, and for the suggested revised target of a total of 1000 direct tourism jobs, it is far short of the amount necessary to accommodate a considerable number of additional staff necessary for an expanded Jermuk tourism industry. Although estimates regarding the number of available houses are difficult to obtain, they are clearly far short of that needed to house up to 4,000 additional workers (the job growth envisioned by the Government decree).

Further research must be undertaken as part of a Growth Management Strategy to firstly determine the true situation concerning housing supply. Accurate data must be collected on how many housing units there are, how many are occupied, how many are habitable, how many are rented out during the year. Assessment then needs to be made, bearing in mind current employment figures, to determine housing needs under different scenarios of tourism industry and employment growth.

Second, the issue is further complicated by the fact that many houses currently empty, and theoretically available to seasonal or annual workers, are privately owned by individuals who live either in Yerevan or abroad (frequently in Russia). The inability to track down many of these people makes it difficult to ascertain specifically how many houses would in fact be available either for rent or for purchase. Their absence presents an additional problem in that the owners, many of whom have likely not lived in Jermuk for years, have in many cases allowed their properties to fall into disrepair. Therefore, even those houses that are theoretically available for rent would likely require some repair and subsequent upkeep. The owners of each private housing unit in the city, their location and contact information must be identified. Consideration should also be given to establishing a system that discourages the continued ownership of abandoned buildings and encouragement for individuals interested in purchasing those properties for actual residential use. Such an end could be achieved, for example, through steep taxation on non-residents that makes it unprofitable for those people to continue holding properties in hopes of their appreciating in value (see objective 15).

Third, the cost of renting in Jermuk is exceptionally high. Renters frequently pay $80-100 per night to rent in high season; and monthly rentals are virtually non-existent. This is compounded further by the fact that few people are willing to lower the asking price on their apartments or houses even when it remains un-rented for months at a time. Both of these factors combine to make housing barely affordable, driving up the wages demanded by workers and making the spa industry less competitive on a cost basis. With greater demand anticipated as a result of the projected influx of workers, prices are likely only to rise further. A system of providing monthly rental possibilities, especially for seasonal workers who are likely to live in Jermuk only three months of the year should be instituted. The same system should also provide incentives for the rental of housing units in the off season (perhaps through reduced prices) to minimize the number of vacant housing units in off-peak periods.

Finally, a challenge remains in determining how quickly to ramp up the supply of affordable housing, given that growth of the town in terms of tourist arrivals and required tourism workers is difficult to predict without accurate baseline data. Simply constructing a large number of housing units that are likely to remain uninhabited for years seems unlikely to be

beneficial to the town, as it is likely to result in a landscape further dotted with dilapidated, unused buildings.

Suggested Actions

- ► Action 1: Determine how many jobs are likely to be created in Jermuk. This would probably be best conducted as a scenario analysis (as part of the proposed Growth Management Strategy) that maps out different employment creation scenarios, since it is unlikely to be possible to project with any certainty the number of jobs that will be created.
- ► Action 2: Develop a flexible plan for the creation of additional housing units (again as part of a Growth Management Strategy), one that can be changed to reflect the actual number of jobs being created as realistic estimates become available.
- ► Action 3: Identify the owner of each private housing unit in the city, their location, and contact information.
- ► Action 4: Institute a system providing for monthly rental possibilities, especially for seasonal workers who are likely to live in Jermuk only three months out of the year.
- ► Action 5: Develop a plan that incentivizes the rental of those housing units in the off-season (perhaps through reduced prices or other incentives) to try to minimize the number of vacant housing units in off-peak periods.

Objective #15: Improve the existing infrastructure by committing to tear down or renovate each building in need of repairs, by improving the quality of signage and developing a modern, pleasing appearance for city streets, pavements and the park.

Renovating and improving the spas themselves will bear very little fruit unless the infrastructure and appearance of the town itself improves. Jermuk is situated in beautiful surroundings but, whether surveying the landscape from the top of the ski lift or driving into Jermuk along the main road, it is clear that the infrastructure could be improved.

Jermuk suffers from a number of eyesores. A town that boasts clean, fresh air and attractive forests is also dotted by buildings that are either incomplete or falling into disrepair. Examples include the disused resort on the side of the reservoir and the houses on the way into Jermuk used during the construction of the water tunnel to Lake Sevan.

For some of the buildings falling into disrepair, completion or renovation will be adequate to turn them into useful, attractive structures. In other cases, renovation is unlikely to be adequate and the buildings will have to be torn down. Both actions will be expensive. An added problem, apart from cost, is the relative difficulty in repurchasing unproductive infrastructure. Many of the buildings have private owners, many of whom live outside of the country. Owners are frequently "sitting" on property and waiting for it to appreciate in value, without investing further in it to improve its appearance and thereby add to its overall value.

It is important to determine under what circumstances property will be re-purchased from private owners; and what period of time they have to upgrade or sell property that is dilapidated or being put to non-productive use; and communicate this clearly to all private owners. Such policy could be instituted through building maintenance codes.

Billboards in Armenia tend to be the same size whether they are located on primary highways, in city centers or in quiet rural areas. Disproportionately large billboards greet visitors as they enter Jermuk. For a town as attractive as Jermuk, billboards should be of a smaller size and, where possible, screened from afar by vegetation. There should also be some element of control on the types of advertising. For example, vodka advertising on the way into Jermuk would contradict the idea of healthy living. Further details are outlined in the Development Control Guidelines (see Volume Four of the Local Development Framework).

Another type of signage, in contrast, to the billboards, and one which is far more important for tourism development is missing. Road and pedestrian signage directing drivers and walkers to the major accommodation establishments, restaurants, attractions and tourism service providers is lacking, making it difficult for tourists to find their way around the town. Locating the spas, the ski lift, waterfall and art gallery can be a challenge for the first-time visitor. Poor signage results in fewer people visiting these attractions and therefore less income. The Municipality should install appropriately and aesthetically designed signage along major roads and at locations frequented by visitors.

To become a popular destination and in line with the concept of healthy and active lifestyles, Jermuk must provide tourists with a pleasant, accessible and convenient environment to walk around. Sidewalks should be even and provide sloped curbs for wheelchair access, major sidewalks should provide street lighting, grassed areas should be well maintained, pedestrian seating should be installed.

Suggested Actions

- Action 1: Determine under what circumstances property will be re-purchased from private owners; and what period of time they have to upgrade or sell property that is dilapidated or being put to non-productive use; and communicate this clearly to all private owners (possibly through the development of building maintenance codes).
- Action 2: Install road and pedestrian signage to direct tourists to prominent accommodation establishments, restaurants and tourist attractions (See Development Control Guidelines).
- Action 3: Remove advertising (such as billboards) that is not in keeping with the desired character and vision Jermuk is trying to communicate. Inappropriate advertising should be made less conspicuous or re-done so that it is consistent with Jermuk's targeted image (See Development Control Guidelines).
- Action 4: Renovate pedestrian sidewalks, public paths and public areas. Install street lighting in areas frequented by tourists (See Development Control Guidelines).

Objective #16: Develop solid and sewage waste treatment and disposal methods.

Contamination of Jermuk's water courses represents a severe threat to the development to the town as a tourist destination, especially given its goal of developing a brand based on being a center of healthy living.

Discussions with stakeholders have identified a critical obstacle to the development of the town. Apparently, Jermuk's sewage is untreated and left to flow into the Arpa River. Part of the sewage pipeline travels underneath the reservoir and sewage is leaking upwards into the water. This will obviously be detrimental to efforts to establish any water sports on the lake. Much of the sewage system is said to be outdated.

Given the desire to develop Jermuk further it is crucial to install new sewage treatment facilities so as to prevent untreated sewage entering the river. An improvement to sewage systems is a commitment stated within the Government's 2008 Program.

Pollution is also probable, although not tested, by the lack of adequate lining of the waste disposal site. Without suitable protection, toxic chemicals can enter the groundwater and pollute springs and water courses.

A study should be undertaken to assess current solid waste collection and disposal facilities, followed by mitigating measures. Attempts should be made to reduce the amount of waste being disposed by introducing recycling facilities, where these facilities can be economically and environmentally viable (depends on the distances materials would need to travel) – see also objective 18.

The potential impact of pollution to human health and the environment through solid or sewage waste malpractice is obvious. Tourists becoming sick may jeopardize the reputation of the entire town, and even the perception that Jermuk's water may not be safe could scare off worried people. This is compounded by the situation regarding the health facilities described above, and a further influx of visitors could place substantial strain on the substandard system. Apart from the impact on human health, polluted water could also have a negative impact on the ecosystem, which also represents a problem in an area that stresses healthy and active, outdoor living.

The EU Neighborhood Action Plan for 2007-13 under the general objective "Encourage further economic development, enhance poverty reduction efforts and social cohesion, thereby contributing to the long term objective of sustainable development, including the protection of the environment" provides a specific action to: Further improve agriculture, rural infrastructure, water resources, social protection and education as a measure to further combat poverty.

Suggested Actions

- ► Action 1: Establish modern sewage treatment facilities, including sewage pipelines (so as to prevent further sewage leakage into the reservoir).
- ► Action 2: Assess current solid waste management practices to avoid groundwater pollution.
- ► Action 3: Seek to establish frequent and reliable waste and recyclable materials collection.

<u>Objective #17:</u> Seek to align local agricultural production toward the needs of accommodation establishments, restaurants and retail outlets; focusing on high quality organic production and local traditions.

The agricultural sector should re-align its activities to assure its future as a source of livelihoods for a significant number of farmers. Jermuk's push to become a spa tourism destination provides them with a unique opportunity to do so.

The agricultural sector, while it provides a source of livelihoods for a substantial number of individuals in rural Jermuk, is struggling. The source of its problems lies in both a lack of awareness of and access to markets, as well as obstacles on the production side. The agricultural sector currently lacks much of a market for its products, and has even less information about the market that does exist. Although it is a producer of meat and dairy products, it produces very little in the way of fruits and vegetables, and produces practically nothing that could be considered a "high-end" or "niche" product. Diversification will likely need to be pursued to provide farmers with a source of year-round income. Further complicating things is the fact that mechanization is underdeveloped on the supply side, meaning that the sector is also less efficient on the production side than it could be.

Efforts must be made to firstly identify market demand for agricultural products from the accommodation enterprises, so that farmers are aware of what is required (meat, dairy, fruits & vegetables), when and in what quantities. With more careful planning and an improved flow of information, productivity and sales will increase.

A coordination structure between tourism enterprises and farmers should be established to provide education on seasonal needs, delivery requirements, packaging, and food quality. A particular area of interest might be heightened interaction with the spas themselves, as well as restaurants that support the spa industry, to identify potential unexplored niches (such as organic foods and specialized food products).

Grants for local farmers may help to improve mechanization, use of pesticides and fertilizers, and provide education on suitable crop and animal species. However, grants to individual farmers may be inefficient and impracticable given their cost. Therefor, making grants to a structure like an association, which could provide shared access to equipment to association members, may prove worthwhile. Promotion of such structures can also have positive secondary effects, as farmers may see the business sense in other shared activities (such as sourcing inputs, branding, or the use of the structure to obtain market intelligence).

<u>Suggested Actions</u>

- ► Action 1: Establish market requirements for meat, dairy, fruit and vegetable products.
- ► Action 2: Establish coordination structure between tourism enterprises and farmers to provide education on seasonal needs, delivery requirements, packaging and food quality.
- ► Action 3: Seek to establish grants for local farmers to improve mechanization, use of pesticides and fertilizers, and provide education on suitable crop and animal species.

Objective #18: Provide community facilities and services to improve the living standards and social environment of local people.

Community facilities refer to the wide range of services provided to the community for safety and increased quality of life. In Jermuk, these include police and fire services, garbage collection, and community buildings and infrastructure.

Police services in Jermuk currently seem to be adequate, given the very low levels of crime, although the police force will likely need to expand as the town grows in population and with increased tourism. The department should also consider hiring staff that speak Russian, English, and other languages in case tourists also need police services. The appropriate level of expansion should be reviewed as part of the growth management strategy, recommended by the LDF.

With more tourists travelling to Jermuk, it is important that the town has a modern and well-equipped fire service able to quickly respond to the needs of the community and tackle fires with up-to-date equipment. To ensure the safety of tourists and residents alike, the municipality will also need to ensure that new development is compliant with fire safety standards to prevent unnecessary injury or death. In addition, a fire hydrant system will need to be installed to accommodate the fire brigade. New developments may require extension of this service, which should also be considered in the growth management strategy.

The municipality has recently begun a garbage collection system which will significantly improve the cleanliness of the town overall and reduce pollution in and around the town. Although the town is still adjusting to this new service, the town should ensure that the service covers all of Jermuk, to ensure that the town remains its clean and healthy image for tourists, and to enhance the health and safety of residents. Jermuk should also consider a recycling program to promote sustainability in the long term, which will further enhance its image as a natural health center. A recycling program can also provide additional income to the city through the sale of the materials for reuse by other commercial interests, and also promotes environmental awareness and appreciation among the residents as well as visitors. Jermuk should conduct a feasibility study on this initiative to determine what would be required specifically for the Jermuk context and whether such a recycling scheme would be economically and environmentally viable.

Best practice in urban planning requires public participation. However, civic involvement in Jermuk is currently low. To improve community involvement, cohesion, and improve community life overall, community facilities should be planned for as part of development and re-development programs. Existing libraries, the sports complex, parks, and community centers should all be well-maintained, and added, as needed, to serve the population. Playgrounds and community facilities for children should be added, as they are currently lacking and this would enhance the quality of life for families and ensure that children have safe places to play. These facilities, while they may be utilized by tourists, should be designed mainly to serve residents and their needs.

Suggested Actions

- ► Action 1: Establish a modern and well-equipped 24 hour local fire service with trained personnel and appropriate vehicles and equipment.
- ► Action 2: Establish modern and safe play areas for children in and around housing areas.
- ► Action 3: Development of community center(s) to promote civic participation and provide venues for community activities.

- ►Action 4: Improve general education and employment opportunities in Jermuk through improved technology education and short courses for the public of relevance to the tourism industry.
- ►Action 5: Improve existing quality of housing through adoption of building maintenance codes and other upkeep requirements.

<u>Objective # 19:</u> Promote the religious and cultural heritage of Vayots Dzor and Jermuk, as a supporting element of Jermuk's vision and for the economic and social benefit of the local community and visiting tourists.

Although Jermuk has a range of attractions, there are no internationally or nationally significant religious or cultural sites. Therefore, the town should focus on the "Center for Healthy and Active Living" brand for tourists. However, developing some cultural and religious attractions would benefit the residents of Jermuk, and potentially provide some interest for tourists as well. The first step to promoting the cultural heritage in Jermuk is to enhance the existing sites so that they are easily recognized and their importance is well-understood by visitors. The Government of Armenia, through the 2008 Program has pledged to make cultural resources accessible to the entire populations

Monuments and buildings currently under protection in Jermuk comprise:
Of national significance:

1) The mansion of the Secretary of the Committee of the Armenian Communist Party, built in 1952
2) The Tulis Hotel complex, built between 1952 and 1953
3) The Olympia Sanatorium, built in 1953
4) Sanatorium building number 4, built in 1953
5) The mineral water hall built in 1966
6) Friendship Bridge over the Arpa River, built in 1975
7) Ancient settlement from 2nd to 1st centuries BC near and under the airport

Of local significance:

1) Jermuk Art Gallery building, built in the 1950s
2) A spring monument on the road entering the city from the canyon, built in 1978
3) Israel Ori monument near the Friendship Bridge, constructed in 1978
4) Monument to the 50th Anniversary of the Great October (near Armenia Hotel), built in 1967
5) Dancing Girls fountain opposite the Armenia hotel, constructed in 1978

Historic preservation refers to the protection of buildings which have historic (or cultural) significance for the municipality or country. The importance of historic preservation is to ensure that the original character of a location is not diminished due to reckless urban development, and therefore create a pleasing atmosphere in the town for the population. There are a number of protected buildings and structures in Jermuk, as identified above. It may be useful for Jermuk to develop small plaques about these buildings and their historical significance. This would be interesting for residents, and if provided in English and other languages as well, could also be interesting for tourists.

To enhance the protected buildings in Jermuk, it is recommended that the municipality put into place a simple approval process which would require a review of historic designated properties renovation requests, to protect the historic nature of designated buildings.

Water-oriented attractions are the primary attraction in Jermuk, and include the spas, the waterfall, and the lake. Water-oriented culture should be promoted throughout the town to reinforce the main attractions through the use of fountains around town, good signage including brochures with explanations at all sites, and the development of additional water activities such as water sports. One culturally significant site which could benefit from these design enhancements would be the Kings' Bathing Area. Enhancement of the water attractions and facilities will help to develop a water "culture" in Jermuk and provide the residents with new activities while also supporting the tourism industry.

Monuments and memorials are a source of pride for local residents, and are also enjoyed primarily by residents. In many ways, they are like public art, and add to the character of a town. However, the municipality should take care to not crowd monuments and memorials in the town.

The two churches in Jermuk do not have any particular cultural or historical significance. Churches should therefore simply be maintained according to the general recommended guidelines for use by residents. Nonetheless, Armenian churches in Jermuk should follow their traditional architecture and construction to contribute to the overall atmosphere of the town.

The art museum could be enhanced to provide special exhibitions or events, which, if timed to be during the tourist season, could be of interest to tourists as well. The existing movie theater is not currently able to be used due to its poor maintenance; however, if it were to be re-developed, may still be of interest to residents as a small movie theater or a regular theater for drama performances. In general, to enhance the quality of life and cultural opportunities for residents, facilities and programs should be pursued which would be of interest to residents. A cultural museum focusing on the history of Jermuk as a spa resort and demonstrating the research undertaken in Soviet times could be an added attraction to the town.

The most promising aspect of cultural heritage development for Jermuk is through special events. Jermuk currently has a winter festival, which could be expanded to attract tourists, and also provide an exciting annual activity for residents. To improve tourist interest in the festival, it should have its own website managed by the municipality and increased marketing to draw winter tourism. A large festival such as the winter festival may also provide additional short-term employment through the additional services and maintenance required for preparation, management, and clean-up.

In addition to this (hopefully soon to be) large annual event, the municipality should work with local art and sports schools, the art museum, and other local organizations to put on regular cultural performances and events for residents and/or tourists. To accommodate these types of events, the municipality should also consider appropriate venues around town such as small outdoor theaters and stages.

In addition to cultural attractions for residents, one aspect of cultural heritage which will significantly enhance the tourist experience, while also preserving Jermuk's culture, is the development of a handicrafts industry in Jermuk. Sales of handicrafts, as well as related tours of the craft-making facilities, could add a new stream of income to Jermuk while also providing new areas of cultural interest to tourists. Many of these tours of historically important cultural activities would also benefit the local population, especially schoolchildren, by providing a hands-on learning opportunity and promote pride in the local culture. If crafts and local art could be sold in a designated market area, this could potentially provide a vibrant experience for tourists, and if expanded to include everyday items for residents, could provide a unique experience for the local population as well.

<u>Suggested Actions</u>

- ► Action 1: Enable the local population to make an income through the development of handicrafts; provide training on handicraft production targeted at tourists, provide a suitable location (market) within the town for the demonstration of handicraft production and sales of handicrafts with seating, toilets, covered stalls, etc. The market should also allow for the sales of local artwork by competent artists.
- ► Action 2: Enhance the existing Art Gallery through the organization of local exhibitions and events during peak tourism seasons.

- Action 3: Renovate and enhance the ‘Kings bathing area’ near the Armenia hotel, the mineral water spring building and the Gndevank Monastery complex and install interpretation boards, and pedestrian and road signage.
- Action 4: Organize annual events for local people to celebrate their culture and lifestyle. The events can also be of tourist interest but should remain focused on the local community.

Objective #20: Maintain and enhance the rural environment in and around Jermuk.

Maintenance of the rural environment surrounding Jermuk will be a critical aspect in its recipe for success as a natural area free of pollution and therefore desirable as a location for active and healthy living.

The gorge is potentially one of the more attractive areas in Jermuk, but is currently something of an eyesore with its disused industrial buildings and equipment. The bridge near the waterfall is rickety and potentially unsafe. Rivers and streams suffer from pollution in the form of litter and possibly sewage. Efforts must be made to tidy up the gorge and enable tourists to gain enjoyment from this potentially pleasant area of the town. Walking trails highlighting unique geology and plant life would add value to the tourist experience.

Although there does not appear to be significant air pollution from industrial plants, it is important to ensure air quality in the long term. Relevant laws and regulations relating to pollution from vehicles must be tightly enforced. Tourists walking along a main street will not want to breathe in smoke from poorly maintained vehicles.

The natural habitat surrounding Jermuk, including its forests, is by many accounts spectacular, but there is little in place, currently, that guarantees it will stay that way. There are protected area designations adopted during the Soviet Era but apparently no staff dedicated specifically to ensuring protection. Increasing stress is likely to be put on these areas as visitors (on top of individuals employed by the tourism industry) could potentially flood the area if Jermuk becomes a highly successful tourist location.

Building an area around the concept of "a center for healthy and active living" implicitly requires a sustainable approach to development. Therefore, measures will need to be put into place to address these current and potential future issues. Moving forward, water source protection will need to be vigorous. Development and construction on mountains and hills will need to be minimized. Development near the gorge will need to be set back to avoid damaging the area as well as to limit the liability of individuals living there. Biodiversity will need to be protected. Furthermore, development of these areas in ways that allow them to be tourist-friendly (such as hiking trails) will have to be done in a responsible manner.

One suggestion that was made in the government decree was to establish a branch of Armenia's Natural History Museum in Jermuk. This could be considered in the longer term and would fit well with the designation and establishment of a National Park around Jermuk.

The Government's 2008 Program indicates its commitment to environmental protection. Objectives of relevance to Jermuk are listed as follows:

1) To minimize and prevent harmful impact on the environment, including the atmosphere, water, sub-soil resources, flora, fauna, and special protected areas of nature.
2) To control conservation, renewal, reproduction, and efficient use of natural resources.
3) To ensure the protection, efficient use, and reproduction of sub-soil resources.
4) To create a system for monitoring, studying, forecasting, reporting, and responding to the environmental situation and dangerous hydro-meteorological phenomena.
5) To prevent environmental pollution, by managing hazardous chemical and radioactive substances and waste, and developing a system to forecast natural and human impact and
6) To create an integrated national system for environmental education and awareness.

Suggested Actions

- ► Action 1: Clean up and enhance the appearance of the gorge, where public access is provided; particularly focus on making the 'waterfall' area more attractive, more accessible and aesthetically pleasing.
- ► Action 2: Ensure regular cleaning of rivers and streams.
- ► Action 3: Undertake review of rural environment surrounding Jermuk for consideration in designating as a national park; protecting the landscape and biodiversity and preventing over-development of the town into surrounding areas – but also allowing for public access.
- ►Action 4: Review land use to ensure that agricultural and forest-protected land is adequately zoned such that both are adequately protected and will not negatively affect the landscape of the mountains long-term.

<u>Objective #21:</u> Devolve some authority for the development of Jermuk to the town itself and actively attempt to engage the community in the development of Jermuk by encouraging participation and feedback, with the expectation that these measures will enhance the sustainability of Jermuk's development.

The development of Jermuk is being driven at the national level. Responsibility for that development (or at least elements of it) will need to be devolved to the local level in order to assure local input as well as sustainability.

Jermuk's development is an initiative of the President of Armenia. As such, it has to date been designated as the responsibility of specific Government Ministries, particularly Economy but also including, among others, Urban Development. This has been necessary given weak local capacity. However, taking such an approach over the longer term presents a number of difficulties.

First, government ministries are prone to communication problems. This has been evident through discussions with the various ministries in the preparation of the strategy. This must be improved in the short term to ensure that there is a clear understanding of the interests between ministries and so that consensus can be achieved on the direction in which the town should be developed. The roles and responsibilities of each ministry must be clear – with one taking charge for the overall initiative until decentralization can be achieved.

Having multiple ministries involved in the process can cause the ministries to "compete" to assure that their agendas are met, regardless of whether this is in the best interest of Jermuk.

Also, devolving authority for the development of Jermuk to the local level will decrease the likelihood that a future presidential administration may decide to prioritize development elsewhere, stopping this initiative in mid-stream.

Improving public management is a priority outlined in the Government's 2008 Program – the development of effective public, local self-governance, private sector governance and rooting a corporate governance culture. It goes on to state that corporate governance rules and principles must be adopted; meaning managing public resources by business rules and continuously increasing the efficiency and transparency of activities. Clear objectives and actions, and performance appraisal should become a basic rule of government accountability. The quality of services provided by the public sector should seek feedback from society. Public-private partnerships should be developed.

The Program also highlights the need for devolution of power from Yerevan to the regions in order to increase the level of responsibility of local self-governance and territorial administration bodies, community budgets and accessibility of public services.

Second, community inclusion is critical in order to achieve buy-in. The community at large, not just the spas and related industries, will be at least impacted by, if not involved in, the development of the town. Including them in the process early on will give them a clear sense of what to expect and limit the chances that they may later raise objections to certain aspects of the plan. Additionally, the local community can frequently be a source of good ideas. The local community must be involved in both the planning and implementation stages through a program of public consultation to ensure buy into the development but also to give them an understanding of the concept behind the strategy and what is aimed in the long term. This approach directly matches with the Government's 2008 Program, in which it

is clearly stated that poverty is to be addressed through the active involvement of the poor in economic and civil activities. The Government also intends to expand civil society participation in governance and create greater awareness of the government system by establishing community councils.

Third, this is an effort that will undoubtedly require more than four years to achieve the results stated herein. Therefore, sustainability will be critical. It is unlikely, given the number of priorities the national government has and the unanticipated challenges that will likely arise over the course of the coming years, that the government will be able to devote its full attention to this effort. On the other hand, this will likely remain the number one priority for Jermuk's local officials, and they will be better able to devote the consistent attention that will be required to fulfill the promise that Jermuk offers.

There are currently several obstacles to this necessary devolution of authority. First and foremost is the limited capacity of local officials, whose function to date has been limited to administration of the municipality; they may have little experience of managing large funds. Notable particularly is the absence of a municipal official responsible for local economic development. Additional challenges include the relatively limited authority of the mayor, who can be overruled arbitrarily by the president on decisions related to land use and the lack of coordination between government ministries with an interest in Jermuk's development. Capacity must be built in technical areas relating to urban planning, economic development, destination management and tourism as well as in more administrative areas. Skilled and qualified staff must be employed at the municipality level in order to lead the initiative locally and legislation should be revised to enable the decentralization of responsibilities.

<u>Suggested Actions</u>

- ►Action 1: Short to medium term enhanced communication between ministries and the municipality, perhaps facilitated by the designation of a "point" person in the Ministry of Urban Development.
- ►Action 2: Involvement of the local community through meetings, town halls, etc. at pre-determined points in the process to assure community buy-in.
- ►Action 3: Capacity-building of local officials in relevant areas such as budgeting and administration, and community engagement.
- ► Action 4: Development of a planning department within Jermuk Municipality to provide support to implementing the framework, and the plan.
- ►Action 5: Appointment of a local official responsible for local economic and tourism development, who would likely serve as the point person for the strategy.
- ► Action 6: Revise legislation to determine where changes might be made to empower local authorities in areas relevant to local development (See Development Process document for recommendations).
- ► Action 7: Other activities to encourage civic participation among the community – events, development of community center, seminar on public's role in planning process, etc.

Objective #22: Enhance the business environment to increase the chances of attracting private sector actors to invest in Jermuk.

Jermuk will require substantial amounts of private sector investment in order to upgrade the area to a standard that will be attractive to Western tourists. The current business environment does little to incentivize the attraction of this capital; and in some cases actually discourages it.

In order for Jermuk to achieve the many things that it will require, including renovation of existing buildings, establishment of shops and restaurants, and upgrading of spa facilities, private investment is going to be critical. The government, already under financial pressures given the country's infrastructure and other needs, will be unable to provide all of the funds necessary.

There are several things that currently discourage private investment (or at a minimum fail to encourage it). High taxes levied on businesses, especially small businesses, make profitability difficult. Finding new sources of funding is challenging, as lending rates are high and venture capital nearly non-existent. The government has invested very little itself in infrastructure that could have a multiplier effect in the kinds of private investment it spurs. And the lack of investment incentives (such as enterprise zones that offer free land, tax breaks, utilities, and the like) that can promote further private sector involvement are absent.

There is a need to review the current incentives available to the private sector and come up with new ideas to catalyze growth, which may include the establishment of Jermuk as an enterprise zone, the introduction of subsidized loans, loan guarantees or tax breaks. Similarly, government should identify investments it can make that will serve as a multiplier to incentivize private investment.

Suggested Actions

- ►Action 1: Review the current incentives provided to small businesses and determine how these may be altered to promote the establishment of new businesses or expansion of existing businesses in Jermuk (these may include taxes, bank guarantees or subsidized loans, for example).
- ►Action 2: Determine where government investment could best serve as a multiplier to incentivize the attraction of private investment.
- ►Action 3: Explore the possibility of economic zones in Jermuk to encourage foreign investment.

D. Framework Matrix

The Framework Matrix summarizes the objectives and actions from the preceding section and adds to them suggested indicators, targets, responsibilities and investment required. Further discussion will be required with relevant stakeholders to firm up the indicators and targets (some of them may already be undertaken) and in coordination with the development of a Monitoring and Evaluation systems as described in the Core Strategy (Volume One of the Development Framework). Responsibilities are also suggested and may require some revision. The investment requirements are to be determined by the relevant stakeholders as the consulting team are not familiar with the costs involved.

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
Objective #1: Upgrade and improve the quality and range of spa, hotel, guesthouse and other accommodation facilities and services to orient them more toward today's demanding foreign and domestic consumers (including introduction of international standards).				
Action 1: Reconstruct or refurbish accommodation establishments to reflect best practice, where necessary spa design and spa facilities, and to improve the external and internal appearance of the buildings. Ensure establishments provide suitable access for disabled guests. Maintain grounds surrounding accommodation.	# of spas reconstructed # of spas refurbished to international standards # of spas with disabled access Specially created laws	All spas refurbished in accordance with development control guidelines Develop building maintenance codes Laws requiring disabled access enforced	Spa and accommodation owners Jermuk municipality	
Action 2: Upgrade general visitor services to match demands of higher value international clients; wireless internet access in rooms, business centers, range of international TV channels	# of rooms equipped with wired or wireless internet # business centers # of international TV channels available	All hotels and spas offering more than 30 rooms with internet access At least 4 hotels or spas providing a business center At least 5 channels each in Russian and English available via satellite TV in major spas/hotels	Spa and accommodation owners ISPs Jermuk municipality for acquisition of necessary infrastructure, where appropriate	
Action 3: Implement modern management techniques; IT-based reservation and hospitality management applications	# of spas and hotels adopting IT-based	All hotels and spas with more than 30 rooms providing	Spa and accommodation owners	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
that provide different room rates according to season, period prior to stay, length of stay, etc	reservation systems	online real time booking options	Municipality or national government potentially, to provide training or assistance	
Action 4: Improve menus and quality of food served to guests; cater for a wide variety of health-related diets (gluten-free, vegan, vegetarian, etc), introduce fusion food combining Armenian traditional cuisine with healthy options.	# of accommodations and/or restaurants catering to western tastes and special diets # of accommodations and/or restaurants adding printed menus and menu-based services	At least 3 restaurants or spas offering vegetarian selections At least 5 restaurants or spas offering international food selections All spas offering adjustments to existing menus items to cater to special allergies or diets At least 50% of restaurants and spas developing printed menus	Spa, accommodation and restaurant owners	
Action 5: Accredit spas to the European Spa Association scheme to achieve and maintain high standards of facilities and services	# of spas audited # of spas meeting all requirements	All spas audited by 2012 2 spas meeting all requirements of ESA scheme	Spa owners with assistance from the municipality and national government European Spa Association	
Objective #2: Improve, upgrade, provide evidence for and diversify the range of medical treatment facilities and services at spas, to orient them more toward today's demanding foreign and domestic consumers.				
Action 1: Collate existing research into the medical evidence for the health benefits of mineral water treatments (inhalation, digestion, bathing, etc), particularly where studies have been taken on mineral waters with a similar chemical composition to that in Jermuk. Additionally, commission external independent medical research to	Research collated Independent study supporting the health attributes of Jermuk water	Research collated by 2009 Independent study to be completed by 2012	Ministry of Health and Ministry of Economy	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
provide specific evidence for the health-related benefits that Jermuk mineral water may provide.				
Action 2: Re-orient and diversify spa services and treatments to reflect the growing interest in the wellness tourism segment, including complimentary indirect health-related services. Target specific treatments and design treatment packages according to market demand; winter sport tourists as well as spa-goers, different age groups, gender, etc. Ensure differentiation from other spas in the region and the town. Focus on providing spa treatments for day visitors as well as those staying overnight.	# of additional non-traditional treatments introduced # of packages and day treatments introduced Statement of differentiation	Wellness services introduced in at least 50% of spas At least 3 spas introducing new treatment packages aimed towards specific target markets All spas develop statement of differentiation	Spa owners European Spa Association	
Action 3: Update and modernize facilities and equipment used for spa treatments to those used by the best spas in Europe	# of spas with updated facilities	At least 75% of existing spas upgrading to modern equipment by 2012	Spa owners with assistance from municipality and national government European Spa Association	
Objective #3: Develop and enhance the winter skiing and other winter sports facilities and services available in Jermuk.				
Action 1: Monitor the performance of the ski facilities in terms of visitors served during the winter and off-peak periods in order to provide evidence for consideration of further expansion of lifts and runs	# of visitors served (peak and off-peak)	Ski lift registering at least 80% capacity during peak season and 30% capacity during non-peak season	Ski lift owner and operator Jermuk municipality	
Action 2: Establish professional ski schools, with modern equipment, trained and qualified multi-language instructors catering for young/adult amateur skiers.	# of professional ski schools, instructors # of clients served through school	At least 1 ski school established by 2010 and at least 2 ski schools established by 2012	Jermuk municipality Ministry of Economy to attract ski school investors	
Action 3: Provide transportation between the hotels and spas in the center of the town and the ski lift.	Creation of transportation facilities	Bus or other transport service established and functional by 2009	Jermuk municipality	
Action 4: Design and implement ski pass scheme for day and longer term visitors	Existence of ski pass scheme	Ski pass scheme in effect by 2010	Ski lift owner and operator	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
Action 5: Research and conduct feasibility studies for additional winter sports opportunities; snow shoeing, cross-country skiing, tobogganing, outdoor ice-skating, etc	Feasibility studies conducted	Feasibility study completed prior to any new development	Ministry of Economy Ministry of Sports & Youth Affairs Jermuk municipality	
Action 6: Organize and implement special events and competitions on the theme of winter tourism; skiing, tobogganing, etc and combine with cultural elements	# of events and competitions	At least 2 events developed with the intention of holding them annually	Jermuk municipality Armenian Tourism Development Agency	
Objective #4: Develop and enhance Jermuk's reputation as an international center for chess competitions through the provision of appropriate facilities and effective promotion.				
Action 1: Consideration of the needs of the Armenian Chess Federation in the design and construction of other buildings within Jermuk in order that large chess tournaments can be held in Jermuk	# of suitable venues available	Venue constructed to host up to 1000 tournament participants at one time	Armenian Chess Federation Jermuk municipality	
Action 2: Provide support to the Armenian Chess Federation in promoting Jermuk (and its facilities and services) to the International Chess Foundation, and in providing prize funds, in order to stimulate greater demand for participation in competitions and tournaments	# of national and international tournaments held in Jermuk Value of prizes	1 major international tournament held in Jermuk annually Prize funds comparable to those of other international tournaments	Armenian Chess Federation Ministry of Sports and Youth Affairs Jermuk municipality	
Objective #5: Develop Jermuk's capacity and reputation to host high-value and quality pan-Armenian and international youth camps through the provision of quality facilities and human resources.				
Action 1: Establish affordable recreational facilities and services (in the form of specific sports clubs) that complement the Jermuk vision of active and healthy lifestyles. These should include sports fields and a multi-activity center (for mountain biking, rock climbing, horse riding, windsurfing, rowing, trekking, etc). An assessment	# of sports clubs or facilities available in Jermuk Assessment of local community interests	Existing sports facilities renovated Public workshops held or surveys conducted to determine community needs	Private investors Jermuk municipality Ministry of Sport & Youth Affairs	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
should be undertaken to identify the interests of the local community and the interest in providing sports courses. The recreational facilities should be devised and developed to also take account of their future use by domestic and foreign tourists.		and interests New sports facilities developed in keeping with community interests	Ministry of Economy to attract investors	
Action 2: Fit out the multi-activity center (sports clubs) with modern and safe equipment and qualified trainers	Multi-activity centers fitted out # of qualified trainers trained to international standards	Modern equipment purchased for any new or renovated sports facilities 2 trainers for each sport available trained to international standards	Facility owners Jermuk municipality and Ministry of Sport and Youth Affairs (to sponsor the training, together with the facility owners)	
Action 3: Construct a purpose built facility for indoor sports to include a fully function gymnasium (fitness center), swimming pool and arena for boxing, weightlifting and martial arts. The facility should also take into consideration the need for suitable space to hold international chess competitions and tournaments.	Construction of facility	Purpose built sports facility constructed by 2012	Jermuk municipality Ministry of Sport & Youth Affairs Sport-related NGOs	
Objective #6: Improve the quality and diversity of related and supporting industries to the tourism cluster in Jermuk, including attractions, restaurants, shops, leisure activities, etc. in order to provide tourists with more activities, increase daily expenditure per tourist and increase longer stays				
Action 1: Renovate and enhance existing tourist attractions such as the Pilkahas Caves, Mamarza settlement; provision of multi-language interpretation boards, road and pedestrian signage, improve access	# of attractions renovated # of boards and signs created	At least 3 existing potential attractions renovated Signs and boards provided at all renovated attractions	Armenian Tourism Development Agency Ministry of Culture Jermuk Municipality	
Action 2: Encourage sale and/or redevelopment of run-down restaurants and enhance offerings of existing restaurants; diversified menus, introduction of healthy options, improved signage, multi-language menus	# of sales or redevelopments of existing restaurants # of additional menu options	At least 2 restaurants undertaking renovations to facility Menu options enhanced per objective # 1.4	Restaurants Jermuk municipality and Ministries of Economy and Urban Development to provide incentives to restaurants to encourage redevelopment	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
	# of restaurants introducing multi-language menus	At least 90% of food establishments providing menu options in more than 1 language		
Action 3: Develop après-ski facilities and opportunities; bars, music clubs, cultural entertainment venues in keeping with target markets and Jermuk's character	# of additional entertainment options	At least 2 evening entertainment venues developed by 2012	Private investors Jermuk municipality and Ministry of Economy to provide incentives for development	
Action 4: Develop network of marked hiking/trekking trails of varying difficulties and lengths; clearance of paths and installation of necessary infrastructure (bridges, drains, steps, etc), provision of signage and interpretation boards, creation of maps	# of new trails # of kilometers of new trails	At least 2 new trails developed (of 2 differing difficulty levels), and signed, by 2012	Jermuk municipality Ministry of Environment Ministry of Sport & Youth Affairs Armenian Tourism Development Agency	
Action 5: Establish mountain biking and horse riding trails; designation and marking of routes, provision of bike rental and maintenance facilities, identify or establish equestrian center with quality equipment and trained horses, creation of maps	# of new trails Existence of bike rental facilities Establishment of equestrian center	At least 1 mountain biking/horse trail developed (after investors identified) Investor attracted to develop bike rental facility Investor attracted to develop equestrian center	Private investors Jermuk municipality Ministry of Environment Ministry of Sport & Youth Affairs Armenian Tourism Development Agency	
Action 6: Encourage and establish retail outlets catering to the needs of foreign and domestic tourists; including souvenir/handicraft shops, outdoor equipment stores, ski equipment retailers,	# of new retailers providing new types of goods for sale	At least 3 retail shops catering to tourist needs developed by 2012	Private investors Jermuk municipality	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
			Ministry of Economy	
Action 7: Encourage establishment of additional tourism services; limited number of public-access internet cafes (not gaming centers), exchange kiosks, ATMs accepting international credit and debit cards	# of internet cafes # of ATMs # of Exchange kiosks	At least 1 internet café established on the right bank by 2010 At least 2 ATM access points added accepting international cards by 2010 At least 3 locations in the town available for changing money	Private investors Jermuk municipality Banks	
Objective #7: Improve tourism destination and enterprise management and staff capabilities, skills and competence and quality of unemployed labor, through local tourism training programs, internships, apprenticeships and vocational training.				
Action 1: Train existing staff in general tourism and hospitality skills; customer service, language skills	# of people trained # of training courses held	All 450 staff to have received basic training by 2012 All staff dealing directly with clients to have received some basic language training	Spa and tourism enterprise owners Ministry of Education Universities & educational institutions	
Action 2: Train management and senior staff in hospitality management, restaurant management, spa management, destination management, tourism and marketing	# of people trained # of training courses held	All tourism enterprise managers and senior staff to have received some form of management training by 2012	Spa and tourism facility owners Ministry of Education Universities & educational institutions	
Action 3: Train existing staff according to specific duties and responsibilities; front-desk, back office, spa assistants, housekeeping, concierge, waiting, cooking, tour guides, ski lift attendants, ski instructors, outdoor pursuits instructors. Use international accredited courses wherever possible.	# of people trained # of training courses held % of trainings by accredited	60% of all staff undertaken some form of training according to their responsibilities by 2012	Spa and tourism facility owners Ministry of Education Universities & educational	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
	providers	AHLA accredited training provided in relation to food & beverage and front desk for all accommodation establishments	institutions Armenian Hotel Association & Armenian Restaurants Association	
Action 4: Establish a tourism office within the Jermuk Municipality to manage the process of tourism development and destination marketing. Funding will need to be identified through the local municipality or other government and private sector contributions.	Establishment of tourism office	Tourist office established by 2012	Jermuk municipality Armenian Tourism Development Agency Ministry of Economy	
Objective #8: Develop a unique "brand" for Jermuk aligned with its current and potential competitive advantages, identify appropriate target customer group(s), and actively promote the destination and theme to them.				
Action 1: Clearly identify the characteristics and profile of the target markets, including age, gender, expectations, etc.	Target customer profile	Target customer profile prepared by municipality	Spas and tourism enterprises with technical assistance from Armenian Tourism Development Agency and Universities	
Action 2: Develop a branding and promotion strategy for Jermuk that clearly identifies the brand identity, promise, personality, and equity based on target markets, the products, services and experiences they demand, and the key messages required to attract the markets	Development of a branding and promotion strategy	Branding and promotion strategy developed by 2011	Armenian Tourism Development Agency Jermuk municipality Ministry of Economy	
Action 3: Design and print a range of promotional materials (maps, leaflets, guides, brochures, posters, etc), in coordination with the Armenian Tourism Development Agency and local enterprises to promote the town and its tourism offerings through international travel fairs, direct mail, the visitor information center	Creation of promotional materials	Promotional materials created and printed by 2009 and distributed to: ATDA, Jermuk tourist facilities, tour operators, tour guides, etc.	Armenian Tourism Development Agency Jermuk municipality Ministry of Economy	
Action 4: Enhance the existing web portal for Jermuk in line with the brand strategy, to provide multi-lingual information	Enhancement of web portal	Web portal re-designed	Jermuk municipality	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
to potential tourists on the products and services available in the town.		Web portal included on other websites as a link, such as ATDA Web portal available in at least 5 languages	Spas and tourism enterprises	
Action 5: Develop tourist circuits to be added to tours that provide activities in keeping the brand & vision of Jermuk for different timeframes (add-ons, 2 day 3, 5 day, separate 10 day, etc.)	# of tourist circuits developed	At least 3 add-on circuits added for foreign or domestic tourists, as well as 1 Jermuk-exclusive circuit aimed at domestic tourists	Private tour operators Jermuk municipality Armenian Tourism Development Agency	
Objective #9: Upgrade information on tourism services for Jermuk that will encourage tourists to visit, enable them to more easily orient themselves, and to assure that they are aware of everything there is to do in Jermuk.				
Action 1: Improve the visibility and quality of tourism accommodation and spa websites – information availability in a range of languages, ability to purchase accommodation and treatment packages online in real time	Existence of online booking systems	All hotels and spas with more than 30 rooms providing online real time booking options Jermuk tourism websites added as links to ATDA website	Spa and accommodation owners	
Action 2: Establish website and promotional materials for the ski lift operation in a variety of languages; providing details of opening times, snow conditions, prices, ski schools, equipment hire, ski runs	Development of a website for the ski lift operation Development of informational brochures for the ski lift operation	Website for the ski lift operation established by 2010 Informational brochures developed in at least 3 languages and distributed to spas, hotels, ATDA, etc.	Ski lift owner/operator Jermuk municipality	
Action 3: Establish Visitor Information Center in cooperation	Creation of Visitor	Visitor Information Center	Armenian Tourism	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
with the Armenian Tourism Development Agency similar to the local information center established in Dilijan providing information to tourists prior to and during their stay in Jermuk and assisting in accommodation bookings, etc	Information Center	established and functional in Jermuk by 2010	Development Agency Jermuk municipality Ministry of Economy	
Action 4: Design, construct and install tourism information panels at various prominent locations in the town providing details of nearby attractions, accommodation, shops and restaurants to ease navigation	# of tourism information panels	10 panels installed throughout the town	Armenian Tourism Development Agency Jermuk municipality Ministry of Economy	
Action 5: Promote Jermuk's new tourism opportunities to Armenian and regional tour operators	# of tour operators receiving presentations # of travel fair attendances	Presentation given to at least 50% individual domestic tour operators Attendance at CTS Travel Fair and Travel Fair in Georgia	Armenian Tourism Development Agency Jermuk municipality Ministry of Economy	
Objective #10: Enhance and protect the character of Jermuk as a tourism destination, typified by the architecture, green space, quality of the environment, cleanliness, hospitality of the people, etc.				
Action 1: Devise, adopt and implement sound planning and urban design guidance and policies (See detailed Development Control Guidelines as part of Local Development Framework)	Creation and implementation of guidance (complete)	Implementation of guidance – 50% by 2010, 100% by 2012	Jermuk municipality together with Ministry of Urban Development	
Objective #11: Improve, upgrade, and expand transport infrastructure and transportation services to and from Jermuk.				
Action 1: Repair and undertake maintenance of certain sections of the road between Yerevan and Jermuk – particularly between Yerakshavan and Tigranashen, between Chiva and Areni, and between Arpi and Yeghegnadzor	# of km of repaired road	Road surface renovated by 2010	Ministry of Transport & Communications	
Action 2: Provide adequate and substantial road signage (in English, Russian and Armenian) throughout the route	# of signs	Signs provided at each major intersection in the road	Ministry of Transport & Communications	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
between Yerevan and Jermuk, indicating direction and distance.		between Yerevan and Jermuk (X intersections)		
Action 3: Develop road and rail transportation links according to the National Transport Strategy (should rail transportation be deemed viable)	Feasibility study conducted by ADB	Funding secured for implementation of transport strategy	Ministry of Transport & Communications Asian Development Bank	
Action 4: Undertake feasibility study for establishment or airport and/or heliport; including climatic studies, study of demand and costs	Feasibility study	Decision made on establishment of airport or heliport	Ministry of Transport & Communications General Department for Civil Aviation	
Action 5: Produce a plan for the development of additional parking spaces (for coaches, minibuses, cars, and bicycles) as demand grows – as part of Jermuk Growth Management Strategy	Growth management strategy completed	Growth Management Strategy completed by 2010	Jermuk municipality Ministry of Urban Development	
Action 6: Develop a plan for increasing the number of direct public transportation connections between Jermuk and other cities as demand grows – as part of Jermuk Growth Management Strategy	Plan for increasing public transportation connections	Growth Management Strategy completed by 2010	Ministry of Transport & Communications Jermuk municipality	
Objective #12: Upgrade modern communication links to Jermuk.				
Action 1: Install an optical cable to the town, from the main highway and establish WiMax services to provide high speed internet access to businesses and individuals	Installation of optical cable	WiMax available in Jermuk by 2010	Ministry of Transport & Communications ISPs	
Action 2: Encourage greater use of and access to real time credit card payment facilities	# of credit card payment facilities operational in Jermuk	75% of accommodation establishments and restaurants accepting credit cards by 2010	Private property owners	
Action 3: Ensure improved coverage of cellular phone reception	% coverage within Jermuk	100% coverage by 2010	Ministry of Transport & Communications Mobile phone operators	
Objective #13: Expand medical and health facilities				

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
Action 1: Upgrade Jermuk hospital's facilities and equipment to provide Accident and Emergency services; particularly catering to potential skiing accidents	Polyclinic upgraded to provide A&E facilities	Polyclinic upgraded to provide A&E facilities, x-ray facilities and basic surgery by 2012	Ministry of Health	
Action 2: Establish specialized dental clinic and optician within the town	# of dental clinics providing ability to deal with all likely dental problems	1 fully functional dental clinic operational by 2010	Private dental practice Ministry of Health	
Action 3: Provide dedicated and trained medical personnel for the ski facilities and an ambulance	Ambulance and paramedics trained and available	Ambulance and paramedics trained and available by 2010	Ministry of Health Jermuk municipality	
Objective #14: Determine how many additional jobs are likely to be created as part of this initiative and assure that adequate and affordable housing is available to them.				
Action 1: Determine how many jobs are likely to be created in Jermuk. This would probably be best conducted as a scenario analysis (as part of the proposed Growth Management Strategy) that maps out different employment creation scenarios, since it is unlikely to be possible to project with any certainty the number of jobs that will be created.	Statistical Analysis	Growth management strategy completed by 2010	Ministry of Statistics and Ministry of Urban Development Jermuk municipality	
Action 2: Develop a flexible plan for the creation of additional housing units (again as part of a Growth Management Strategy), one that can be changed to reflect the actual number of jobs being created as realistic estimates become available.	Development of plan	Growth management strategy completed by 2010	Ministry of Urban Development and Jermuk municipality	
Action 3: Identify the owner of each private housing unit in the city, their location, and contact information.	% of private housing units with identified owners	100% of owners identified, with mailing addresses	Jermuk municipality together with Real Estate Cadastre	
Action 4: Institute a system providing for monthly rental possibilities, especially for seasonal workers who are likely to live in Jermuk only three months out of the year.	New rental system	At least 75% apartments or units available for monthly rental by 2010	Jermuk municipality Private Property Owners	
Action 5: Develop a plan that incentivizes the rental of those housing units in the off-season (perhaps through reduced prices or other incentives) to try to minimize the number of	% of housing units vacant in off-peak periods	At least 50% of units filled during off-peak season	Jermuk municipality	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
vacant housing units in off-peak periods.				
Objective #15: Improve the existing infrastructure by committing to tear down or renovate each building in need of repairs, by improving the quality of signage and developing a modern, pleasing appearance for city streets, pavements and the park.				
Action 1: Determine under what circumstances property will be re-purchased from private owners; and what period of time they have to upgrade or sell property that is dilapidated or being put to non-productive use; and communicate this clearly to all private owners (possibly through the development of building maintenance codes).	Development of building maintenance codes Condemnation of buildings not meeting code within 5 years	Building maintenance codes development Mailing sent out to all property owners informing them of the adoption of the codes and enforcement policies Personnel hired and trained for enforcement of the codes Buildings not meeting code by 2013 condemned and re-purchased by the government for sale to private investors or government redevelopment	Jermuk municipality (planning department) Urban Development Ministry Real Estate Cadastre	
Action 2: Install road and pedestrian signage to direct tourists to prominent accommodation establishments, restaurants and tourist attractions (See Development Control Guidelines)	# of new signs	All road intersections in the town and all major tourist areas provided with signage	Jermuk municipality	
Action 3: Remove advertising (such as billboards) that is not in keeping with the desired character and vision Jermuk is trying to communicate. Inappropriate advertising should be made less conspicuous or re-done so that it is consistent with Jermuk's targeted image (See Development Control Guidelines).	# and size of advertising billboards	No inappropriate advertising	Jermuk municipality	
Action 4: Renovate pedestrian sidewalks, public paths and public areas. Install street lighting in areas frequented by tourists (See Development Control Guidelines).	# of kilometers of pedestrian areas renovated # of roads provided with	At least 10 kms of pedestrian areas improved per the development control guidelines by 2012	Jermuk municipality	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
	street lighting	All relevant streets provided with street lighting		
Objective #16: Develop solid and sewage waste treatment and disposal methods.				
Action 1: Establish modern sewage treatment facilities, including sewage pipelines (so as to prevent further sewage leakage into the reservoir)	Establishment of new sewage pipelines	Town has renovated sewage system by 2012	Jermuk municipality	
Action 2: Assess current solid waste management practices to avoid groundwater pollution	Standards of management practices to avoid groundwater pollution adopted	Landfill certified to no longer create groundwater pollution	Jermuk municipality Ministry of Environment	
Action 3: Seek to establish frequent and reliable waste and recyclable materials collection	Establishment of collection system	All of Jermuk covered by functional waste and recyclable materials collection system	Jermuk municipality	
Objective #17: Seek to align local agricultural production toward the needs of accommodation establishments, restaurants and retail outlets; focusing on high quality organic production and local traditions.				
Action 1: Establish market requirements for meat, dairy, fruit and vegetable products.	Market study undertaken	Study undertaken by 2009	Jermuk municipality Accommodation and restaurant establishments Agricultural producers	
Action 2: Establish coordination structure between tourism enterprises and farmers to provide education on seasonal needs, delivery requirements, packaging and food quality.	Establishment of coordination structure	Accommodation establishments and restaurants sourcing 100% of possible produce direct from local market	Agricultural producers and tourism enterprises	
Action 3: Seek to establish grants for local farmers to improve mechanization, use of pesticides and fertilizers, and provide education on suitable crop and animal species.	# of grants Average grant size	Agricultural producers improved productivity by 25%	Ministry of Agriculture	
Objective #18: Provide community facilities and services to improve the living standards and social environment of local people.				
Action 1: Establish a 24 hour local fire service with trained	Establishment of local fire	Fire service established and	Jermuk local government	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
personnel and appropriate vehicles and equipment	service	funded	Ministry of Emergency Situations	
Action 2: Establish modern and safe play areas for children in and around housing areas.	Establishment of safe play areas	At least 5 play areas developed by 2010	Jermuk municipality	
Action 3: Development of community center(s) to promote civic participation and provide venues for community activities	Establishment of community centers	At least 1 community center developed	Jermuk municipality	
Action 4: Improve general education and employment opportunities in Jermuk through improved technology education and short courses for the public of relevance to the tourism industry	# of individuals completing short courses % of these individuals placed in jobs	At least 50% of unemployed people seeking jobs in tourism completing short courses by 2012 At least 50% of these individuals obtaining jobs in tourism within 4 months	Jermuk municipality Ministry of Education	
Action 5: Improve existing quality of housing through adoption of building maintenance codes and other upkeep requirements	Establishment of building maintenance and upkeep codes	Building maintenance codes developed and adopted	Jermuk municipality Ministry of Urban Development	
Objective # 19: Promote the religious and cultural heritage of Vayats Dzor and Jermuk, as a supporting element of Jermuk's vision and for the economic and social benefit of the local community and visiting tourists.				
Action 1: Enable the local population to make an income through the development of handicrafts; provide training on handicraft production targeted at tourists, provide a suitable location (market) within the town for the demonstration of handicraft production and sales of handicrafts with seating, toilets, covered stalls, etc. The market should also allow for the sales of local artwork by competent artists.	Establishment of tourism marketplace Sales at market (proxy for increased incomes)	Establishment of tourism marketplace by 2012	Jermuk municipality Private investors	
Action 2: Enhance the existing Art Gallery through the organization of local exhibitions and events during peak tourism seasons.	# of exhibitions and events held	At least 2 exhibitions or events held during peak season annually	Art Gallery owner and manager	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
		At least 1 exhibition or event held during off-peak season annually		
Action 3: Renovate and enhance the 'Kings bathing area' near the Armenia hotel, the mineral water spring building and the Gndevank Monastery complex and install interpretation boards, and pedestrian and road signage.	Renovation of bathing area Presence of signs	Renovation of bathing area Signage and interpretation boards established at four cultural monuments	Jermuk municipality Ministry of Culture Ministry of Transport and Communications	
Action 4: Organize annual events for local people to celebrate their culture and lifestyle. The events can also be of tourist interest but should remain focused on the local community.	# of events planned	At least 4 events held annually	Community Groups Jermuk municipality Private investors/sponsors	
Objective #20: Maintain and enhance the rural environment in and around Jermuk.				
Action 1: Clean up and enhance the appearance of the gorge, where public access is provided; particularly focus on making the 'waterfall' area more attractive, more accessible and aesthetically pleasing.	Code for appearance of the gorge area	Gorge cleaned and industrial buildings removed. Marked trails developed.	Jermuk municipality Ministry of Environment	
Action 2: Ensure regular cleaning of rivers and streams	Code for river's cleanliness	Code implemented on quarterly basis	Jermuk municipality Ministry of Environment	
Action 3: Undertake review of rural environment surrounding Jermuk for consideration in designating as a national park; protecting the landscape and biodiversity and preventing over-development of the town into surrounding areas – but also allowing for public access	Report on quality of environment Codes for environmental protection Designation as national park	National Park to be designated by 2012	Jermuk municipality Ministry of Environment Real Estate Cadastre	
Action 4: Review land use to ensure that agricultural and forest-protected land is adequately zoned such that both are	Code for protection and preservation of forested	Agreement reached between stakeholders on zoning	Jermuk municipality	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
adequately protected and will not negatively affect the landscape of the mountains long-term.	land		Real Estate Cadastre	
Objective #21: Devolve some authority for the development of Jermuk to the town itself and actively attempt to engage the community in the development of Jermuk by encouraging participation and feedback, with the expectation that these measures will enhance the sustainability of Jermuk's development.				
Action 1: Short to medium term enhanced communication between ministries and the municipality, perhaps facilitated by the designation of a "point" person in the Ministry of Urban Development	Designation of point person for communication with municipality Frequency of communication with national government	Personnel identified to act as main point of contact between national and local governments Monthly meetings established	Jermuk municipality Ministry of Urban Development	
Action 2: Involvement of local community through meetings, town halls, etc. at pre-determined points in the process to assure community buy-in	Frequency of town hall meetings	Council meetings opened to the public and held regularly (once a month) Meeting schedule requirements established for planning initiatives	Jermuk municipality	
Action 3: Capacity-building of local officials in relevant areas such as budgeting and administration, and community engagement	# of courses presented on relevant topics	At least 3 courses held per year for the next 3 years for all Jermuk local government employees & officials	Jermuk local government Ministry of Territorial Administration	
Action 4: Development of a planning department within Jermuk Municipality to provide support to implementing the framework, and the plan.	Establishment of planning department	Planning department established and operational by 2010	Jermuk municipality Ministry of Urban Development	
Action 5: Appointment of a local official responsible for local economic and tourism development, who would likely serve as the point person for the strategy.	Appointment of LED official	Official hired by the planning department by 2009	Jermuk municipality	
Action 6: Revise legislation to determine where changes might be made to empower local authorities in areas relevant to local development (See Development Process Guidelines for recommendations)	Revision of legislation	Relevant legislation in place	Ministry of Justice Ministry of Urban Development	
Action 7: Other activities to encourage civic participation	# of events held	At least 4 events held	Community groups	

Actions	Suggested Indicators	Targets	Responsibilities	Investment Required
among the community –events, development of community center, seminar on public's role in planning process, etc.		annually	Jermuk municipality Private investors/sponsors	
Objective #22: Enhance the business environment to increase the chances of attracting private sector actors to invest in Jermuk.				
Action 1: Review the current incentives provided to small businesses and determine how these may be altered to promote the establishment of new businesses or expansion of existing businesses in Jermuk (these may include taxes, bank guarantees or subsidized loans, for example)	Number of new businesses opened Number of new businesses successful after 1 year Number of businesses utilizing incentive programs	At least 20 businesses opened each year At least 50% of businesses utilizing incentive programs	Jermuk municipality Ministry of Economy	
Action 2: Determine where government investment could best serve as a multiplier to incentivize the attraction of private investment	List of government investment, including how much money would be invested and how much each is likely to attract	List completed by mid-2009	Ministry of Economy	
Action 3: Explore the possibility of economic zones in Jermuk to encourage foreign investment	Plan for development of economic zones	Determine by 2010 if it is appropriate to develop economic zones in Jermuk based on market analysis	Ministry of Economy	

In addition to the indicators listed in the table above, and in compliance with the Monitoring and Evaluation System, proposed in the Core Strategy, indicators can also be collected to evaluate success to the overall goals. Examples of these indicators include:

1) Visitor and tourist arrival numbers by month and residency
2) Visitor and tourist expenditure
3) Length of stay
4) Hotel & spa occupancy rates by month
5) Level of repeat visitation
6) Employment data