



# CROSS-BORDER TOURISM VALUE CHAIN DEVELOPMENT BETWEEN GEORGIA AND ARMENIA

---

## STRATEGIC ROADMAP

December, 2025

*This material was produced within the Her Power, Her Future Project, with the financial support of the U.S. Department of State. Its content represents the sole insights of the authors and does not necessarily reflect the vision of the donor.*

## ACKNOWLEDGEMENTS

This study was made possible with the financial support of the **U.S. Department of State**, as part of the Women's Economic Security Project: **Her Power, Her Future**, implemented in Georgia, Armenia, and Azerbaijan. The project aims to strengthen rural women's economic security, entrepreneurship, and participation in cross-border trade and business relations, enabling their enhanced leadership and participation in economic life in ways that contribute to regional stability.

The study was carried out by **CARE Caucasus**, with active facilitation from its local partner organizations: WINNET Goris Development Foundation and the Sakartvelo Regional Empowerment Foundation (SREF).

We sincerely thank the tourism sector entities, sector enablers, and experts from both countries who actively participated in interviews and fieldwork. In particular, we acknowledge contributions from representatives of:

- **Organizations and associations:** Georgian Tourism Association (GTA); Georgian Traditional Handicraft Association; Teryan Cultural Center and the Union of Artisans of Armenia; Lori, Tavush, and Shirak Destination Management Organizations (DMOs); American University of Armenia (AUA); World Bank Group; Strategic Development Agency (SDA) NGO; and Caucasus Consulting Group LLC.
- **Travel agencies and tour operators:** Bright Tour LLC; Phoenix Tour Armenia; and Promethea Voyages.

Special thanks are extended to the **women-owned and women-led micro and small enterprises** across numerous regions of Georgia and Armenia, whose participation in focus group discussions and sharing of experiences and insights were instrumental to this study.

**Prepared By:** Giorgi Papava

**Reviewed By:** Natia Katsiashvili

*December, 2025*



# TABLE OF CONTENTS

<b>ABBREVIATIONS</b> .....	4
<b>EXECUTIVE SUMMARY</b> .....	5
<b>1. INTRODUCTION</b> .....	7
<b>2. METHODOLOGY</b> .....	8
2.1 Research Design .....	8
2.2 Primary Data Collection .....	9
2.3 Secondary Data Collection .....	10
2.4 Ethical Considerations.....	11
<b>3. LITERATURE REVIEW</b> .....	11
3.1 Cross-Border Tourism Foundation.....	12
3.2 Sector Dynamics: Rapid Growth and Opportunities.....	17
3.3 Women in Cross-Border Tourism .....	18
3.4 Cross-Border Tourism Cooperation: Evidence from Comparable Contexts.....	19
3.5 Strategic Opportunities and Pathways Forward.....	22
<b>4. FINDINGS: CROSS-BORDER TOURISM VALUE CHAIN ANALYSIS</b> .....	23
4.1 Cross-Border Cooperation: Current State and Constraints .....	24
4.2 Knowledge Exchange as Cooperation Pathway.....	26
4.3 Production Capacity as Binding Constraint.....	28
4.4 Digital Commerce Capabilities and Platform Utilization .....	29
4.5 Tourism Value Chain Integration Opportunities.....	30
4.6 Festivals and Exhibitions: Participation Value and Conversion Challenges.....	34
4.7 Certification and Regulatory Compliance: Barriers and Pathways.....	36
4.8 Infrastructure Deficits Beyond Enterprise Control .....	37
4.9 Sustainability Patterns and External Support Dependency.....	37
<b>5. CROSS-BORDER TRADE ROADMAP: STRATEGIC IMPLEMENTATION FRAMEWORK</b> .....	38
5.1 Strategic Framework.....	38
5.2 Implementation Pathway: Phased Approach .....	39
Phase 1: Quick Wins and Foundation Building .....	41
Phase 2: Scaling Proven Models .....	42
Phase 3: Embedding Sustainability .....	43
5.3 Risk Assessment and Mitigation .....	44

5.4 Sustainability Pathways ..... 44

**6. STRATEGIC RECOMMENDATIONS..... 45**

**7. REFERENCES ..... 48**

**8. ANNEXES ..... 54**

## ABBREVIATIONS

ARMECAS	Armenian Ecotourism Association
ATF	Armenian Tourism Federation
CENN	Caucasus Environmental NGO Network
CNFA	Cultivating New Frontiers in Agriculture
DMO	Destination Management Organization
EBRD	European Bank for Reconstruction and Development
EDGE	USAID Economic Development, Governance and Enterprise Growth Project
FAO	Food and Agriculture Organization of the United Nations
FGD	Focus Group Discussion
GDP	Gross Domestic Product
Geostat	National Statistics Office of Georgia
GHCA	Georgian Heritage Crafts Association
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit, the German Agency for International Cooperation
GNTA	Georgia National Tourism Administration
GPS	Global Positioning System
GTA	Georgian Tourism Association
HACCP	Hazard Analysis and Critical Control Points
ILO	International Labour Organization
KfW	Kreditanstalt für Wiederaufbau, the German development bank
MSMEs	Micro, Small, and Medium Enterprises
NGO	Non-Governmental Organization
PMCG	Policy and Management Consulting Group
RECONOMY	An inclusive and green economic development program of the Swedish International Development Cooperation Agency (Sida), implemented by HELVETAS Swiss Intercooperation in the Eastern Partnership and the Western Balkan countries.
Sida	Swedish International Development Cooperation Agency
SMEs	Small and Medium Enterprises
TCT	Transcaucasian Trail
UNDP	United Nations Development Programme
UAE	United Arab Emirates
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNWTO	United Nations World Tourism Organization
USAID	United States Agency for International Development
WMSEs	Women-owned and Women-led Micro and Small Entrepreneurs
WWF	World Wide Fund for Nature

## EXECUTIVE SUMMARY

This study examines cross-border tourism value chain development opportunities between Georgia and Armenia, with **particular emphasis on women’s economic participation and micro-enterprise integration**. Research was conducted through 15 stakeholder interviews with 22 respondents, 4 focus group discussions with 44 women entrepreneurs across the Kakheti and Kvemo Kartli regions of Georgia and the Lori, Tavush, and Shirak regions of Armenia during September-November 2025, as well as a comprehensive analysis of academic literature, policy documents, program reports, and sector assessments.

Government agreements and strong association-level partnerships establish frameworks for Georgia-Armenia tourism cooperation. Sectoral associations maintain sustained cross-border engagement through established relationships, including the cooperation between the Georgian Tourism Association and the Armenian Tourism Federation, as well as connections between the Georgian Heritage Crafts Association and its Armenian counterparts.

When discussing cross-border cooperation opportunities, stakeholders prioritize learning opportunities. Interviews and focus group discussions reveal specific learning interests: Georgian entrepreneurs identify Armenian dried fruit production technologies and digital marketing strategies among their priorities; Armenian entrepreneurs specify Georgian wine tourism operational models. Documented experience shows that week-long intensive exchanges with hands-on practice demonstrate more durable learning outcomes than short-duration visits.

Production capacity emerges as a fundamental limitation across both countries and all sectors. Capacity-constrained businesses cannot reliably commit to cross-border supply, creating zero-sum calculations between domestic and export sales. Significant variation is observed in digital commerce capabilities. Entrepreneurs demonstrate substantial differences in the sophistication of the platforms they use. Some utilize specialized platforms such as Etsy, GetYourGuide, and Viator, which require advanced technical skills, while others rely primarily on Facebook.

Tourism value chains in both countries and across borders exhibit fragmentation with limited systematic linkages between businesses. Handicraft producers remain disconnected from organized tourism programs; agricultural suppliers use informal procurement channels lacking quality standards; and tour operators note challenges in maintaining reliable supplier relationships. These fragmentations limit income potential and tourist experience quality.

HACCP certification requirements create substantial barriers for food processors. Technical complexity exceeds micro-enterprise capability, documentation demands prove overwhelming, and costs — including testing, facility upgrades, and consultants — strain capital-constrained businesses.

Destination-level infrastructure constraints beyond enterprise control affect tourism potential. Interviews and focus group discussions document border crossing inefficiencies, limited public transportation to rural areas, and road quality variation on secondary routes. Individual enterprises face limitations in addressing destination-level deficits. For example, a high-quality

guesthouse in a village lacking tourist activities struggles to attract multi-day stays, regardless of accommodation excellence.

Clear divergence exists between market-driven cooperation, which continues independently, and initiatives dependent on external funding support, which struggle to continue when that support ends. The January 2025 global suspension of USAID operations provided a visible example: many tourism cooperation initiatives in the region had not yet developed sustainable business models enabling continuation without external support, a pattern observed across various donor-supported programs.

**The roadmap** for developing cross-border opportunities presented in this report organizes interventions across **five strategic dimensions**: capacity development, market linkage mechanisms, business environment enablers, resource mobilization, and sustainability architecture. Implementation follows **a phased approach** beginning with quick wins and foundation building, then scaling proven models, and finally embedding sustainable systems.

**Phase 1** focuses on comprehensive knowledge exchange programs addressing stakeholder-identified priorities, including ceramic and wool processing techniques for handicraft producers, dried fruit production and bread-baking demonstrations for food producers, wine tourism masterclass design for hospitality operators, and digital platform training for e-commerce. Enhanced festival participation support provides pre-event preparation, during-event facilitation, and critical post-event follow-up to convert networking into sustained relationships. Priority events include WinExpo Georgia, the Mimino Armenian-Georgian Culinary Festival, the Areni Wine Festival, and the exhibitions organized by handicraft associations. Integration of artisan and culinary experiences into tourism builds on standardized workshop formats for ceramics, wool processing, bread-baking, cheese-making, and wine-making.

**Phase 2** seeks to formalize relationships between farmers and guesthouses to strengthen agricultural producer-hospitality linkages. Tour operator-destination holder coordination addresses cross-border gaps where Armenian operators struggle to identify Georgian rural experience providers and vice versa, through familiarization tours and the development of business networks.

**Phase 3** embeds sustainability through equipment access mechanisms, addressing production capacity constraints, and association strengthening, building on the success cases of current cooperations, such as between the Georgian HeritageCrafts Association and the Union of Artisans of Armenia.

Handicraft sector interventions warrant prioritization given the existing association infrastructure and demonstrated cross-border cooperation sustainability. Training programs must include equipment provision to address production capacity limits. Festival participation requires comprehensive support cycles with particular emphasis on post-event technical assistance, preventing momentum loss.

Support programs should strengthen existing market relationships rather than establish new donor-funded structures. Permanent-value interventions, including equipment provision and association strengthening, should take precedence. Cross-border familiarization tours connecting tour operators with rural destination holders in both countries address critical information gaps. Realistic expectations should treat production capacity development and knowledge exchange as primary outcomes that will lay the foundation for future cross-border commercial partnerships.

---

## 1. INTRODUCTION

Cross-border tourism development represents a significant opportunity for regional economic integration and women's economic empowerment in the South Caucasus. Georgia and Armenia share cultural heritage, complementary tourism assets, and growing international visitor interest in multi-destination regional experiences. Despite these fundamentals, cross-border cooperation between Georgian and Armenian tourism enterprises remains limited, with high-level government agreements yet to translate into widespread operational partnerships.

In light of the *Her Power Her Future* project, tourism value chains present a strategic opportunity for women's economic participation across the South Caucasus. Women entrepreneurs concentrate in hospitality, food production, and handicrafts — sectors directly integrated into tourism ecosystems — yet face systematic barriers limiting their market access, cross-border engagement, and business expansion.

This study examines cross-border tourism value chain development opportunities between Georgia and Armenia, with **particular attention to women-owned and women-led micro and small enterprises (WMSEs)**. The research focuses mainly on five regions: Kakheti and Kvemo Kartli in Georgia; Lori, Tavush, and Shirak in Armenia. These regions represent the *Her Power Her Future* project's implementation areas and demonstrate diverse tourism potential, including wine tourism, cultural heritage, handicrafts, agro-tourism, and adventure tourism. Understanding cross-border tourism value chains requires examining not only tourist flows and government policies but also the micro-level realities of women entrepreneurs seeking to participate in tourism economies. This study bridges macro-level cooperation frameworks with enterprise-level operational constraints, identifying practical pathways for strengthening value chain integration and cross-border commercial relationships.

**This research pursues four interconnected objectives.** First, it maps the tourism value chain across selected Georgian and Armenian regions, analyzing key segments including regional tourism trends, cross-border trade patterns, women's roles across hospitality, food, handicrafts, and agro-tourism sectors, and supporting systems including infrastructure, digital platforms, and business support services. Second, it identifies barriers and enabling factors for women's participation and cross-border collaboration in tourism value chains through systematic analysis of constraints documented by entrepreneurs and stakeholders, with particular attention to barriers specifically affecting women's economic engagement. Third, it

highlights leverage points for intervention, including opportunities for business-to-business partnerships, digital platform utilization, capacity-building needs, financing requirements, and support service gaps that program interventions could address. Fourth, it develops a practical roadmap providing clear steps to strengthen cross-border trade, enhance women's economic participation, and improve regional cooperation, with institutional roles and resource requirements.

Following this introduction, Section 2 presents the research methodology, including the value chain analysis framework, data collection methods, and stakeholder engagement strategy. Section 3 provides a comprehensive literature review synthesizing existing knowledge on Georgia-Armenia tourism cooperation, sector dynamics, women's entrepreneurship constraints, and cross-border tourism models from comparable case studies. Section 4 presents primary **research findings organized thematically across nine areas**: cross-border cooperation patterns and constraints, knowledge exchange as cooperation pathway, production capacity limitations, digital commerce capabilities, tourism value chain integration opportunities, festival participation dynamics, certification and regulatory barriers, infrastructure deficits, and sustainability patterns. Section 5 translates findings into an **actionable Cross-Border Trade Roadmap, organizing interventions across five strategic dimensions**: Capacity Development, Market Linkage Mechanisms, Business Environment Enablers, Resource Mobilization, and Sustainability Architecture, with a phased implementation approach. Section 6 synthesizes conclusions and recommendations for CARE Caucasus implementation, private sector actors, and donor coordination. The report concludes with references and annexes.

---

## 2. METHODOLOGY

### 2.1 Research Design

This study applied a qualitative, value-chain-oriented methodology designed to map the interconnected tourism ecosystem across selected regions of Armenia and Georgia, with particular attention to WMSEs and opportunities for cross-border collaboration. The approach combined desk research, semi-structured interviews, focus group discussions, and participatory identification of constraints and opportunities. Fieldwork was conducted through online modalities during September–November 2025, enabling broad stakeholder engagement despite geographic dispersion.

The analytical framework centered on value chain mapping rather than a full market systems analysis. The focus was on understanding how core private-sector actors, tour operators, guesthouses, agro-producers, handicraft makers, and artisans, interact with tourism flows and with each other across key nodes of the value chain. Supporting institutions (DMOs, NGOs, municipal authorities, donor programs, and financial service providers) were incorporated primarily as enabling actors rather than as primary subjects of analysis. This approach

prioritizes identifying practical opportunities for WMSEs to strengthen their value chain participation and develop cross-border commercial relationships.

## 2.2 Primary Data Collection

### Key Informant Interviews

Data collection relied heavily on semi-structured key informant interviews. Fifteen interviews were conducted with 22 individuals: 10 interviews in Armenia (14 people) and 5 interviews in Georgia (8 people).

Armenian respondents included representatives of regional DMOs, tour operators, NGOs, artisans' and craft associations, academia, and a development agency. Georgian respondents included representatives from tourism and craft associations, a tour operator, a CARE Caucasus partner organization, and a senior tourism expert.

Interview topics included cross-border tourism cooperation, policy frameworks, market dynamics, women's participation in tourism, barriers to women's economic empowerment, value chain linkages, and opportunities for joint tourism product development.

### Focus Group Discussions

Four focus group discussions (FGDs) were held, two in Armenia (23 participants) and two in Georgia (21 participants), bringing together small business owners from tourism-relevant sectors. FGDs deliberately employed mixed-sector composition to surface interdependencies and potential linkages between tourism and related value chains (e.g., how wineries interact with guesthouses, how guesthouses feature local handicrafts, how culinary tourism intersects with small-scale food processors). Participants engaged in ranking exercises to prioritize constraints and opportunities. Rankings were cross-validated across multiple interviews and focus group discussions to ensure consistency and reliability of findings.

All focus group discussions in Armenia, as well as some interviews with key informants, were conducted with professional interpretation to accommodate participants who were not comfortable communicating in English.

Focus group participants were primarily beneficiaries of the *Her Power, Her Future* project. Since the recommendations and roadmap developed from this study target regions covered by the project, selecting program beneficiaries for FGDs constituted the most appropriate and efficient sampling strategy.

Two focus groups were conducted in Armenia with 23 participants concentrated in Lori, Tavush, and Shirak regions. Armenian participants represented diverse business sectors:

- Hospitality and accommodation: Guesthouses, rural tourism centers, bed & breakfast establishments
- Agricultural and food products: Dried fruits, herbal and berry tea, cakes and pastries, macaroons, milk

- Horticulture: Greenhouse cultivation of flowers and vegetables, ornamental plants
- Artisanal crafts and handicrafts: Macramé and home décor, handmade dolls, crochet accessories, textile crafts, clothing with Armenian ornaments, infant clothing, and cotton items
- Other services: Photography studio, planetarium

Participants included businesses at relatively early startup stages as well as more established businesses at expansion stages.

Two focus groups were conducted in Georgia with 21 participants, concentrated in Kakheti and Kvemo Kartli regions. Georgian participants represented the following business sectors:

- Hospitality and accommodation: Guest houses
- Wine production and agrotourism: Bio wine production, wine degustation venues, winery cellars
- Agricultural and food products: Dried fruits, fruit processing, dairy products (cheese, cottage cheese, butter), honey, Svanuri salt, café and bakery services
- Horticulture: Greenhouse production
- Artisanal crafts and handicrafts: Tushetian wool socks, handmade birdhouses and interior accessories, wool souvenirs
- Other services: Sewing and clothing alteration, children's entertainment, beauty salon, beekeeping.

### 2.3 Secondary Data Collection

A structured desk review supported fieldwork and strengthened triangulation of findings. Documents reviewed included project documentation, policy frameworks, development strategies, baseline assessments, and sectoral guidelines relevant to tourism and women's economic participation in Georgia and Armenia. These documents informed interview guide design, provided a contextual understanding of cross-border tourism trends, and supplemented field insights where primary data were limited.

The literature review examined included (i) Tourism statistics, market trends, policy frameworks, and development programs in both countries, emphasizing cross-border tourism flows, cooperation mechanisms, and joint initiatives; (ii) Sex-disaggregated gaps in labor force participation, wages, entrepreneurship, and access to finance, with specific attention to the tourism sector; (iii) Cross-border cooperation mechanisms capturing government agreements, association-level cooperation, private sector offerings, and international development programs supporting Georgia-Armenia tourism collaboration; (iv) review of niche tourism products related to wine tourism, adventure tourism, handicrafts, cultural heritage tourism, and experience-based tourism offerings with cross-border potential.

Sources reviewed included government tourism statistics and policy documents, World Bank and international development organization reports, academic research, tourism association publications, tour operator websites and marketing materials, and news media coverage of

tourism developments. The review period focused mainly on the 2019-2025 period to capture pre-pandemic baselines, pandemic impacts, recovery trends, and current developments.

## 2.4 Ethical Considerations

Ethical considerations were integral to the methodology. Participants were informed that their contributions would remain confidential and that any quotations used in the report would be anonymized. Participation was voluntary, and respondents retained the right to decline answering any question or to terminate the interview at any time. The online modality of fieldwork eliminated location-based risks.

---

## 3. LITERATURE REVIEW

This literature review examines the current state and potential of cross-border tourism between Georgia and Armenia, with particular attention to opportunities for women's economic empowerment in the tourism sector. The review is structured around four key themes:

**Cross-border tourism foundation:** The existing foundation for cross-border tourism cooperation, including shared cultural heritage (ancient winemaking traditions dating 6,000-8,000 years), physical infrastructure (the 1,750 km Transcaucasian Trail connecting both countries), and bilateral tourism flows (948 thousand visits from Armenia to Georgia and 266 thousand visits from Georgia to Armenia in 2024). The policy framework includes the January 2024 Strategic Partnership Declaration and the November 2024 tourism cooperation MoU, though these high-level agreements have not yet materialized into practical joint marketing or coordinated policy implementation.

**Tourism sector dynamics:** Georgia recorded 6.5 million international visits and \$4.5 billion in receipts in 2024, with a strong recovery in overnight tourism (100.2% of 2019 levels) but heavy reliance on neighboring country markets. Armenia received 2.2 million tourists in 2024, a slight decline from 2023 but 22% above 2019 levels, with Russia, Georgia, and Iran as the top source markets. Both countries are developing niche tourism products, including wine tourism, adventure tourism, and experience-based offerings, though infrastructure gaps and coordination challenges persist.

**Women's participation:** In Armenia, less than 50% of working-age women participate in the labor force, and those who work earn 25-30% less than men for the same work (World Bank, 2024a). In Georgia, women earned 1,779 GEL per month compared to men's 2,654 GEL (Q4 2024), representing a 33% gap (BTU AI, 2025). Structural barriers include limited access to finance, caregiving responsibilities, occupational segregation, and persistent norms about women's economic roles in both countries.

**Cross-border tourism marketing and product development:** While over 25 international tour operators and all major local operators in both countries actively offer combined Georgia-Armenia packages (multi-day tours ranging from \$350 to \$3,900+), official government tourism bodies show minimal cross-border integration. Neither the Georgia National Tourism Administration (GNTA) nor the Tourism Committee of the Ministry of Economy of the Republic of Armenia prominently features joint packages or destination marketing. This gap between robust private sector offerings and weak official coordination represents a key finding for intervention strategies.

### 3.1 Cross-Border Tourism Foundation

This section examines the existing foundation for cross-border tourism cooperation between Georgia and Armenia, including physical infrastructure, shared cultural heritage, government agreements, association-level partnerships, and private sector activity. The analysis draws on policy documents, tourism statistics, association publications, and tour operator offerings to assess both the potential and current limitations of cross-border tourism development.

The Transcaucasian Trail (TCT) is a 1,750 km hiking network connecting Armenia, Georgia, and Azerbaijan, with 1,750 km completed as of 2025 (Transcaucasian Trail Association, 2024). TIME Magazine recognized it as one of the world's "100 Greatest Places" in 2019 (TIME, 2019). Armenia's 861 km section is completed and traversable in 25-40 days (FarOut Guides, 2025). Georgia's Svaneti and Imereti-Racha stages are hiker-friendly. The trail connects 25 protected areas and benefits 150+ local communities. Since 2015, international volunteers contributed 30,000+ trail-building hours, while the Caucasus Conservation Corps trained 60 local trail crew leaders (Transcaucasian Trail Association, 2024).

Armenia's Areni-1 Cave contains the world's oldest known winery, dated to approximately 6,100 years ago (4100-4000 BC) (Wine Travel Awards, 2023). Georgia's winemaking tradition dates to approximately 8,000 years ago, with archaeological evidence from Gadachrili Gora and Shulaveris Gora sites. UNESCO recognized Georgian qvevri winemaking as Intangible Cultural Heritage in 2013. Georgia has 525 indigenous grape varieties (Undiscovered Destinations, 2024).

Tour operators offer combined Georgia-Armenia wine itineraries of 10-18 days (Responsible Travel, 2024a, 2024b). Armenia hosted the 8th UN Tourism Global Conference on Wine Tourism in September 2024 (UNWTO, 2024). Georgia's wine exports reached \$276 million in 2024, with 95 million liters exported to 72 countries (1TV, 2025).

The January 2024 "Joint Declaration on the Establishment of a Strategic Partnership between the Republic of Armenia and Georgia" was signed by Prime Ministers Pashinyan and Garibashvili. While the full text is not publicly available, official government statements indicate it covers cooperation across the economy, trade, transport, energy, tourism, culture, and education (Government of Armenia, 2024; Ministry of Foreign Affairs of Armenia, 2024).

A Memorandum of Understanding on tourism cooperation was signed in November 2024 between Georgian Prime Minister Kobakhidze and Armenian Foreign Minister Mirzoyan.

However, as of December 2025, this high-level commitment has not translated into visible consumer-facing initiatives. Neither the GNTA websites (gnta.ge, georgia.travel) nor the Armenia Tourism Committee website (armenia.travel) prominently features cross-border packages or joint promotional content. Both countries' official tourism sites mention the other primarily as a visitor source market in statistical reports rather than as a partner destination for combined travel. The November 2024 MoU appears to have been largely a diplomatic formality that has not yet materialized into practical coordination on tourism policy, joint marketing campaigns, or unified destination branding.

The 2024 World Bank analysis identifies gaps, including the need for stronger private sector integration in Georgian DMOs, limited capacity in regional administrations, inadequate coordination between state agencies, and fragmented tourism development outside major destinations (World Bank, 2024b). Six regional DMOs exist in Georgia (Ajara, Kakheti, Imereti, Svaneti, Samegrelo, Samtskhe-Javakheti) but remain publicly funded with limited private sector participation (Solimar International, 2024).

Between the government policy framework and private sector tourism operations exists an important middle tier of cooperation: tourism associations and federations. This level of cooperation is particularly significant as it bridges official diplomacy with practical market implementation.

The Georgian Tourism Association (GTA) and Armenian Tourism Federation (ATF) have demonstrated emerging cooperation in recent years. GTA, founded in 2006, has 145+ members, including tourism operators, hotels, wine companies, transport providers, airlines, and vocational education colleges (Georgian Tourism Association, 2025). ATF was established in August 2018 as a reorganization of the Union of Inbound Tour Operators (operating since 2004) and became a UN World Tourism Organization-affiliated member in 2019 (Armenian Tourism Federation, 2025). ATF's 2024-2029 strategy, supported by the RECONOMY program, focuses on coordination, representation, and protection of members' rights and interests (Strategic Development Agency, 2024).

Recent cooperation activities between GTA and ATF include several notable initiatives. In November 2025, GTA member companies participated in the International Tourism Fair Armenia in Yerevan, with discussions focusing on "Armenia-Georgia collaboration, cross-border tourism products, cultural experience and strong regional partnerships" (Georgian Tourism Association, 2025). In September 2025, the Green Rock Foundation and GTA signed a Memorandum of Cooperation for the "Meet Dilijan" initiative, with the signing event attended by the Embassy of the Republic of Armenia in Georgia, Tourism Committee of Armenia, Georgia National Tourism Administration, GTA, and ATF (Green Rock Foundation, 2025). In June 2024, during the Mimino Festival business forum in Tbilisi, a joint working group between GTA and ATF was announced by ATF President Mekhak Apresyan, with stated goals of developing regional tourist packages, facilitating border crossing procedures, and establishing quality standards (ARKA, 2024). GTA Chairperson Natalia Kvachantiradze stated that *"Armenia is becoming a key destination in our combined tours... Launching this joint product shows our*

*growing strength and commitment to regional cooperation”* (Georgian Tourism Association, 2025).

This cooperation between GTA and ATF represents developing collaboration at the association level, focused on participation in business forums, trade fairs, and initial joint initiatives.

In the handicraft sector, the Georgian Heritage Crafts Association (GHCA), also known as the Georgian Traditional Handicraft Association, and the Union of Artisans of Armenia operate as the primary organizations supporting traditional craftspeople in their respective countries. GHCA, founded in 2015, unites 350 craft makers across all Georgian regions and operates the Ethnodesign social shop (founded in 2016), providing networking, consultations, trainings, marketing support, and exhibitions (Georgia Today, 2024). The Union of Artisans of Armenia serves as a networking platform for artisans across 18 craft categories, including jewelers, potters, lacemakers, embroiderers, woodworkers, and carpet makers, with a mission to preserve and promote Armenian cultural heritage through traditional crafts (Union of Artisans of Armenia, 2025). These associations engage through participation in each other’s fairs and exhibitions.

Both countries have developed specialized tourism associations in specific sectors. A few examples include the Armenian Ecotourism Association (ARMECAS), founded in 1998, that provides support for ecotourism development, while the Georgian Ecotourism Association, established in 2012, promotes ecotourism products and cross-border tourism cooperation (Ecotourism Association websites, 2024-2025). In the wine sector, organizations such as Wines of Armenia, the Georgian Wine Association (with 30 member wineries), and the Imeretian Wine Association support their respective national wine tourism industries (Georgian Wine Association, 2024; Wine Travel Awards, 2023).

Several international development programs have actively supported Armenia-Georgia tourism cooperation through structured interventions aimed at building institutional capacity and developing joint tourism products. The examples documented here represent some of the most significant recent initiatives, though additional programs and interventions have also contributed to cross-border tourism development in the region.

The USAID South Caucasus Regional Tourism Program (September 2023 - January 2025), implemented by Solimar International in partnership with J.E. Austin Associates, CNFA, and CENN, represented the most recent and focused intervention for Armenia-Georgia-Azerbaijan tourism cooperation. The program aimed to foster collaborative relationships with the tourism industry across the three countries through establishing private sector advisory groups, creating tourism product networks (trekking operators, wineries, rafting, cultural heritage tours), developing tourism support networks (DMOs, protected areas, university programs, “women in tourism”), and forging inter-country links through study tours, sales missions, and networking sessions. The program sought to disburse 30 grants for tourism network-strengthening initiatives and develop regional multi-day itineraries to promote tourism. In January 2025, USAID suspended global operations, resulting in the end of multiple programs in the region, including the South Caucasus Regional Tourism Program, much before its planned completion, triggering a visible example of a broader pattern: initiatives that had not developed sustainable

models struggled to continue when external support ended, a challenge observed across various donor-supported programs in the tourism sector (Solimar International, 2025).

The USAID Economic Development, Governance and Enterprise Growth (EDGE) Project (2019-2025) was a 12-country regional program spanning Western Balkans, Caucasus, and Ukraine/Moldova/Belarus that supported broad-based economic growth and intra-regional integration, with tourism as one of the priority value chains alongside agriculture and light manufacturing (International Development Group, 2020-2023). EDGE was implemented by International Development Group (IDG) and included Armenia and Georgia among its 12 target countries.

EDGE's most substantive tourism intervention was its partnership with the USAID My Armenia project, initiated in 2021 and continuing until the global suspension of USAID operations in early 2025, to facilitate Georgia-Armenia DMO cooperation. Six DMOs participated: Armenia's Syunik, Vayots Dzor, Lori, and Shirak, alongside Georgia's Samtskhe-Javakheti and Visit Kakheti (EDGE Project, 2022). The initiative, led by Lori DMO, marked "the first of this kind in the region" for transnational DMO collaboration (EDGE Project, 2022). Through exchange visits, planning workshops, and capacity building activities, the six DMOs jointly developed three themed regional tourism itineraries: Gastro Tour (discovering regional foods, drinks, culinary traditions at farms, vineyards, and markets), Experience the Culture (spiritual, religious, historical immersion and intangible cultural heritage), and Adventure Tourism (outdoor sports, hiking, cycling, extreme locations) (EDGE Project, 2022). Test tours were conducted across all six regions to validate the itineraries. Marketing efforts included umbrella branding under "Armenia & Georgia: A Journey of 1000 Tales," a dedicated Facebook page, promotional flyers distributed through hotels and information centers, itinerary passports shared with Tourism Information Centers, and signage for participating service providers (EDGE Project, 2022). Target markets identified were the EU (particularly Germany and France), Scandinavian countries, the Middle East, and domestic Armenia-Georgia markets (EDGE Project, 2022).

EDGE also supported the Transcaucasian Trail cross-border tourism development project (2022-2023), implemented by People in Need (PIN) in partnership with Transcaucasian Trail NGOs in Georgia and Armenia. The project scouted and developed 534.7 kilometers of new hiking trails: 122.9 km in Aragvi (Georgia), 200.8 km in Akhalkalaki (Georgia), 110 km in Lori (Armenia), and 102 km in Shirak (Armenia), with 190 km already added to OpenStreetMap (EDGE Project, 2023). Trail-making training was provided to 16 local activists from Lori and Shirak regions, while Local Action Groups in Georgia and Women's Resource Centers in Armenia (including WINNET Vanadzor) were engaged to coordinate trail maintenance and provide marketing support for local tourism SMEs (People in Need, 2023). The initiative aimed to attract visitors to rural areas through the growing Transcaucasian Trail network while building the capacity of local accommodation and tourism service providers along the trails (EDGE Project, 2023).

An earlier EDGE-funded initiative was the Digital Caucasus project (2020-2022), implemented by the Caucasus Environmental NGO Network (CENN) to support the digital transformation of tourism SMEs across Georgia, Armenia, and Azerbaijan. The project created the GoCaucasus portal ([gocaucasus.today](http://gocaucasus.today)), a three-country tourism information platform providing single-entry

access to accommodations, activities, and responsible tourism businesses with emphasis on ecotourism, adventure, rural, wine, and culinary tourism (CENN, 2022). The portal supported up SMEs to improve business operations and increase sales (Georgia Today, 2021). While the portal was successfully launched in 2021 with documented content for all three countries, its long-term operational status and sustainability beyond the initial EDGE funding period remain uncertain, with the most recent website updates dating to 2021.

The RECONOMY program, a regional green economic development initiative implemented by HELVETAS Swiss Intercooperation and funded by the Swedish International Development Cooperation Agency (Sida), operates in Georgia, Armenia, and nine other Eastern Partnership and Western Balkans countries (RECONOMY, 2025). In Armenia, RECONOMY works with the Strategic Development Agency on tourism and hospitality skills development, with particular focus on women and youth employment and digitalization initiatives (RECONOMY LinkedIn, 2024). The program supported the development of ATF's 2024-2029 strategy (Strategic Development Agency, 2024).

While official government tourism marketing has been limited, the private sector demonstrates robust cross-border tourism activity. A systematic review of current tourism marketing (conducted December 2025) reveals over 25 international tour operators actively offering combined Georgia-Armenia packages, along with comprehensive offerings from local Georgian and Armenian operators.

Major international operators, including G Adventures, Intrepid Travel, Wild Frontiers, Exodus Travels, Artisans of Leisure, and National Geographic Expeditions, offer combined itineraries ranging from 8-15 days, priced between \$1,800 and \$3,900+ (websites accessed December 2025). G Adventures' "Best of Georgia & Armenia" 8-day tour is priced at \$1,800 and features wine tasting in Kakheti, lavash cooking demonstrations, and UNESCO World Heritage-listed monasteries, including Haghpats and Geghards. Intrepid Travel's "Georgia & Armenia Explorer" 11-day tour at \$2,900 emphasizes responsible tourism, including visits to a café employing people with special needs. Marketing themes consistently emphasize ancient Christianity (the world's oldest churches), wine culture (Georgian qvevri and Armenian traditions), Caucasus Mountains scenery, and culinary experiences.

Georgian tour operators comprehensively offer Armenia in their itineraries. Caucasus Travel, established in 1991 as the first South Caucasus destination management company, positions itself as the premier regional operator with multi-country culture, adventure, and gourmet tours. Georgian Holidays offers their 11-day "Travel to Georgia and Armenia" for \$2,000 with monthly guaranteed departures from May to September. Kartveli Tours provides flexible private tours ranging from 5 days (\$600-\$1,950). Promethea Voyages, a Tbilisi-based operator, offers combined regional tours including "Transcaucasian Train Tour" (12 days, \$1,200) and "Transcaucasia – Georgia, Armenia & Azerbaijan" (18 days, \$1,800), along with various cultural and adventure tours spanning Armenia and Georgia.

Armenian tour operators demonstrate equally comprehensive Georgia coverage. Arara Tour maintains its own office in Tbilisi for seamless operations, offering its 9-day "Georgia and Armenia Classical Tour" for \$1,450-\$1,850 (group) or \$2,450 (private), primarily serving

travelers from the USA, UK, Australia, and Canada. Hyur Service, operating since 2002, offers comprehensive packages, including “Armenia and Georgia in a Week” and its 2-day “Taste and Flavour of Charming Georgia”, starting at a total of \$350. Barev Armenia Tour provides extensive options ranging from multi-day tours to its 14+ day “Grand Tour” including Batumi, Kutaisi, and Prometheus Cave. Bright Tour offers three regional Armenia-Georgia packages ranging from 9 to 10 days. Phoenix Tour provides multiple combinations, including a 10-day “Armenia & Georgia Grand Tour” (\$1,550), 7-day tours (\$750-\$1,000), and 12-day guaranteed departures (\$1,800). Most operators use a guide changeover system at the Sadakhlo-Bagratashen border crossing, switching between Armenian and Georgian guides for local expertise.

Several local operators also offer one-day cross-border tours, primarily from Georgian bases to Armenian destinations. Operators, including Kartveli Tours and Envoy Tours, provide these day trips priced between \$50-\$70, typically visiting UNESCO World Heritage sites such as Sanahin and Haghpat monasteries. While these offerings demonstrate market accessibility, multi-day itineraries constitute the primary product for substantive cross-border tourism development.

### 3.2 Sector Dynamics: Rapid Growth and Opportunities

**Georgia** recorded 6.5 million international visits in 2024, a 4.6% increase from 2023, with tourism receipts reaching \$4.5 billion (Geostat, 2025; PMCG, 2024). Within this total, overnight tourists (a subset requiring at least one overnight stay) reached 5.1 million in 2024, achieving 100.2% recovery to 2019 pre-pandemic levels (Galt & Taggart, 2025). Tourism contributed 7.2% directly to Georgia’s GDP in 2022, while the total direct and indirect contribution to the economy exceeded 25% (World Bank, 2024b).

Georgia’s tourism sector relies heavily on visits from neighboring countries. In 2024, the top source markets by visits were Russia (21.9% market share, 1.42 million visits), Turkey (20.6%, 1.34 million visits), and Armenia (14.6%, 948 thousand visits) (Geostat, 2025). A 2024 World Bank analysis noted that in 2023, the combined share of Russia, Turkey, Armenia, and Azerbaijan accounted for 61% of total international visitor trips, with these countries having relatively lower levels of expenditure per visit compared to the EU and emerging markets (World Bank, 2024b). Visits from the EU and the UK totaled 438 thousand in 2024, representing a 3.8% increase year-over-year but declining quarter-over-quarter from Q1 2024 onwards (PMCG, 2024).

Wine tourism in the Kakheti region (where 75% of Georgia’s wine production is concentrated) has 20+ new wine-focused hotels planned for 2025-2028. Wine exports grew significantly in 2024, with key markets showing strong increases: UAE (+80%), Turkey (+62%), UK (+42%), and USA (+32%) (1TV, 2025). This export growth reflects increasing international recognition of Georgian wine, creating opportunities for wine tourism experiences that connect visitors with production regions and traditional winemaking methods. The Georgian National Tourism Administration operates a “Wine Route” project promoting wine tourism experiences across the country’s wine regions (Tourism Review, 2024). As noted above, the 2024 World Bank analysis identified strategic gaps, including the need for stronger private sector integration in

destination management, limited capacity in regional administrations, and fragmented tourism development outside major destinations (World Bank, 2024b).

Adventure tourism destinations include Kazbegi (433 thousand tourists in 2023) and Svaneti/Mestia (77 thousand tourists in 2023), with Tusheti representing another important mountain destination (World Bank, 2024b). Winter tourism accounts for approximately 25% of annual tourism. At the same time, Georgia's protected areas system (13% of territory) attracted 1.08 million visitors in 2023 (WWF Caucasus, 2024).

**Armenia** received 2.2 million tourists in 2024, a 4.7% decrease from 2.3 million in 2023 (Statistical Committee of the Republic of Armenia, 2025). Despite this decline, the sector shows strong long-term growth; the 2024 figure remains 22% above pre-pandemic 2019 levels of 1.8 million tourists (The Armenian Report, 2025).

In 2024, the largest source markets were Russia (938 thousand tourists, 42.5% of total), Georgia (266 thousand tourists, 12.1%), and Iran (176 thousand tourists, 8%) (Statistical Committee of the Republic of Armenia, 2025). This demonstrates Armenia's reliance on regional source markets, with Russia and Georgia together accounting for over half of all tourist arrivals.

Armenia's "Armenia, The Hidden Track" brand focuses on four pillars: cultural, indigenous, adventure, and gastro tourism (EVN Report, 2024). Armenia has adopted a cluster approach, prioritizing 20 tourism clusters including Alaverdi, Areni, Dilijan, Goris, Gyumri, and Jermuk. The World Bank's \$100 million Tourism and Regional Infrastructure Project (approved April 2025) targets seven clusters, with Dilijan and Gyumri identified as "transport hubs" (World Bank, 2024c).

The Armenian National Trail spans 950+ km across 5 regions and 109 villages (Armenia Travel, 2025). The 153 km Lori section is operational. HIKEArmenia, a nonprofit, has developed hiking infrastructure, mobile apps, and information centers (Kandoo Adventures, 2024). This trail development positions Armenia as an emerging adventure tourism destination, complementing the country's established cultural heritage offerings.

Agro-tourism and experience tourism are developing through "gastro yards", family homes offering traditional meals in regions such as Areni (World Bank, 2024c). Experience offerings include craft masterclasses, cooking experiences, artisan workshops, harvest participation, and village life immersion (MyArmenia, 2024). These community-based tourism initiatives provide income-generating opportunities for rural households while preserving traditional practices.

### 3.3 Women in Cross-Border Tourism

Women constitute the majority of workers in Georgia's hospitality and tourism services, yet represent only 5% of accommodation and food service business owners (Permanent Parliamentary Gender Equality Council, 2022; UN Women and ILO, 2023). In both countries, women entrepreneurs concentrate in trade (59% in Georgia) and agriculture rather than formal tourism businesses, limiting their ability to capture value from cross-border visitor flows (CARE Caucasus, 2023).

Three barriers constrain women's participation in cross-border tourism: (i) limited access to finance, women comprise only 19% of loan applicants in Georgia, with asset ownership gaps (70% of agricultural holdings operated by men) restricting collateral availability; (ii) skills deficits in business management, digital marketing, and connections to tour operators, particularly acute in rural border regions; and (iii) entrenched social norms, with 92% of Armenia's population holding at least one gender bias that restricts women's economic activity (NIRAS, 2024; UNDP, 2023; CARE Caucasus, 2023; World Bank, 2017; Union Sapari, 2017).

Despite these barriers, women are well-positioned in three tourism segments with cross-border potential: community-based guesthouses (2,000+ in Georgia), traditional handicrafts (textiles, carpet weaving), and agro-tourism linked to food production. International donors and development organizations provide various forms of support to women entrepreneurs in these sectors, including the European Union (EU4Business), Government of Norway, USAID, EBRD, Swiss Development Cooperation, and UN agencies (UN Women, ILO, FAO). Support modalities include grants and microfinance (Enterprise Georgia's Micro and Small Business Support Program, EBRD's Women in Business program with collateral support), business development services and training (business planning, financial literacy, digital marketing, product development), technical assistance and mentorship, and networking platforms (Women's Entrepreneurship EXPO bringing together 250+ women from Georgia and Armenia annually, UN Women ECA, 2025).

However, most support remains generic business development rather than tourism-specific. Programs rarely address the collateral constraints women face, 70% of agricultural holdings are operated by men, limiting women's ability to secure loans for tourism infrastructure investments (CARE Caucasus, 2023). Cross-border collaboration focuses primarily on networking events rather than operational frameworks for sustained business linkages. Digital marketing training for international markets, tour operator networking, and multi-country itinerary development remain largely absent from current support offerings.

### **3.4 Cross-Border Tourism Cooperation: Evidence from Comparable Contexts**

This section examines cross-border tourism initiatives operating in contexts comparable to Georgia-Armenia: small countries with mountainous terrain, transition economies, post-conflict environments, or wine/heritage tourism potential. Analysis focuses on governance structures, operational mechanisms, financing models, and measurable outcomes to inform Georgia-Armenia roadmap development.

The Via Dinarica trail, extending 1,930 km across Albania, Bosnia and Herzegovina, Croatia, Kosovo, Montenegro, North Macedonia, Serbia, and Slovenia through the Dinaric Alps, operates in a post-conflict region. The Via Dinarica Alliance comprises 4-5 adventure tourism companies from different countries that share operational responsibilities, including trail maintenance coordination, joint tour development, and cross-border logistics. Revenue from jointly operated tours is divided among participating operators. The alliance operates independently of government tourism agencies, though it coordinates with them on permitting and infrastructure. Initial development received EU Interreg and German development support

(2010-2014), but by 2022, the trail generated approximately €10 million in annual regional economic value. The Alpe-Adria-Trail, a comparable 750-km route connecting Austria, Slovenia, and Italy using a similar governance model, achieved financial sustainability within 10 years through bookable packages generating operator commissions.

Operational mechanisms include a unified booking platform. Trail Angels operates the Alpe-Adria system, enabling tourists to reserve accommodations and services across multiple countries through a single interface. Standardized signage and GPS waypoints ensure consistent navigation across borders. Partner accommodation providers (500+ establishments for Alpe-Adria) meet certified quality standards. For Georgia-Armenia, the private sector alliance model addresses coordination challenges between government agencies. The Transcaucasian Trail (1,750 km completed as of 2025), connecting Georgia and Armenia, provides existing infrastructure for comparable implementation. Georgia and Armenia have several adventure tourism operators with cross-border experience who could form a similar alliance. The 10-year timeline to sustainability in the Alpe-Adria case provides a realistic benchmark. Private operators have commercial incentives for cooperation that government agencies lack; the alliance structure maintains continuity despite political changes, and a unified booking platform is essential for operational integration rather than promotional coordination alone.

The Peaks of the Balkans provides a tested model for donor-to-local ownership transition. This 192-km hiking circuit connects Albania, Kosovo, and Montenegro through remote mountain communities. GIZ initiated the project in 2010, invested €2.8 million over three years in infrastructure, training, and marketing, then transitioned management to the Peaks of the Balkans Association (local cross-border membership organization) in 2013. The association now operates independently with membership fees and tourism revenue. The unified cross-border permit system (€35 per person, with online applications facilitated through local tour operators) simplifies multi-country bureaucracy. The permit includes trail access, local guide service, and community development contribution. GIZ trained 16 homestays to consistent standards and certified 36 mountain guides before launching international marketing. Participating villages reported a 40-60% increase in household income from tourism within the first three years, with women operating the majority of homestays. The permit system model could be adapted for Georgia-Armenia border region trails, and the training-before-marketing sequence addresses quality standardization requirements. The 3-year donor implementation followed by local ownership transition provides a tested handover model, while community income impacts demonstrate economic viability in comparable GDP contexts.

The contrast between successful initiatives and failed attempts reveals critical factors. The Plav-Thethi mountain region on the Montenegro-Albania border possessed favorable preconditions: open border since 1990, complementary mountain hiking resources, shared cultural background with Albanian-speaking populations, and sustained donor investment by GIZ. Despite these factors, operational integration failed. The border was “hermetically closed” for 45 years under communist regimes (1945-1990), creating persistent stakeholder perceptions. Interviews found Montenegrin operators viewed Albania as a “newly emerging competitor” rather than a partner, despite shared economic interests in cooperation. GIZ produced hiking maps for each country using identical technical specifications, but with “no reference to one

another”, trail routes end at the border on both maps. Hikers must physically “cut up two maps and glue them together” to see cross-border routes. This design reflects the fundamental problem: each country developed its portion of the tourism product separately, then attempted to link them, rather than designing a unified product from inception.

Operational obstacles compounded the coordination failure. No official border crossing point exists in the hiking region. Police stations authorized to provide crossing permission are “never manned when we crossed it” (Kagermeier and Stors, 2013), making organized tour groups impossible. This unresolved logistical barrier prevents tour operators from offering cross-border products despite marketing efforts. The region lacks unified classification, licensing, certification, or monitoring systems. Service quality varies significantly between providers, with reports of overcharging and inconsistent standards. This quality gap undermines the credibility of joint marketing. Despite being the same donor agency, GIZ programs operated independently on each side of the border with separate budgets, staff, and national government counterparts, replicating the bilateral coordination problem rather than solving it. This case is relevant to the South Caucasus, considering that Azerbaijan has closed all land border crossings since the COVID-19 period.

Notably, Via Dinarica and the Peaks of the Balkans succeed in the same geographic region with a similar post-communist transition context. The difference lies in governance structure, private sector alliance versus government-to-government coordination, and product design philosophy. Via Dinarica was conceived and marketed as a single trail crossing multiple countries; Montenegro-Albania attempted to link separate national trails after each was developed. The Montenegro-Albania case demonstrates that shared borders, complementary resources, and donor investment are necessary but insufficient. Success largely relies on unified product design from inception rather than retrofitting cooperation onto existing national products, resolution of border crossing logistics before marketing products, private sector operational leadership rather than relying solely on government-to-government coordination, explicit stakeholder attitude assessment and trust-building activities rather than assuming cooperation based on economic rationality, and unified donor project management rather than parallel national programs.

For Georgia-Armenia, three viable governance models emerge from the comparative evidence, each suited to different contexts. The private sector alliance model is appropriate when governments have limited capacity or coordination challenges, requires 4-6 committed tourism operators with cross-border experience, and operates on a timeline of 12-18 months to first bookable products with 7-10 years to financial sustainability. The institutional integration model is appropriate when governments commit significant resources and possess institutional capacity, require a formal legal framework through a treaty or bilateral agreement with a cross-border authority, operate on a 2-5 year timeline to operational launch, and need significant ongoing government funding.

Critical early-stage actions indicated by the evidence base include full resolution of border logistics and testing procedures with pilot groups before marketing. The Montenegro-Albania failure demonstrates that unresolved border crossing logistics prevent operational integration

regardless of other efforts. The Peaks of the Balkans sequence demonstrates the importance of quality assurance preceding promotion. Stakeholder attitude assessment should use structured interviews with tourism operators, accommodation providers, and local government officials in border regions, measuring willingness to cooperate with counterparts across borders, perceptions of tourism operators in the other country, and understanding of cross-border tourism product opportunities.

Unified product development suggests identifying 3-5 priority cross-border products — such as wine routes, hiking trails, UNESCO World Heritage circuits — and designing them as integrated offerings with a single booking interface. Testing whether tourists can reserve complete cross-border experiences through one transaction or must separately arrange components in each country indicates the difference between successful integration and bilateral coordination failure. Revenue and benefit-sharing mechanisms require transparent allocation formulae established before launching products.

### **3.5 Strategic Opportunities and Pathways Forward**

The evidence base reveals several strategic opportunities for cross-border tourism development between Georgia and Armenia. Transboundary ecosystems offer immediate potential for joint product development. For example, the Javakheti Protected Areas in Georgia and Lake Arpi National Park in Armenia together host 140+ bird species, the largest colony of Armenian gulls globally, and the only breeding site for Dalmatian pelicans in Armenia (Caucasus Nature Fund, 2024). The Caucasus Nature Fund supports 17 protected areas across the region, while the Eco-Corridors Fund, implemented with WWF Caucasus Programme Office since 2015, aims to create "living landscapes" connecting protected areas while supporting nature-based tourism (KfW, 2024; Eco-Corridors Fund for the Caucasus, 2024). The Caucasus is recognized as one of 25 global biodiversity hotspots, with 6,500 plant species, 400 bird species, 150 mammals, and high endemism rates.

Existing private sector activity provides a foundation for expanded cross-border cooperation. Tour operators already offer 10-18 day combined Georgia-Armenia wine, cultural, and adventure itineraries (Responsible Travel, 2024a, 2024b; MIR Travel, 2024). Over 25 international operators and all major local operators in both countries actively market combined packages. This robust commercial activity demonstrates market demand that official tourism bodies have yet to match with coordinated destination marketing or joint promotional content.

The comparative evidence from similar regions suggests priority actions for Georgia-Armenia. Private sector alliance models, as demonstrated by Via Dinarica and Peaks of the Balkans, offer more promising pathways than government-to-government coordination alone. Unified product design from inception outperforms attempts to retrofit cooperation onto separately developed national products. Quality standardization and service provider training should precede international marketing. Border crossing logistics require resolution before launching cross-border tourism products. The 3-year donor implementation, followed by local ownership transition, tested in the Peaks of the Balkans, provides a realistic handover model.

Women's economic participation requires targeted intervention given documented barriers. Women constitute the majority of hospitality and tourism services workers, yet are highly underrepresented in business ownership. Limited access to finance, digital skills gaps, and socio-cultural constraints restrict women's ability to capture value from cross-border visitor flows. However, women are well-positioned in community-based guesthouses, traditional handicrafts, and agro-tourism linked to food production, sectors that align directly with tourist demand for authentic cultural experiences.

Association-level cooperation, particularly between the Georgian Heritage Crafts Association and the Union of Artisans of Armenia, demonstrates sustainability patterns that donor-dependent initiatives have struggled to achieve. Building on the existing relationships rather than creating new structures offers the most promising pathway for durable cross-border cooperation. The January 2024 Strategic Partnership Declaration and November 2024 tourism MoU provide high-level political frameworks, while the World Bank's \$100 million infrastructure investment in Armenia targeting seven tourism clusters addresses destination-level constraints. Translating these frameworks and investments into operational cross-border cooperation requires practical mechanisms connecting women entrepreneurs to tourism value chains across both countries.

## 4. FINDINGS: CROSS-BORDER TOURISM VALUE CHAIN ANALYSIS

*This section presents findings from field research conducted between September and November 2025, comprising 15 stakeholder interviews with 22 respondents and focus group discussions with 44 participants across 4 sessions in Georgia and Armenia.*

The analysis integrates primary research findings with secondary sources, including project documentation, policy frameworks, and sectoral assessments. Table 1 synthesizes the key results from field research, identifies the underlying patterns they reveal, and outlines their strategic implications for cross-border tourism interventions. The remainder of this section provides a more detailed examination of these insights, which form the analytical basis for the strategic roadmap presented in Chapter 5.

**Table 1: Key Findings at a Glance**

#	Core Finding	What This Explains	Strategic Meaning
1	Tourism value chains are fragmented	Missed income opportunities and a weak tourist experience	Market linkage mechanisms are core interventions
2	Expressed interest in cooperation rarely translates into operational partnerships	Cooperation gaps are structural, not motivational	Interventions must remove implementation barriers, not promote cooperation per se
3	Information asymmetry persists throughout the partnership lifecycle	Failure is not at the contact stage, but at the cultivation stage	Structured post-contact support is essential

4	Knowledge exchange is preferred to immediate commercial partnerships	Stakeholders act rationally to manage risk	Knowledge exchange is a valid primary outcome
5	Knowledge transfer works only when intensive and contextual	Design is as important as the topic for successful technical assistance	Minimum duration and follow-up standards required
6	Production capacity is the binding constraint across sectors	Market access without capacity is meaningless	Equipment and labor models must accompany training
7	Capital constraints are binding for cross-border engagement	Cross-border trade requires buffers, not just opportunity	Treat capital access as a prerequisite, not an add-on
8	Technical export knowledge is absent and cannot be built through one-off training	Implementation failure follows superficial training	Embedded, sustained TA models are required
9	Time poverty functions as a selection mechanism	Women with care burdens are systematically excluded	Women-responsive design is operational, not symbolic
10	Digital platform adoption reflects training quality and market pressure	Capability is learned, not innate	Invest in long-duration, platform-specific training
11	Festival participation delivers exposure but not conversion	Events fail due to an absent follow-up	Fund the process, not attendance
12	Certification excludes micro-enterprises	Compliance ≠ viability	Certification support must be conditional and collective
13	Infrastructure deficits are critical at the destination level	Enterprise excellence cannot compensate	Advocacy + workarounds, not enterprise blame
14	Market-driven cooperation persists; donor-driven collapses	Sustainability is structural	Build on existing commercial logic

#### 4.1 Cross-Border Cooperation: Current State and Constraints

Cross-border tourism cooperation between Georgia and Armenia exhibits a pattern characterized by expressed interest but limited operational implementation. This gap manifests consistently across stakeholder categories, geographic regions, and business sectors.

##### **Institutional Cooperation:**

The Georgian Tourism Association and the Armenian Tourism Federation maintain formal cooperation agreements and participate in joint activities, including mutual invitations to tourism exhibitions, information exchange on sector developments, and periodic coordination meetings. This institutional partnership provides a framework for sectoral cooperation, though interviews indicate that association-level agreements have yet to translate systematically into widespread operational partnerships at the enterprise level.

The handicraft sector demonstrates sustained cross-border engagement through established association relationships. The Georgian Heritage Crafts Association maintains regular contact with Armenian counterpart organizations, including the Teryan Cultural Center and the Union of Artisans of Armenia. This cooperation manifests through festival participation, artisan exchanges, and occasional joint exhibition activities. The handicraft sector cooperation benefits

from lower regulatory barriers, direct tourism integration, complementarity between Georgian and Armenian handicraft traditions, and association infrastructure facilitating coordination.

### **Tour Operator Engagement:**

Tour operators in both countries include multi-destination itineraries as standard product offerings. According to interviews, combined Georgia-Armenia packages represent established products in the tour operator portfolio, driven by international tourist demand for regional experiences. However, interviews also reveal persistent challenges in maintaining reliable cross-border supplier relationships.

### **Sectoral Variation:**

Focus group participants in hospitality, food processing, and wine tourism sectors express interest in partnership development but report minimal actual cross-border business relationships. The absence of sector-specific data for all value chain segments limits a comprehensive assessment of cooperation patterns across remaining sectors; however, available evidence suggests that handicraft associations demonstrate notably stronger institutionalized cross-border engagement compared to sectors for which interviews exist.

Analysis of interviews and focus group discussions identifies four primary constraint categories limiting cooperation implementation. These constraints interact to create cumulative barriers that prevent the translation of cooperation interest into operational partnerships.

### **Information Asymmetries:**

Stakeholders across both countries report difficulty identifying potential partners, assessing partner quality and reliability, and obtaining market intelligence about cross-border opportunities. This information deficit extends to regulatory requirements, logistics procedures, and partnership structuring mechanisms. The absence of systematic partner identification mechanisms creates reliance on informal networks and chance encounters at events. While festivals and trade fairs provide networking opportunities, according to respondents, these interactions rarely convert to sustained commercial relationships absent structured follow-up support. The festival participation pattern documented in interviews demonstrates enthusiasm during events, followed by contact collection, a return to daily operations, encounters with implementation barriers, a gradual loss of momentum, and ultimately, minimal sustained application of the connections made. This pattern suggests that information asymmetry represents not merely an initial challenge in partner identification but an ongoing barrier to relationship cultivation and partnership activation.

### **Capital Constraints:**

Interview and focus group participants across both countries identify capital limitations as a binding barrier to cross-border engagement. Cross-border commercial relationships require financial resources for inventory buildup, enabling reliable supply, payment term flexibility, accommodating international transaction delays, relationship development activities, including site visits and sample exchanges, and speculative investment in partnership exploration. Focus

group discussions indicate that micro-enterprises operating on thin margins lack financial buffers to absorb these costs even when partnership opportunities appear commercially attractive. Grant programs provide sporadic support but do not address sustained capital requirements inherent in cross-border operations, creating dependency on donor funding cycles rather than sustainable business models.

#### **Technical Knowledge Gaps:**

Export operations require capabilities beyond domestic business management, including customs documentation, international payment processing, quality assurance for cross-border supply chains, regulatory compliance navigation, and partnership agreement structuring. According to interviews, micro-enterprises lack these specialized capabilities and face difficulty accessing affordable technical assistance. One-time training workshops prove insufficient for developing operational competence in these complex domains, while ongoing mentorship or embedded technical assistance models remain limited in availability and accessibility, particularly for rural enterprises distant from urban service provider concentrations.

#### **Time Constraints:**

Micro-enterprise operators face time scarcity managing existing business operations alongside household responsibilities. Cross-border partnership development demands time investment that competes with immediate revenue-generating activities, creating opportunity cost calculations that disadvantage partnership exploration. This constraint affects women entrepreneurs disproportionately, with focus group discussions revealing that women managing businesses alongside care responsibilities face particular difficulty participating in activities requiring extended absence from home communities, including cross-border exchange visits and multi-day trade fair attendance. The time constraint operates as a selection mechanism, systematically excluding entrepreneurs with the highest care burdens from partnership development opportunities regardless of business capacity or commercial potential.

## **4.2 Knowledge Exchange as Cooperation Pathway**

A consistent pattern emerges across interviews and focus groups: when discussing cross-border cooperation opportunities, stakeholders predominantly emphasize knowledge transfer over commercial transactions. This learning orientation appears across both countries, all sectors, and diverse business sophistication levels, suggesting a structural rather than idiosyncratic explanation.

Georgian entrepreneurs identify specific Armenian learning objectives, including dried fruit production technologies, greenhouse operation methods, handicraft design trends, digital marketing strategies, particularly specialized platform utilization, and packaging supplier networks. Armenian entrepreneurs specify Georgian learning priorities, including wine tourism operational models, guesthouse management systems, handicraft cooperative organization, agricultural productivity practices, and e-commerce platform optimization strategies. The specificity of these learning interests hints towards sophisticated market awareness rather than

generic cooperation enthusiasm, with stakeholders articulating precise capability gaps they seek to address through cross-border knowledge acquisition.

Several factors documented in interviews and focus group discussions explain stakeholders' emphasis on knowledge exchange over immediate commercial partnerships. Respondents indicate the understanding that technical capability development enables subsequent commercial engagement, with stakeholders recognizing that premature export attempts without foundational knowledge risk failure that damages reputation and forecloses future opportunities. Knowledge acquired through cross-border exchange provides immediate value within domestic operations independent of cross-border commercial relationship formation, creating tangible return on learning investment regardless of whether international partnerships materialize. Learning relationships involve substantially lower financial investment and operational risk compared to commercial partnerships, requiring modest costs for workshop attendance or brief site visits, while commercial partnerships demand sustained resource commitment for inventory management, quality assurance systems, logistics coordination, and payment processing. Additionally, knowledge exchange creates a relational foundation potentially enabling subsequent commercial cooperation, with interviews suggesting stakeholders view learning relationships as an appropriate pathway for building mutual familiarity and assessing partner capabilities before commercial engagement.

Handicraft sector master classes demonstrate effective knowledge transfer characteristics documented in interviews: week-long intensive exchanges enabling hands-on practice, hosting in working environments providing authentic context, pairing learners with expert practitioners facilitating genuine skill transfer, and follow-up support addressing implementation challenges when participants return home. Interviews from handicraft sector participants indicate application of learned skills years after exchange experiences and knowledge transfer to others in their communities, suggesting durability of learning outcomes when exchange design incorporates these elements.

Short-duration exchange visits of one to two days demonstrate poor implementation outcomes according to interviews. While participants express strong interest and exchange contacts during these visits, they face practical obstacles once back at their operations, leading to declining engagement and limited follow-through. The implementation failure stems from insufficient duration for deep engagement beyond superficial exposure, the absence of follow-up support when implementation challenges surface after return, no mechanisms maintaining connections initiated during visits, and a mismatch between observed practices and home context realities that become apparent only during implementation attempts.

Finally, analysis of interviews and focus group discussions reveals sectoral variation in knowledge exchange effectiveness and implementation requirements. Handicrafts demonstrate the highest knowledge exchange effectiveness due to techniques proving visually demonstrable and equipment requirements remaining modest. Food processing faces implementation barriers due to equipment dependency, with observation of advanced processing technologies providing valuable information, but replication requiring capital investment beyond micro-enterprise capacity. This suggests knowledge exchange should be coupled with equipment

access mechanisms or focus on low-capital improvements implementable with existing resources. Knowledge transfer in the hospitality sector is challenged by the complexity of operational system. Successful operations integrate multiple elements — including booking systems, quality standards, staff training, and customer service protocols — that prove difficult to transfer piecemeal. A more structured approach is therefore required.

### 4.3 Production Capacity as Binding Constraint

Analysis of interviews and focus group discussions reveals production capacity as a fundamental constraint limiting business expansion generally and cross-border cooperation specifically. This pattern appears universally across both countries, all sectors, and stakeholder categories, suggesting a structural rather than enterprise-specific explanation.

Food processing capacity correlates directly with equipment capacity, with *Her Power Her Future* equipment grant recipients reporting production doubling or tripling following equipment acquisition, but subsequently reaching new capacity ceilings determined by upgraded equipment specifications. According to interviews, a pattern where equipment grants enable temporary capacity expansion that quickly saturates, after which businesses face identical capacity constraints at higher production levels. This creates recurrent limitations requiring successive rounds of capital investment to achieve sustained growth trajectories. Handicrafts face a distinctive capacity constraint wherein artisan time constitutes an irreducible input. Unlike food processing, where equipment investment multiplies output, handicraft production scales only through artisan multiplication, requiring long-term human capital investment through apprenticeship or training programs. According to interviews, quality maintenance during scaling proves particularly challenging for handicrafts, with rapid expansion risking dilution of craftsmanship that constitutes the core product value proposition.

The predominance of family business models creates growth limitations documented in interviews and focus group discussions. Scaling beyond family labor capacity requires hiring non-family workers, introducing management complexity, payroll obligations, formalization requirements, and supervision demands that entrepreneurs feel unprepared to manage. This transition from family to employed labor represents a threshold that many micro-enterprises prove unable or unwilling to cross, creating a capacity ceiling at the family labor saturation point. Cultural factors compound this constraint, with interviews suggesting social norms around workplace organization and authority relationships creating discomfort with employer-employee dynamics distinct from family collaboration patterns.

Production capacity constraints directly prevent cross-border commercial engagement through several mechanisms documented in interviews. Businesses operating at capacity serving domestic customers cannot reliably commit to cross-border supply, particularly if domestic demand fluctuates upward or equipment failure disrupts production, as export commitments cannot be flexibly reduced when domestic sales absorb available capacity. Export operations require inventory buildup, enabling order fulfillment when demand materializes, creating capital requirements for maintaining stock beyond immediate domestic needs. Even when cross-border partnerships appear commercially attractive, capacity constraints force zero-sum

calculations wherein serving cross-border markets means reducing domestic sales unless capacity expansion occurs first, creating opportunity costs that make domestic sales more attractive due to lower transaction costs and payment reliability. Additionally, cross-border partnerships require sustained engagement for relationship development, quality assurance visits, logistics coordination, and agreement negotiations, with capacity-constrained entrepreneurs operating at maximum production, lacking time for partnership cultivation activities that compete with production imperatives.

#### **4.4 Digital Commerce Capabilities and Platform Utilization**

Focus group discussions reveal variation in digital commerce platform utilization among entrepreneurs, with some participants demonstrating sophisticated multi-platform engagement while others rely primarily on single-channel approaches. Entrepreneurs utilizing specialized platforms employ Etsy for handicraft sales, GetYourGuide and Viator for experiential tourism offerings, and professional e-commerce websites with integrated payment processing. These platforms require substantial technical sophistication, including platform-specific optimization, international shipping coordination, and English-language customer service capabilities. Other entrepreneurs predominantly rely on Facebook for digital commerce, with utilization concentrating on organic posting to personal pages and specialized groups, basic paid advertising, and Facebook Marketplace for peer-to-peer sales. While Facebook-centric approaches enable domestic and regional sales effectively, they prove less effective for international market access, requiring professional presentation, multi-language support, and sophisticated logistics coordination that specialized platforms facilitate through standardized infrastructure.

There are several factors affecting platform adoption. First relates to training programs. Focus group participants utilizing specialized platforms describe receiving comprehensive digital marketing workshops characterized by multi-week curricula, hands-on practice with instructor guidance, individualized coaching, and ongoing technical assistance, enabling problem-solving as implementation challenges arise. In contrast, participants relying primarily on Facebook report receiving basic social media training with shorter workshop duration, generic principles rather than platform-specific tactics, limited follow-up support, and absence of ongoing troubleshooting assistance. This training design differential suggests that platform sophistication represents learnable capability rather than an inherent entrepreneurial trait, with training quality and comprehensiveness determining adoption and effective utilization outcomes.

The next determinant of platform adoption is linked with market pressure. Entrepreneurs facing smaller addressable domestic markets report stronger pressure for international sales channel development, with economic necessity driving platform sophistication among those whose niche products quickly exhaust local demand. This creates differential incentive structures for overcoming platform learning barriers and sustaining effort through inevitable technical challenges during adoption processes. Conversely, entrepreneurs serving larger markets or more mainstream product categories demonstrate less urgency for international

channel development when domestic sales provide adequate revenue generation without the added complexities of international platforms.

Finally, English proficiency emerges as a significant factor affecting platform adoption according to focus group discussions. Entrepreneurs with strong English language skills report comfort with international e-commerce communication, customer service, and dispute resolution. Those lacking English proficiency identify this as an adoption obstacle for platforms requiring English-language interaction, with language limitations creating customer service challenges and reputational risks from communication failures that discourage platform exploration despite potential commercial benefits.

To conclude, interviews and focus group discussions document that digital platform fee structures create economic viability differences across product categories. Platforms charge commission fees, payment processing fees, and currency conversion fees that collectively represent a substantial share of the sale price, making this sales channel more economically viable for lightweight high-value products while disadvantaging heavier lower-margin items where fees consume a disproportionate share of already-thin margins. Payment processing for international transactions proves expensive, particularly for low-value items, with fixed per-transaction charges making micro-transactions unprofitable even before accounting for production and shipping costs. Additionally, platforms impose access restrictions on new seller accounts from the South Caucasus region, with some entrepreneurs addressing this through partnership arrangements with existing account holders, demonstrating problem-solving persistence that varies across individuals and appears correlated with export orientation necessity.

#### **4.5 Tourism Value Chain Integration Opportunities**

Interviews and focus group discussions reveal fragmentation within tourism value chains. Artisans produce handicrafts purchased by tourists but lack systematic integration into tour operator itineraries or accommodation provider activity programs. Agricultural producers supply guesthouses and restaurants through informal channels without quality assurance systems or reliable procurement relationships. Tour operators interviewed note persistent challenges maintaining reliable cross-border supplier relationships, including quality variance across service providers, logistics coordination complexity, and limited market information about rural supplier availability and capability. This fragmentation creates missed opportunities for value addition, limits tourist experience quality, and constrains income distribution across rural communities.

Analysis of interviews and focus group discussions identifies several intervention approaches linking different actors within tourism value chains across Georgia and Armenia. Focus group participants' existing business activities inform intervention design, with opportunities grounded in actual operations of businesses CARE currently supports across Lori, Tavush, Shirak and Syunik regions in Armenia and Kakheti and Kvemo Kartli regions in Georgia. These interventions focus on connecting businesses that directly serve tourists or supply businesses

serving tourists, rather than addressing general manufacturing or input supply chains outside the tourism sector's scope.

### **Artisan Workshop-Tourism Integration:**

Systematic integration of artisan workshops into tour operator itineraries and accommodation provider activity menus creates revenue streams for artisans while enhancing tourist experiences. According to interviews, tourists show strong interest in craft production observation and participation, often willing to pay for workshop experiences at values exceeding typical handicraft purchases.

Focus group participants operate diverse handicraft businesses, providing a foundation for workshop integration. In Armenia, artisans from Vanadzor and Gyumri produce fashionable crochet accessories, macramé home décor items, handmade dolls with existing master class capacity, clothing with Armenian ornaments, and infant cotton items. In Georgia, traditional Tushetian wool sock producers operate in Akhmeta, artisans create wool souvenirs and festive dress sewing services in Alvani, and handmade birdhouse and interior accessory production occurs in Sagarejo.

The existing master class capacity among handmade doll producers demonstrates operational feasibility, while traditional Tushetian sock production represents a culturally distinctive craft with particular tourist appeal, given its connection to specific regional heritage and artisan techniques visible during the production process.

Implementation involves the development of standardized workshop formats suitable for diverse tourist skill levels and time constraints, training artisans in tourist engagement and workshop facilitation techniques, building on existing master class experience where present, coordination with tour operators to incorporate workshops into standard itineraries, and partnership development between guesthouses and nearby artisans enabling guest activity offerings. This intervention addresses artisan capacity utilization challenges by creating income during non-festival periods when retail sales decline. It also provides tour operators with differentiating experiences that enhance package competitiveness and enable guesthouses to offer value-added activities, justifying premium pricing.

### **Ethno-Tourism Circuit Development:**

Multi-destination itineraries connecting culturally significant villages across both countries create a framework for sustained commercial relationships among accommodation providers, handicraft producers, food preparers, cultural guides, and tour operators. Respondents indicate that tourist demand for cultural immersion experiences that ethno-tourism circuits address through overnight stays in historic or culturally significant structures, participation in local food preparation and traditional meal experiences, handicraft workshop attendance enabling hands-on learning, cultural guide services providing historical and ethnographic context, and village walking tours highlighting architectural and cultural heritage.

Focus group participants demonstrate existing operational capacity supporting this intervention. In Armenia, accommodation providers operate guesthouses and bed-and-

breakfast establishments in Lori (Yeghegnut), Tavush (Getahovit), and Shirak (Garnarich and Azatan) regions, providing geographic distribution across target areas. In Georgia, guesthouse and wine tourism operators in Akhmeta, Kvemo Alvani, Gurjaani, and Tetrtskaro offering cellar tours and degustation combine accommodation with experiential activities. This existing accommodation infrastructure requires coordination rather than creation, with intervention focusing on circuit design linking these establishments, activity program development at each location integrating multiple local service providers, quality assurance mechanisms ensuring consistent tourist experience across locations while preserving local distinctiveness, and coordination among tour operators in both countries to design and market these circuits.

These models prove particularly effective for women's economic participation given their concentration in hospitality, handicraft production, and food preparation sectors that constitute core circuit components, with focus group composition reflecting this pattern through predominance of women-operated guesthouses and food service businesses.

### **Agricultural Producer-Hospitality Linkages:**

Formalization of procurement relationships between agricultural producers and hospitality providers creates stable markets for farmers while improving food quality and authenticity for tourists. Focus group discussions indicate informal supply relationships exist but lack systematic quality assurance, volume commitments, or pricing agreements that would enable agricultural investment in tourism-appropriate production.

Focus group participants demonstrate substantial food production capacity, addressing hospitality sector procurement needs. In Georgia, five dried fruit producers in Gurjaani, Sagarejo, and Tetrtskaro produce dried fruits and churchkhela (traditional Georgian candy); beekeepers in Akhmeta produce honey and Svanuri salt, dairy farmers in Akhmeta generates cheese, cottage cheese, butter, and traditional Erbo; and bakery and pastry producers operate in Gurjaani. In Armenia, dried fruit production takes place in Tavush, herbal and berry tea production in Lori, cake and pastry production — including croissants and macaroons — in Tavush, macaron production in Lori, and milk production expansion in Tavush. The concentration of five dried fruit producers in Georgia creates critical mass, enabling volume commitments to hospitality providers, while dairy, honey, and baked goods address immediate guesthouse breakfast needs. Specialty items, including churchkhela, herbal tea, and Svanuri salt, provide authentic local products that tourists purchase both for consumption and as souvenirs.

Implementation focuses on facilitation of supply agreements specifying product standards and procurement volumes between producers and hospitality establishments, technical assistance improving post-harvest handling and storage to meet food safety requirements, and coordination among multiple hospitality providers to aggregate demand, enabling economic production scales. This intervention particularly benefits women agricultural producers who concentrate in vegetable, dairy, and preserved food production that the hospitality sector purchases intensively, while addressing hospitality providers' challenges sourcing consistent quality local products that tourists increasingly expect as part of authentic regional experiences.

### **Multi-Destination Adventure Tourism Circuits:**

Extended-duration itineraries connecting premier natural sites across both countries enable the transformation of typical short-stay adventure tourism into multi-week regional experiences. Interviews from adventure tourism operators indicate international tourists' willingness to invest in extended regional experiences when logistics coordination and quality assurance reduce uncertainty about cross-border travel. While adventure tourism operations themselves require specialized operator capabilities, focus group participants positioned near significant natural sites demonstrate potential for supporting services. Wine tourism operations near Birtvisi Canyon in Tetrtskaro and recreational tourism centers in Shirak illustrate how geographic proximity to adventure destinations enables integration of accommodation and activities, supporting adventure tourism circuits.

Implementation requires coordination between adventure tourism operators in both countries to design complementary rather than competing itineraries, quality assurance systems ensuring safety and service standards across all circuit components, logistics support addressing border crossing procedures and transportation coordination, marketing collaboration targeting adventure tourism segments willing to invest in extended experiences, and development of emergency response protocols applicable across both countries. This intervention extends economic benefits across wider geographic areas while substantially increasing per-tourist expenditure through duration expansion from a typical five-day to 15-day experiences, with focus group participants providing accommodation and food services to support these extended itineraries.

### **Tour Operator-Destination Holder Coordination Mechanisms:**

Strengthening vertical linkages between tour operators who bring tourists and destination holders who provide services addresses the fundamental value chain coordination challenge identified in interviews. Destination holders report difficulty accessing tour operator networks and understanding service quality expectations, while tour operators indicate challenges identifying reliable rural service providers and assessing quality without site visits. Implementation includes organization of familiarization tours enabling tour operators to assess destination holder quality and capacity firsthand, development of service level agreements clarifying expectations regarding booking procedures, cancellation policies, payment terms, and quality standards, creation of quality assurance systems providing tour operators confidence in supplier reliability through periodic assessments and customer feedback integration, capacity building enabling destination holders to scale operations meeting tour operator volume requirements including reservation systems, staff training, and service standardization, and problem resolution mechanisms addressing issues arising during tourist service delivery before they escalate to relationship termination. This intervention prioritizes businesses demonstrating operational competence and readiness to scale with targeted support rather than extensive foundational capacity building.

### **Cross-Border Knowledge Exchange Programs:**

Structured learning initiatives addressing specific capability gaps identified in interviews create value independent of immediate commercial partnerships while building foundations for potential future cooperation. Implementation emphasizes programs of sufficient duration for meaningful skill transfer rather than superficial exposure, typically week-long intensive experiences combining classroom instruction with practical application in working environments. Focus areas include digital commerce platform utilization, where Armenian entrepreneurs demonstrate advanced capabilities transferable to Georgian counterparts, wine tourism operational models where Georgian businesses possess sophisticated systems applicable to Armenian wine producers, guesthouse management practices including reservation systems and service quality protocols, handicraft cooperative organization enabling collective marketing and quality assurance, and agricultural productivity practices relevant to the tourism sector supply. Each program pairs participants with expert practitioners, facilitating genuine knowledge transfer through hands-on engagement, provides follow-up support addressing implementation challenges after participants return home, and connects participants with resources enabling practical application of learned skills, including equipment access where appropriate. This intervention exhibits broad sectoral applicability while requiring careful participant selection, ensuring foundational capabilities exist enabling advanced learning absorption.

These intervention approaches share characteristics increasing sustainability likelihood: focus on businesses already demonstrating market demand rather than creating artificial partnerships, leveraging existing institutions and networks rather than establishing parallel structures, emphasis on linking complementary capabilities creating mutual benefit rather than asymmetric dependency, and concentration on tourism value chain linkages where direct service to tourists or supply to tourist-serving businesses creates clear commercial logic for sustained cooperation when external support transitions. Implementation timelines remain realistic for program planning purposes, with most interventions achievable within six to 12-month periods given adequate upfront coordination and participant identification.

### **4.6 Festivals and Exhibitions: Participation Value and Conversion Challenges**

Interviews and focus group discussions document widespread festival and trade fair participation among entrepreneurs in both countries, with stakeholders recognizing these events as valuable mechanisms for market exposure, networking, and partnership exploration. Festivals serve multiple functions, including product sales generating immediate revenue, market intelligence gathering through competitor observation and customer feedback collection, skill development via demonstration observation and technique exchange, and relationship initiation through contact exchange with potential partners, buyers, and collaborators. Festival participation extends across sectors and business scales, from individual artisans attending local craft fairs to food processors exhibiting at regional agricultural exhibitions to accommodation providers presenting at tourism trade shows. Both countries maintain regular festival calendars, providing recurring participation opportunities, while cross-

border participation occurs through invitations to events in the neighboring country or via coordination through sectoral associations facilitating member attendance.

Despite universal value recognition, interviews and focus group discussions reveal a consistent gap between festival enthusiasm and the formation of commercial relationships. The typical pattern documented includes pre-event anticipation and preparation, active participation with extensive contact collection during the event, post-event return to daily operations with initial intentions to follow up contacts, gradual momentum loss as operational demands dominate attention, and ultimately minimal sustained relationship development from festival connections. This pattern appears independent of event quality, suggesting a systematic rather than event-specific explanation. Several factors contribute to conversion failure, as documented through interviews. Implementation capacity gaps surface after events when entrepreneurs attempt to act on opportunities identified but lack technical knowledge, capital resources, or time for follow-through. Information overload occurs during events where participants collect numerous contacts but lack a systematic approach to prioritization and follow-up organization. Competing operational priorities mean that festival follow-up competes with immediate revenue-generating activities and loses priority absent accountability mechanisms. Additionally, the absence of structured support means participants navigate implementation challenges alone without technical assistance or problem-solving support that could prevent relationship abandonment when obstacles arise.

Evidence from interviews suggests that effective festival participation requires a comprehensive support cycle rather than isolated event attendance. Pre-event preparation should include setting strategic objectives, identifying specific outcomes from participation, selecting target contacts, researching potential partners or buyers attending the event, and preparing materials — including product samples and capability descriptions — to enable effective engagement. During-event facilitation involves organized networking sessions with structured partner introductions rather than random interactions, translator support for international participants to enable substantive conversation, and guided observation that focuses attention on learning opportunities most relevant to participant objectives. Post-event follow-up represents the most critical stage of the process, yet it is frequently absent. Immediate contact organization within days of returning from the event should include systematic documentation of connections made, conversation notes, and next-step commitments. Structured accountability through regular check-ins helps maintain momentum by tracking progress and identifying obstacles. Technical assistance addresses implementation challenges, enabling relationship development rather than abandonment when difficulties arise. Facilitated reconnections organize follow-up meetings between promising contacts identified during events but requiring coordination support to materialize. According to interviews, this comprehensive approach remains rare, with most support limited to event attendance subsidies without surrounding services, affecting implementation success.

Cross-border festival participation exhibits particular coordination challenges that go beyond those encountered in domestic events. Language barriers complicate relationship initiation and technical discussion, even with basic interpretation support. Logistics coordination for sample transport, product demonstration, and booth setup proves more complex across borders.

Follow-up distance makes in-person relationship development difficult after initial event contact. Payment and procurement procedures for potential transactions require navigation of cross-border mechanisms unfamiliar to domestic-focused entrepreneurs. Successful cross-border participation documented in interviews typically occurs through association-mediated attendance where organizational support addresses these challenges. Handicraft associations facilitate member participation in Armenian-Georgian festivals through group travel arrangements, translation support, booth coordination, and post-event follow-up with promising contacts. This mediated model demonstrates effectiveness but requires association capacity not universally available across sectors.

Focus group participants operate across sectors represented at a variety of festival types, including handicraft fairs, agricultural exhibitions, and tourism trade shows. Enhanced participation models could benefit handicraft producers already participating through associations by adding structured follow-up support.

#### **4.7 Certification and Regulatory Compliance: Barriers and Pathways**

Certification barriers affect enterprises asymmetrically. Larger enterprises possess the capital and technical capacity to achieve certification, while micro-enterprises remain excluded from certified supply chains. This creates a structural barrier preventing small-scale food producers from formalizing supply relationships with guesthouses, restaurants, and tour operators serving international tourists who expect food safety assurances.

HACCP certification requirements create substantial barriers for food processing enterprises, exceeding micro-enterprise technical and financial capacity. Time requirements spanning months from the approval application create revenue interruptions that micro-enterprises struggle to absorb.

Export operations introduce additional certification layers, including veterinary certificates for animal-derived products and phytosanitary certificates for plant products. Destination-specific requirements vary substantially, with EU standards differing from Russian and Middle Eastern regulations. Regulatory guidance proves inconsistent, with different officials providing contradictory information about requirements and procedures, creating consultant dependency that adds cost barriers.

Support pathways suggested by interviews include direct financial subsidies for businesses demonstrating market access, technical assistance through embedded support rather than one-time workshops, and shared infrastructure such as certified processing facilities available for rental use by multiple small producers. Among focus group participants, dried fruit producers in both countries, dairy producers, and pastry producers potentially benefit from certification support if pursuing commercial supply to hospitality providers. However, intervention design should assess whether market opportunities justify certification investment or whether informal domestic channels provide adequate revenue, given that certification represents a means to market access rather than an end in itself.

## 4.8 Infrastructure Deficits Beyond Enterprise Control

Infrastructure constraints operate at the destination rather than the enterprise level, creating collective action challenges where individual business improvements prove insufficient without broader environmental quality. A high-quality guesthouse in a village lacking tourist activities struggles to attract multi-day stays regardless of accommodation excellence; similarly, excellent local restaurants cannot compensate for poor road access that deters visitor arrival.

Cross-border tourism faces specific constraints at border crossing points, including processing inefficiencies due to redundant procedures on each side, facility inadequacy during peak seasons, and limited operating hours that constrain itinerary flexibility. Rural tourism destinations encounter connectivity challenges, including limited public transportation, road quality variation on secondary routes, seasonal accessibility limitations, and the absence of transportation information, making independent travel planning difficult for international visitors.

Both countries possess DMO structures, but operational limitations affect destination development. Structural challenges include inadequate funding, unclear mandates, political interference, and capacity constraints with staff lacking technical expertise. This creates a vacuum in critical functions, including marketing coordination, quality assurance, infrastructure advocacy, and stakeholder coordination.

Programs cannot directly solve infrastructure deficits requiring government investment and bilateral coordination. However, indirect approaches include advocacy, documenting infrastructure constraints and their tourism impact to inform investment priorities, focused micro-interventions addressing specific gaps within program capacity, such as trail signage or destination information materials, and private sector workarounds such as transportation coordination among accommodation providers. Focus group participants operating guesthouses in Akhmeta, Tavush, and Shirak regions and wine tourism operators near natural sites like Birtvisi Canyon depend on access infrastructure beyond individual control, suggesting that advocacy documenting impacts on rural entrepreneurs' market access could inform larger infrastructure initiatives.

## 4.9 Sustainability Patterns and External Support Dependency

Clear patterns differentiate interventions that continue independently from those that struggle when external support ends. Market-driven cooperation, including tour operator cross-border itineraries and handicraft association exchanges, continues because the underlying business logic supports ongoing engagement. Initiatives lacking revenue models or institutional structures enabling self-sufficiency face continuation challenges when external funding concludes, regardless of which donor provides support.

Sustainable interventions share common characteristics: vocational education creating permanent individual capabilities, equipment provision generating lasting capacity increase, and association strengthening building on established relationships and purposes. The January 2025 global suspension of USAID operations illustrated these dynamics. The South Caucasus

Regional Tourism Program had registered over 200 enterprises and selected promising grant proposals, but many initiatives had not yet developed self-sustaining mechanisms. While the business network approach showed promise by identifying enterprises with genuine common interests, enterprises had insufficient time to transition from external support to independent operation.

Handicraft cooperation demonstrates sustainability through specific structural advantages, including complementarity between distinct Georgian and Armenian techniques, creating learning opportunities, low participation barriers enabling individual artisans to engage without significant capital investment, direct tourism integration where workshops naturally incorporate into cultural tourism itineraries, and association infrastructure providing coordination capacity. The Georgian Heritage Crafts Association maintains functioning networks with Armenian counterparts through regular festivals, joint exhibitions, and master exchanges.

Design principles enhancing sustainability include supporting existing market-driven cooperation rather than creating artificial partnerships, selecting businesses with self-identified needs, ensuring viability and owner commitment, building permanent-value capabilities, including skills and equipment, and embedding functions in sustainable institutions rather than creating parallel project structures. Given *Her Power Her Future* timeline constraints, interventions should prioritize supporting existing cooperation tendencies rather than creating new partnership structures, treating knowledge exchange and capacity building as primary outcomes.

---

## 5. CROSS-BORDER TRADE ROADMAP: STRATEGIC IMPLEMENTATION FRAMEWORK

### 5.1 Strategic Framework

The vision of this roadmap centers around women-owned and women-led micro and small enterprises (WMSEs) in Georgia and Armenia actively participating in integrated tourism value chains, accessing cross-border markets, strengthening commercial linkages, and generating sustainable income through tourism sector engagement.

Key guiding principles of the roadmap include:

- **Evidence-Based Design:** All interventions derive from documented constraints and opportunities identified through primary research.
- **Building on Existing Foundations:** Support existing cooperation patterns and market-driven relationships rather than creating new donor-dependent structures.
- **Permanent Value Creation:** Prioritize building capabilities, providing equipment, and strengthening institutions that generate lasting value beyond program timelines.

- **Realistic Sustainability Expectations:** Treat knowledge exchange and capacity development as primary outcomes, with commercial cross-border partnerships as desirable but non-essential secondary outcomes.
- **Sectoral Selectivity:** Prioritize handicraft sector interventions leveraging demonstrated cross-border cooperation sustainability.
- **Women-Responsive Implementation:** Structure participation requirements recognizing documented time poverty, lower capital access, and network limitations affecting women entrepreneurs.

Based on these guiding principles, the roadmap organizes interventions across **five strategic dimensions** representing critical leverage points for value chain development:

1. **Capacity development** addresses knowledge, skills, and technical capacity constraints limiting value chain participation and cross-border engagement.
2. **Market linkage mechanisms** connect fragmented value chain actors and facilitate commercial relationships across borders and within tourism ecosystems.
3. **Business environment enablers** address regulatory, infrastructural, and institutional factors affecting operational viability beyond individual enterprise control.
4. **Resource mobilization** provides access to equipment and productive assets, enabling business expansion constrained by capital limitations.
5. **Sustainability framework** defines functions across sustainable institutions and creates permanent-value capabilities, ensuring intervention durability.

## 5.2 Implementation Pathway: Phased Approach

The roadmap interventions are structured according to a phased implementation approach. Table 2 summarizes the interventions by strategic dimension and implementation phase and links each intervention to the corresponding core findings in Chapter 4.

**Table 2: Roadmap Interventions at a Glance**

Strategic Dimension	Example Intervention	Finding # and Description (from Table 1)
<b>Phase 1: Quick Wins &amp; Foundation Building</b>		
Capacity Development	Intensive, hands-on knowledge exchange programs with structured follow-up for artisans, food producers, hospitality operators, and digital commerce participants	4. Knowledge exchange is preferred to immediate commercial partnerships 5. Knowledge transfer works only when intensive and contextual
Capacity Development	Flexible scheduling, weekend/hybrid workshops, childcare support	9. Time poverty functions as a selection mechanism
Market Linkage Mechanisms	Enhanced festival participation support cycles (pre-event preparation, during-event facilitation, post-event follow-up)	11. Festival participation delivers exposure but not conversion

<b>Phase 2: Scaling Proven Models</b>		
Market Linkage Mechanisms	Cross-border tour operator– destination holder coordination; structured agreements; familiarization visits	2. Expressed interest in cooperation rarely translates into operational partnerships 3. Information asymmetry persists throughout the partnership lifecycle
Capacity Development	Scaling knowledge exchange programs to additional participants/sectors	4. Knowledge exchange is preferred to immediate commercial partnerships 5. Knowledge transfer works only when intensive and contextual
Resource Mobilization	Targeted support for equipment, tools, and digital platform adoption	6. Production capacity is the binding constraint across sectors 10. Digital platform adoption reflects training quality and market pressure
<b>Phase 3: Embedding Sustainability</b>		
Resource Mobilization	Cost-sharing grants for productivity-multiplying equipment (food processing machines, handicraft tools, digital devices) tied to performance milestones	6. Production capacity is the binding constraint across sectors 7. Capital constraints are binding for cross-border engagement
Sustainability Framework	Strengthening associations to sustain cross-border cooperation, festival participation, artisan exchanges, and revenue-generating member services	14. Market-driven cooperation persists; donor-driven collapses
Business Environment Enablers	Advocacy for infrastructure improvements, regulatory alignment, and certification support for micro-enterprises	12. Certification excludes micro-enterprises 13. Infrastructure deficits are critical at the destination level
Capacity Development	Embedded technical assistance for export knowledge and product adaptation	8. Technical export knowledge is absent and cannot be built through one-off training
Market Linkage Mechanisms	Support for sectoral value chain linkages where commercial feasibility exists	1. Tourism value chains are fragmented
Market Linkage Mechanisms	Knowledge exchange integration with market access facilitation (e.g., artisan-tourism product pairing)	4. Knowledge exchange is preferred to immediate commercial partnerships 5. Knowledge transfer works only when intensive and contextual
Sustainability Framework	Ensure interventions build permanent value (skills, equipment, institutions) even if direct commercial partnerships do not materialize	9. Time poverty functions as a selection mechanism 14. Market-driven cooperation persists; donor-driven collapses

## Phase 1: Quick Wins and Foundation Building

### Comprehensive Knowledge Exchange Programs

Entrepreneurs prioritize knowledge transfer over commercial transactions when discussing cross-border cooperation. Effective knowledge transfer requires intensive programs with hands-on practice and follow-up support.

Priority Topics Based on Stakeholder-Identified Interests:

- **For Handicraft Producers:** Ceramic and clay workshop facilitation techniques (highest tourist demand), Wool processing from raw material to finished product (carpet-making, felting, traditional textiles), Product development for tourism markets (adapting traditional crafts for tourist purchase and workshop experiences);
- **For Food Producers:** Dried fruit production technologies (Georgian producers specifically seek Armenian expertise), Traditional bread-baking demonstration formats (lavash preparation attracts consistent tourist interest), Packaging solutions and supplier networks for artisanal food products;
- **For Hospitality and Wine Tourism Operators:** Wine tourism masterclass design (integrating tastings, cellar tours, and winemaking participation), Guesthouse activity programming (incorporating local artisan workshops and farm experiences into guest offerings), Tourist hosting skills including basic English phrases, cultural storytelling, activity pacing, and retail approaches;
- **For Digital Commerce:** International platform utilization (Etsy, GetYourGuide, Viator) with practical account setup and optimization, social media marketing for tourism experiences, and online booking system management.

The design of such programs should include (i) recruiting expert practitioners from both countries to host week-long intensive programs in working environments; (ii) structuring programs by combining classroom instruction, hands-on practice in working environments, and peer exchange among participants, (iii) connecting participants directly with tour operators and hospitality providers who can integrate their services into existing itineraries; (iv) providing follow-up support with regular check-ins for implementation troubleshooting.

### Enhanced Festival Participation Support

Festival participation shows widespread engagement but poor conversion from initial enthusiasm to sustained relationships. Comprehensive support cycles address this gap:

- **Pre-Event:** Strategic objective-setting, target contact research, material preparation, pitch development, logistics coordination;
- **During-Event:** Structured networking with pre-arranged introductions, translator support, guided observation, and connection documentation;

- **Post-Event:** Technical assistance addressing implementation challenges (language barriers, payment procedures, product adaptation), facilitated reconnections for promising partnerships.

Priority events include WinExpo Georgia for wine and tourism sector networking, the cross-border Mimino Armenian-Georgian Culinary Festival in Dilijan, the Areni Wine Festival for consumer sales and artisan market exposure, and handicraft association exhibitions in both countries.

### **Artisan and Culinary Experience-Tourism Integration**

Tourists show clear interest in observing and participating in traditional production processes across handicrafts, food, and wine. Priority experience types based on documented tourist demand include:

- **Handicraft Workshops:** Ceramic and clay workshops (consistently highest demand across both countries), Wool processing and textile crafts (Tushetian sock-making, carpet weaving, felting), Basket-making and woodworking, Traditional doll-making and textile arts;
- **Culinary and Agricultural Experiences:** Traditional bread-baking (lavash preparation, Georgian bread varieties), Cheese-making and dairy farm visits, Wine-making participation (grape processing, cellar tours, tastings), and honey production and beekeeping demonstrations.

Implementation should rely on (i) selecting artisans and producers with demonstrated teaching capability and culturally distinctive products or processes; (ii) developing standardized workshop formats covering tradition introduction, technique demonstration, and hands-on participant practice with completed item or product takeaway; (iii) pairing newly established producers with experienced masters to ensure quality while developing new enterprises; (iv) training hosts in tourist engagement including cultural storytelling, activity pacing, and retail approaches; (v) coordinating with guesthouses to integrate experiences into activity menus and tour operators to incorporate them into multi-day itineraries: and (vi) organizing familiarization visits enabling tour operators to assess facilities and service quality directly.

### **Phase 2: Scaling Proven Models**

#### **Tour Operator-Destination Holder Coordination**

Tour operators maintain accommodation relationships but inconsistent connections with artisan workshops, agricultural producers, and experiential activity providers. Destination holders report difficulty accessing tour operator networks. Cross-border gaps are particularly acute: Armenian tour operators struggle to identify reliable rural experience providers in Georgia, while Georgian operators face similar challenges locating partners in Armenian border regions.

Strengthening coordination between tour operators and destination holders should rely on (i) recruiting destination holders including guesthouses with activity capacity, wine tourism

operators, artisan workshop providers, and agro-tourism sites; (ii) conducting readiness assessments and providing capacity development addressing gaps in booking systems, service quality protocols, group management, and English capability; (iii) developing professional service descriptions and visual materials; (iv) identifying tour operators with existing multi-destination itineraries and interest in rural product integration; (v) organizing cross-border familiarization tours bringing Armenian operators to Georgian destination holders and Georgian operators to Armenian sites for facility inspections, service demonstrations, and direct relationship formation; (vi) supporting development of agreements specifying booking procedures, quality assurance, and problem resolution; and (vii) establishing periodic cross-border coordination meetings for feedback, capacity updates, and continuous improvement.

### **Phase 3: Embedding Sustainability**

#### **Equipment Access**

Production capacity constraints — both labor- and capital-related — limit business expansion and participation in cross-border cooperation. For instance, equipment capacity determines food processing output, while artisan availability limits handicraft production.

Relevant support program in this regard should rely on (i) surveying select entrepreneurs to document current production capacity, equipment constraining expansion, market demand exceeding capacity, and specific equipment needs; (ii) prioritizing businesses demonstrating genuine market demand, implementation capacity, and equipment need as binding constraint; (iii) designing cost-sharing grant mechanisms with program and entrepreneur co-financing focused on productivity-multiplying equipment including food processing machines, quality handicraft tools, and packaging equipment; (iv) tying grants to performance milestones including production increase, quality maintenance, and market sales achievement; (v) exploring shared equipment facilities such as handicraft workspace cooperatives; and (vi) providing training on equipment operation, maintenance procedures, and troubleshooting while connecting entrepreneurs with maintenance service providers.

#### **Association Strengthening for Sustained Cooperation**

Market-driven cooperation continues independently, while initiatives dependent on external support face continuation challenges. Handicraft associations demonstrate strong cross-border cooperation durability. This intervention strengthens association capacity to sustain cross-border functions when external support transitions.

To achieve sustainable cooperation among sectoral associations, support frameworks should include (i) supporting associations to develop systematic festival participation coordination including member recruitment, pre-event preparation, logistics coordination, during-event facilitation, and post-event follow-up with reusable toolkit development; (ii) establishing reciprocal exchange programs including artisan master classes, joint product development sessions, and market intelligence sharing structured as member services justifying membership fees; (iii) supporting development of diversified revenue streams including membership dues, sales commissions, workshop hosting fees, and sponsorship with business planning support for

cost projection and service pricing; and (iv) strengthening democratic governance through election procedures, member input mechanisms, transparent financial reporting, and regular communication while building member engagement through mentorship, collaborative problem-solving, and collective advocacy.

### **5.3 Risk Assessment and Mitigation**

Several risks could affect implementation success. Women managing businesses alongside care responsibilities face difficulties participating in programs that require extended time commitment. Mitigation strategies include designing flexible schedules with weekend workshops or shorter daily sessions, providing childcare and transportation support where feasible, and structuring online/hybrid participation options.

Knowledge exchange and networking may not convert to sustained commercial partnerships, given documented post-event momentum loss. Intensive post-program follow-up support, structured accountability mechanisms, and facilitated reconnections when partnerships stall address this risk. Realistic expectations should treat knowledge transfer as the primary success metric, with a focus on sectors like handicrafts showing the highest historical cooperation persistence.

Changes to certification requirements, border procedures, or export regulations could undermine interventions. Early and ongoing engagement with regulatory authorities, advocacy for micro-enterprise-appropriate policies, and diversifying interventions across multiple regulatory pathways provide mitigation. Associations may lack organizational capacity to sustain cross-border coordination beyond program support, requiring thorough capacity assessment before assigning responsibilities, organizational development support, revenue model strengthening, and graduated transition from program support to independent operation.

### **5.4 Sustainability Pathways**

This roadmap prioritizes interventions supporting existing market-driven cooperation tendencies, including tour operator itineraries, handicraft festival participation, and producer-hospitality supply relationships rather than creating structures requiring ongoing external support. These relationships continue because commercial logic sustains them.

Equipment provision, vocational skill development, and digital platform capabilities generate lasting value, enabling sustained business operations beyond program timelines. Association strengthening creates institutional homes for coordination functions; when associations provide festival participation support, exchange facilitation, or quality assurance as member services funded through dues, functions continue when external support transitions.

Emphasizing knowledge exchange and skill development over facilitating specific commercial transactions creates a foundation for acquired capabilities to remain applicable across multiple contexts over extended periods. Tapering program support as entrepreneurs and associations develop independent capacity, with initial intensive support transitioning to advisory services

and partial subsidy, will ultimately drive market-based operations and paid provision of member services.

Given implementation timeline constraints, the roadmap prioritizes knowledge exchange and capacity building over commercial partnership outcomes. Documented models enable replication by other programs, regions, or countries without requiring ongoing direct involvement.

---

## 6. STRATEGIC RECOMMENDATIONS

Strategic recommendations for entities considering implementation of the roadmap developed in this report include:

**Prioritize Handicraft Sector Interventions:** The handicraft sector demonstrates cross-border cooperation sustainability through established association infrastructure (Georgian Heritage Crafts Association, Union of Artisans of Armenia), complementarity between Georgian and Armenian traditions, low participation barriers, direct tourism integration, and demonstrated tourist demand. Resource allocation should reflect this evidence, with substantial investment in artisan workshop-tourism integration, handicraft knowledge exchanges, festival participation support, and association strengthening.

**Design Knowledge Exchange Programs with Evidence-Based Duration and Structure:** Minimum one-week intensive programs with hands-on practice in working environments, pairing with expert practitioners, and structured follow-up support (1-month, 3-month, 6-month check-ins with implementation troubleshooting). Avoid two-to three-day exposure visits showing documented poor implementation outcomes. Pre-program preparation ensures participants arrive with specific learning objectives and contextual understanding. Post-program support connecting participants with equipment suppliers, input providers, or technical services, enabling practical application. Resource allocation should emphasize comprehensive programs over superficial breadth.

**Couple Capacity Development with Equipment Access:** Knowledge alone proves insufficient when production capacity constraints bind. Digital commerce training requires functional internet connectivity and appropriate devices. Food processing technology knowledge requires equipment enabling application. Handicraft design trends require materials and tools. Implement cost-sharing grant mechanisms (with cost-sharing between program and entrepreneur) for productivity-multiplying equipment, with grants tied to performance milestones documenting capacity utilization, quality maintenance, and market sales achievement.

**Provide Comprehensive Festival Participation Support Cycles:** Pre-event preparation (strategic objective setting, target contact identification, material preparation, pitch development) plus during-event facilitation (organized networking, translation support, guided observation) plus

critical post-event follow-up (immediate contact organization, structured accountability, technical assistance addressing implementation challenges, facilitated reconnections when partnerships show promise). Sustaining connections after initial meetings requires structured follow-up mechanisms. Allocate the majority of festival support resources to follow-up activities, not just event attendance subsidies.

**Build on Market-Driven Cooperation Patterns:** Support existing tendencies showing commercial viability (tour operator multi-destination itineraries, handicraft festival participation, producer-hospitality supply relationships) rather than creating new structures requiring ongoing external support. Where high-level enthusiasm exists but operational implementation lags (festival participation converting to sustained relationships, knowledge exchange leading to commercial partnerships), provide targeted support addressing specific barriers (follow-up coordination, language translation, payment processing, quality assurance) rather than building relationships entirely from the ground up.

**Maintain Realistic Sustainability Expectations:** *Her Power Her Future's* phased implementation creates inherent constraints. Treat knowledge exchange and capacity development as primary success metrics, with commercial cross-border partnerships as desirable but non-essential secondary outcomes. Permanent-value interventions (equipment, training, association capacity) succeed even if specific partnerships don't materialize within the program period. Document models enabling replication by other programs rather than requiring CARE's indefinite direct involvement.

In combination with the above recommendations aimed at the implementing entity, private sector actors should also consider the following:

**Tour Operators: Formalize Destination Holder Relationships:** Move beyond informal supplier networks to systematic relationship management. Develop service level agreements clarifying booking procedures, quality expectations, payment terms, and problem resolution mechanisms. Conduct familiarization tours assessing rural supplier capacity and quality firsthand rather than relying on intermediary recommendations or chance encounters. Provide clear feedback enabling suppliers to understand tour operator requirements and improve service quality. Create preferred supplier networks with volume commitments in exchange for quality assurance and capacity reservation. Invest in relationship development, reliable rural suppliers differentiate their tour products in a competitive market.

**Handicraft Associations: Expand Cross-Border Coordination Functions:** Georgian Heritage Crafts Association and Union of Artisans of Armenia demonstrate functional cross-border cooperation through festival participation and artisan exchanges. Expand systematic coordination: establish reciprocal master class programs where artisans teach in both countries, create joint product development initiatives exploring complementarity between traditions, share market intelligence on tourist preferences and pricing strategies, coordinate quality standards enabling mutual recognition, and facilitate sales channel collaboration. Position these as member services justifying membership dues, ensuring financial sustainability.

**Hospitality Providers: Formalize Agricultural Procurement:** Replace informal supply relationships with written agreements specifying product standards, volumes, pricing, delivery procedures, and quality assurance mechanisms. Provide producers with advanced information on seasonal demand, enabling production planning. Aggregate demand among multiple establishments creates volumes justifying producer investment in quality improvements or capacity expansion. Provide feedback on product quality, enabling improvement. Reliable local supply improves food authenticity that tourists increasingly expect while supporting rural economies.

Finally, enhanced coordination across donor support mechanisms would strengthen overall intervention effectiveness. Multiple donors support tourism development and women's economic empowerment in Georgia and Armenia. Establishing and maintaining regular information exchange, joint planning, and referral systems would prevent duplication while identifying gaps requiring collective action. Evidence shows that one-two year programs achieve limited sustainability, as capacity development, relationship building, and institutional strengthening require three-five year timelines enabling initial piloting, refinement, and graduated transition to sustainable operation. Strengthening associations, cooperatives, DMOs, and vocational training institutions creates infrastructure outlasting any single program, while documenting successful interventions as practical toolkits enables replication across programs and countries without requiring indefinite program extension.

---

## 7. REFERENCES

- 1TV (2025). *Georgia's Wine and Spirits Exports Surge by 24% in 2024*. Retrieved from <https://1tv.ge/lang/en/news/georgias-wine-and-spirits-exports-surge-by-24-in-2024/>
- Arara Tour (2025). *Georgia & Armenia Tour Package: Discover Georgia and Armenia*. Retrieved from <https://araratour.com/package/armenia-georgia-classical-tour-package>
- ARKA (2024). *Armenia, Georgia to create joint working group, develop tourism*. Retrieved from [https://arka.am/en/news/tourism/armenia\\_georgia\\_to\\_create\\_joint\\_working\\_group\\_develop\\_tourism/](https://arka.am/en/news/tourism/armenia_georgia_to_create_joint_working_group_develop_tourism/)
- Armenia Travel (2025). *Armenia on Foot: 8 Scenic Hiking Trails to Discover*. Retrieved from <https://armenia.travel/newsroom/armenian-national-hiking-trails/>
- Armenian Ecotourism Association (2025). *About ARMECAS*. Retrieved from <https://ecotourismarmenia.com/about>
- Armenian Tourism Federation (2025). *About Armenian Tourism Federation*. Retrieved from <https://armtf.am/en/about>
- Artisans of Leisure (2024). *Luxury Georgia Tours, Artisans of Leisure*. Retrieved from [https://www.artisansofleisure.com/tour/Georgia\\_tours\\_luxury\\_travel.php](https://www.artisansofleisure.com/tour/Georgia_tours_luxury_travel.php)
- Barev Armenia Tour (2025). *Grand Tour in Armenia and Georgia*. Retrieved from <https://barevarmenia.com/tours/grand-tour-in-armenia-and-georgia/>
- CARE Caucasus (2023). *Baseline and Gender Assessment in South Caucasus*. CARE International.
- Bright Tour (2025). *Regional Tours: Armenia-Georgia*. Retrieved from <https://armenian.travel/en/tour-category/regional/>
- BTU AI (2025). *Gender Wage Gap in Georgia – Where is the Situation Most Severe?* Retrieved from <https://btuai.ge/en/gender-wage-gap-in-georgia-where-is-the-situation-most-severe/>
- Caucasus Environmental NGO Network (CENN) (2022). *Grantee Spotlight Interview: Nana Janashia, Executive Director at Caucasus Environmental NGO Network*. EDGE Project Medium. Retrieved from <https://edgeusaidproject.medium.com/grantee-spotlight-interview-nana-janashia-executive-director-at-caucasus-environmental-ngo-d43180439787>
- Caucasus Nature Fund (2024). *Exploring the Shared Landscape and Wildlife of Javakheti and Arpi Lake Protected Areas*. Retrieved from <https://www.caucasus-naturefund.org/exploring-the-shared-landscape-and-wildlife-of-javakheti-and-arpi-lake-protected-areas/>
- Caucasus Travel (2025). *Combined Tours*. Retrieved from <https://www.caucasustravel.com/combined-tours.html>
- Eco-Corridors Fund for the Caucasus (2024). Retrieved from <https://www.ecfcaucasus.org/about>

EDGE Project (2022). *DMOs in Georgia and Armenia Jointly Promote Regional Tourism Itineraries*. USAID EDGE Project Medium. Retrieved from <https://edgeusaidproject.medium.com/dmos-in-georgia-and-armenia-jointly-promote-regional-tourism-itineraries-8a5be8519d0a>

EDGE Project (2023). *New Hiking Trails Developed and Tourism Opportunities Promoted in Georgia and Armenia Bordering Regions*. USAID EDGE Project Medium. Retrieved from <https://edgeusaidproject.medium.com/new-hiking-trails-developed-and-tourism-opportunities-promoted-in-georgia-and-armenia-bordering-6efe6ed843fd>

Envoy Tours (2025). *1 Day De-tour to Armenia*. Retrieved from <https://www.envoytours.com/tours/1-day-de-tour-to-armenia/>

NIRAS (2024). *Country Gender Profile: Armenia*. Retrieved from [https://euneighbourseast.eu/wp-content/uploads/2024/04/eu4genderhelpdesk\\_armenia\\_countrygenderprofile\\_2024-cgp\\_v3\\_\\_compressed.pdf](https://euneighbourseast.eu/wp-content/uploads/2024/04/eu4genderhelpdesk_armenia_countrygenderprofile_2024-cgp_v3__compressed.pdf)

EVN Report (2024). *Armenia, Still Off the Beaten Track?* Retrieved from <https://evnreport.com/raw-unfiltered/armenia-still-off-the-beaten-track/>

FarOut Guides (2025). *Transcaucasian Trail | FarOut*. Retrieved from <https://faroutguides.com/transcaucasian-trail/>

G Adventures (2025). *Best of Georgia & Armenia*. Retrieved from <https://www.gadventures.com/trips/best-of-georgia-and-armenia/EXGA/>

Galt & Taggart (2025). *Georgia's Tourism Market Watch – 4Q24/FY24 Review And 2025 Outlook*. Retrieved from <https://galtandtaggart.com/report/georgias-tourism-market-watch-4q24-full-2024-review-and-2025-outlook/>

Georgia Today (2021). *GoCaucasus.today, Promoting Local Businesses and the Natural Beauty of the Caucasus Region*. Retrieved from <https://georgiatoday.ge/gocaucasus-today-promoting-local-businesses-and-the-natural-beauty-of-the-caucasus-region-2/>

Georgia Today (2024). *The Journey of Ethnodesign and the Georgian Heritage Crafts Association*. Retrieved from <https://georgiatoday.ge/the-journey-of-ethnodesign-and-the-georgian-heritage-crafts-association/>

Georgian Ecotourism Association (2025). *Georgian Ecotourism Association*. Retrieved from <https://ecotourism.ge/en/>

Georgian Heritage Crafts Association (2025). *Georgian Heritage Crafts Association*. Retrieved from <https://www.crafts.ge/?p=dynamic&id=2>

Georgian Holidays (2025). *Georgia and Armenia Highlights: Small Group Tour*. Retrieved from <https://www.georgianholidays.com/tour/multi-country-tours-in-caucasus/11-day-georgia-armenia>

Georgian Tourism Association (2025). *Georgian Tourism Association*. Retrieved from <https://www.tourism-association.ge/eng/main/index/1>

Georgian Wine Association (2024). *About GWA*. Retrieved from <https://gwa.ge/en/about/gwa-about/>

Geostat (2025). *Tourism Statistics of Georgia 2024*. National Statistics Office of Georgia.

Government of Armenia (2024). *Prime Minister Nikol Pashinyan's working visit to Georgia*. Retrieved from <https://www.primeminister.am/en/foreign-visits/item/2024/01/26/Nikol-Pashinyan-visiting-Georgia>

Green Rock Foundation (2025). *Meet Dilijan Initiative, Memorandum of Cooperation Signing*. Retrieved from <https://www.greenrockfoundation.org/>

Hyr Service (2025). *Armenia and Georgia in Your Heart*. Retrieved from <https://hyurservice.com/en/tour-packages-armenia/amazing-armenia-and-georgia-in-your-heart>

International Development Group (2020). *USAID EDGE Request for Applications: Supporting Projects working in Economic Growth*. Retrieved from <https://www2.fundsforngos.org/latest-funds-for-ngos/usaied-edge-request-for-applications-supporting-projects-working-in-economic-growth/>

Intrepid Travel (2025). *Georgia & Armenia Explorer*. Retrieved from <https://www.intrepidtravel.com/us/georgia/georgia-armenia-explorer-160361>

Kandoo Adventures (2024). *Trekking In Armenia | Kandoo Adventures*. Retrieved from <https://www.kandooadventures.com/blog/trekking-in-armenia-1135.html>

Kartveli Tours (2025). *Georgia Armenia Tour*. Retrieved from <https://kartvelitours.com/georgia/tours/georgia-armenia-tour>

KfW (2024). *Biodiversity in the Caucasus, growing protected areas for one of the world's greatest ecological treasures*. Retrieved from <https://www.kfw.de/stories/environment/nature-conservation/ecological-treasure-caucasus/>

Ministry of Foreign Affairs of Armenia (2024). *Georgia, Bilateral Relations*. Retrieved from <https://www.mfa.am/en/bilateral-relations/ge>

MIR Travel (2024). *A Taste of Georgia: Wine, Cuisine & Culture*. Retrieved from <https://www.mircorp.com/trip/a-taste-of-georgia-wine-cuisine-culture/>

MyArmenia (2024). *Try carpet weaving and other Armenian handicrafts*. Retrieved from <https://myarmenia.si.edu/en/guide/experience/participate-carpet-weaving-master-class-learn-doily-techniques-and-how-paint-armenian-bi/index.html>

People in Need (2023). *Promoting cross-border tourism in Georgia and Armenia*. Retrieved from <https://www.peopleinneed.net/promoting-cross-border-tourism-9877gp>

Phoenix Tour (2025). *Armenia & Georgia Tours*. Retrieved from <https://phoenixtour.org/tours/>

PMCG (2024). *Quarterly Tourism Update: Tourism Indicators in 2024*. Policy and Management Consulting Group. Retrieved from <https://www.pmcresearch.org/periodic/8>

Promethea Voyages (2025). *Caucasus Tours: Georgia, Armenia & Azerbaijan*. Retrieved from <https://caucasus.promethea-voyages.com/en/>

RECONOMY (2025). *RECONOMY, Revitalize, Reconnect, Reshape*. Retrieved from <https://www.reconomyprogram.com/>

RECONOMY LinkedIn (2024). *RECONOMY LinkedIn Updates*. Retrieved from <https://ba.linkedin.com/company/reconomyprogram>

Permanent Parliamentary Gender Equality Council (2022). *The Report of the Thematic Inquiry Into Women's Access to Financial Resources*. Tbilisi: Parliament of Georgia.

Responsible Travel (2024a). *Armenia and Georgia food and wine tour*. Retrieved from <https://www.responsibletravel.com/holiday/22198/armenia-and-georgia-food-and-wine-tour>

Responsible Travel (2024b). *Transcaucasian Trail holidays*. Retrieved from <https://www.responsibletravel.com/holidays/caucasus/travel-guide/transcaucasian-trail>

Solimar International (2024). *USAID Georgia Economic Security Program*. Retrieved from <https://www.solimarininternational.com/project/georgia-economic-security-program/>

Solimar International (2025). *USAID South Caucasus Regional Tourism Program*. Retrieved from <https://www.solimarininternational.com/project/usaid-south-caucasus-regional-tourism-program/>

Statistical Committee of the Republic of Armenia (2025). *Number of tourists visiting Armenia in 2024 decreased by 4.7% to 2.2 million people*. Retrieved from <https://arka.am/en/news/society/number-of-tourists-visiting-armenia-in-2024-decreased-by-4-7-to-2-2-million-people/>

Strategic Development Agency (2024). *The Armenian Tourism Federation's 2024-2029 Strategy Approved*. Retrieved from <https://sda.am/en/news/the-armenian-tourism-federations-2024-2029-strategy-approved/>

The Armenian Report (2025). *Armenia's Tourism Sees 4.6% Drop in 2024*. Retrieved from <https://www.thearmenianreport.com/post/armenia-s-tourism-sees-4-6-drop-in-2024>

TIME (2019). *Transcaucasian Trail: The World's 100 Greatest Places of 2019*. Retrieved from <https://time.com/collection/worlds-greatest-places-2019/5654151/transcaucasian-trail-caucasus/>

Tourism Review (2024). *Georgia Benefits Greatly from Its Wine Tourism*. Retrieved from <https://www.tourism-review.com/wine-tourism-draws-more-visitors-to-georgia-news15172>

Transcaucasian Trail Association (2024). *HOME, Transcaucasian Trail*. Retrieved from <https://transcaucasiantrail.org/en/home/>

UN Women ECA (2025). *Women entrepreneurs from Armenia and Georgia take one step closer to becoming successful business owners*. Retrieved from <https://eca.unwomen.org/en/stories/news/2025/10/women-entrepreneurs-from-armenia-and-georgia-take-one-step-closer-to-becoming-successful-business-owners>

UN Women and ILO (2023). *National Assessment of Women's Entrepreneurship Development in Georgia*. Tbilisi: UN Women and International Labour Organization.

Undiscovered Destinations (2024). *Explore the Cradle of Winemaking Tours*. Retrieved from <https://undiscovered-destinations.com/tour/the-cradle-of-winemaking/>

UNDP (2023). *Gender Social Norms Index*. Retrieved from <https://hdr.undp.org/content/2023-gender-social-norms-index-gsni>

Union Sapari (2017). *Women's Economic Empowerment in Georgia: Analysis of Existing Policies and Initiatives*. Tbilisi: Union Sapari. Published with support from UNDP and Swedish Government.

Union of Artisans of Armenia (2025). *The Union of Artisans of Armenia*. Retrieved from <https://armartisanunion.com/>

UNWTO (2024). *Global Conference on Wine Tourism Celebrates Heritage and Innovation*. Retrieved from <https://www.unwto.org/news/global-conference-on-wine-tourism-celebrates-heritage-and-innovation>

Wine Travel Awards (2023). *Armenia & Georgia: Exploring the Birthplace of Wine and Its Vibrant Tourism*. Retrieved from <https://winetravelawards.com/stories-of-the-nominees/wines-of-armenia-wines-of-georgia-wine-tourism-wine-travel-awards-nominees/>

World Bank (2017). *Beyond celebrating – Removing barriers for women in the South Caucasus*. Retrieved from <https://blogs.worldbank.org/en/europeandcentralasia/beyond-celebrating-removing-barriers-women-south-caucasus>

World Bank (2024a). *Armenian Women Earn Around 30 Percent Less than Men for the Same Work, according to the World Bank's New Assessment*. Retrieved from <https://www.worldbank.org/en/news/press-release/2024/10/16/armenian-women-earn-around-30-percent-less-than-men-for-the-same-work-according-to-the-world-bank-s-new-assessment>

World Bank (2024b). *Georgia: Tourism Trends Analysis & Recommendations*. Retrieved from <https://openknowledge.worldbank.org/server/api/core/bitstreams/7b9b850e-6dd3-42ec-aaca-3a24f47c5c9d/content>

World Bank (2024c). *Preparation of Destination Management Organization (DMO) Development Model for the Republic of Armenia*. Project document.

WWF Caucasus (2024). *Protected Areas Georgia*. Retrieved from  
[https://www.wwfcaucasus.org/our\\_work/protected\\_areas22/protected\\_areas\\_georgia/](https://www.wwfcaucasus.org/our_work/protected_areas22/protected_areas_georgia/)

---

## 8. ANNEXES

### **Annex A: Illustrative Discussion Guide for DMOs**

1. How was the Shirak DMO founded, and what is its current operational modality? What are its key responsibilities? What are the main activities it is engaged in?
2. How does the Shirak DMO engage with other DMOs in Armenia? What are a few key examples of their cooperation?
3. What economic activities define the main touristic and tourism-related opportunities of the Shirak region? To what extent are women represented in these economic activities?
4. In your view, what existing cross-border tourism linkages connect the Shirak region with the neighboring areas of Georgia? For example, are there joint tour routes, shared natural or cultural attractions, or collaborative packages (hiking trails, wineries, craft tours) that involve both sides?
5. How does Shirak DMO engage with Georgian counterparts? Do DMOs or tourism associations organize joint marketing, information-sharing, or training sessions with Georgia?
6. How do small tourism businesses in Shirak currently find customers or partners abroad? For example, do they attend trade fairs, rely on tour operators, use diaspora networks, or digital marketplaces?
7. What are the biggest enablers (positive factors) you see for cross-border tourism trade? (E.g., strong personal networks, quality of local products, visa-free travel, donor-funded projects, etc.)
8. What are the main barriers or risks? (E.g., border delays, lack of joint branding, limited transport links, lack of finance/capital, etc.)
9. Can you suggest any specific initiatives that could strengthen Armenia-Georgia tourism ties?

### **Annex B: Illustrative Discussion Guide for Tour Operators**

1. Could you describe your main customers and the key tour products you currently offer?
2. Do you currently include cross-border components with Georgia/Armenia? If yes: how (which routes, which attractions)? If no: why not?
3. How would you assess the demand from your clients (domestic and international) for cross-border tourism between Armenia and Georgia? Are tourists asking for multi-country experiences?
4. What roles do the cross-border packages (including Armenia and Georgia) play in your business model? What is the share of such packages?

5. For cross-border packages, which local enterprises or suppliers do you work with (e.g., farm stays, wineries, craft workshops, guesthouses, local food producers)? How do you identify and select them?
6. Please describe your cooperation with government and non-government organizations, including associations, clusters, DMOs, etc. (both in Armenia and in Georgia, if applicable).
7. From your viewpoint, what are the opportunities for Armenian/Georgian tour operators to build joint Armenia–Georgia itineraries (including agro/eco/wine/craft elements)? Which Georgian/Armenian regions or complementary products do you consider promising for the next few years?
8. What are the main barriers you face (or would expect) in developing cross-border tours or sourcing products/services across the border? (e.g., legal/regulatory, transport/logistics, customs for goods, partner networks in Georgia/Armenia, language/marketing, visa/immigration, lack of cooperation spirit).
9. If you were asked to design a pilot project of a cross-border Armenia–Georgia tour that integrates multiple players of the tourism industry, what would that look like in your view (which regions, which sectors, which partners)?
10. What would you identify as the top needs or enablers to realize such a pilot (e.g., partner network, marketing platform, awareness campaign, training for suppliers, logistics/transport, finance)?
11. What role could tour operators play in a broader roadmap for Armenia–Georgia tourism value chains?

### **Annex C: Illustrative Discussion Guide for Focus Group Discussions**

1. Could you please briefly introduce your business – what you do, who your main customers are, and how long you have been operating? What are the main products or services that your business offers?
2. Who are your main customers – local residents, tourists, or businesses from other regions/countries?
3. Have you ever had any clients, partners, or buyers from Georgia?
  - a. If yes: How did these connections start (through trade fairs, personal contacts, digital platforms, intermediaries, etc.)?
  - b. If not: What do you think makes it difficult to establish such connections?
4. Are there specific Georgian regions, cities, and towns that would make natural markets or partners for your products/services?
5. Are you aware of or have you participated in any joint Armenian–Georgian projects or events (e.g., trade fairs, festivals, tourism packages, donor-funded initiatives)? How useful are such initiatives for small businesses like yours?

6. What types of support organizations (e.g., DMOs, municipalities, chambers, business associations) have helped your business connect or grow?
7. What do you think are the main opportunities for cross-border cooperation between Armenia and Georgia in your sector (e.g., joint marketing, product linkages, tourism packages, shared branding, distribution, supply chains)?
8. What are the main barriers that make such cooperation difficult (e.g., transport links, regulations, language, financing, lack of contacts, trust, or information)?
9. From your experience, what kind of support, training, or facilitation would help overcome these barriers?
10. How could organizations such as DMOs, local authorities, or donor programs better support businesses like yours in expanding into cross-border markets?
11. What role could digital tools or e-commerce play in increasing your visibility and cooperation with Georgian or other foreign partners?
12. How do you think joint branding or regional promotion (for example, shared tourism or cultural themes like wine, crafts, wellness, or eco-products) could benefit your business?
13. What kind of joint initiatives between Armenia and Georgia would you personally like to see developed?
14. Is there anything else you would like to add — any other thoughts, concerns, or suggestions about business development and cross-border cooperation?