

# ***Regional Expert Advisory Working Group***

Economic diversification in rural areas through rural tourism

Prof. Dr. Suzana Dordevic-Milosevic  
University of Singidunum Belgrade  
Regional Expert

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH



**Concluding remarks on economic  
diversification policies & institutions  
supporting rural tourism in SEE**



*Supported by*

**Kirsi Hyvaerinen  
International Expert**



# **ECONOMIC DIVERSIFICATION IN SEE WITH FOCUS ON RURAL TOURISM**

## *Part three*

**3.1 Concluding remarks**

**3.2 Recommendations for improving institutional support**

**3.3 Recommendations for supporting rural tourism development in SEE**

## **3.1 Concluding remarks**

### **3.1.1 Gaps and constraints**

### **3.1.2 Needs for improvements**

## **3.1.1 Gaps and constraints**

- A. Rural tourism main value chains legal frames**
- B. Rural tourism main supply chains legal frames**
- C. Support policy to rural tourism**
- D. Institutional capacity for exercising support to rural tourism**

# A. Rural tourism main value chains

## legal frames

- Complex and not always sufficiently harmonized to provide favorable frame for rural tourism
- Financial regulatory frameworks are often discouraging for rural tourism oriented small entrepreneurs
- Legal frameworks for construction/urbanization and environmental protection not specifically supportive to prevent countryside degradation (neither entrepreneurs nor tourists are “framed” to sustain authentic villages and pristine nature)

## **B. Rural tourism main supply chains legal frames**

- Legally defined requirements for food supply in large extent do not insist on local supply
- Often: Discrepancy between various legislations (for example food safety issues and cultural heritage conservation are in collision)

## C. Support policy

- Country/territory specific gaps
- Often instable (politically directed) and ad hoc
- Not fully planned – or plans not followed
- Created without involvement of other sectors to provide necessary conditions for success & long-term sustainability
- Single links interventions in the substantially weak value chains have limited achievements (in time and effects)
- High requirements and standards leading to failures
- Not well adapted to real needs and absorption capacities, knowledge
- Weak monitoring and control system

## D. Institutional capacity for exercising support to rural tourism

- Entire policies development and distribution chain, including policy makers (Government, national ministries and their local branches, state agencies), policy implementation facilitators (local self government units, CSOs, consultants, public institutions, PRO, Central Registry, commercial banks) are weak and must be reinforced
- Creativity replaced with „copy-pasting“
- Responsibilities not clearly predefined, both overlapping and gaps present
- Harmonization, coordination & partnerships absent
- Technical and advisory assistance missing



## **3.1.2 Needs for improvements**

- A. Legal set-ups on the national levels**
- B. National support policies**
- C. Institutional set-ups to hold rural tourism development in the future**

# A. Legal set-ups on the national levels

- ☛ **Law on Rural Tourism** might solve majority of issues including revision of goals to correspond to specific needs of the country/territory, including specific solutions that belong to other sectors (linking)
- ☛ Review legislation related to agriculture and rural development to **ensure necessary derogations or realistic transitory periods** for adaptation
- ☛ Introduce a **rescue and risk management** system where its missing
- ☛ Change the legislation to **appreciate authenticity** and unique, live tourist rural attractions of national importance as a special category with special rules

## B. National support policies (I)

- ☛ Support **rural tourism awareness-raising** campaigns for potential tourists
- ☛ Encourage and enable **engagement of local people** in the business
- ☛ Introduce efficient **property issues resolving** mechanisms and rural **space planning**
- ☛ Ensure **sustainability** in resources management
- ☛ Design new **natural and/or cultural heritage sites** to increase rural tourism chances to attract interest

## B. National support policies (II)

- ☛ **Improve promotion** of rural tourism destinations
- ☛ Provide support for introducing various **certification systems** and standards in order to increase the quality and marketing potentials (in tourism, GSTC recognised)
- ☛ Include support to human **capacity building** to diversify and improve tourism services
- ☛ **Support (receptive) tourist agencies** to comply to regulations (and incentives to get involved with rural tourism)
- ☛ Establish a **monitoring plan**, including defining milestones, as a plan for evaluating achieved results

## C. Institutional set-ups to hold rural tourism development in the future

- Establish various forms of **association** of rural tourism service providers and **networking** for collecting and disseminating **good practices** and **relevant data** for feeding policy making
- Strengthen the role of **municipalities** in the rural tourism development
- Establish rural **tourism departments/offices** in all ministries dealing with rural development, agriculture and tourism, at regional and local levels, as a part of local governments
- **Strengthen cooperation** between institutions
- Increase **staff capacity** (quantity and qualification) at all levels
- Improve **technical capacities** in quality and quantity

## 3.2 Recommendations for improving institutional support to economic diversification in SEE with focus on rural tourism

- A. for improving **national policies**
- B. for improving **legal set-ups** at national levels
- C. for improving **institutional set-ups** at national levels

# A. Recommendations for improving national policies (I)

- ☛ Strategies for sustainable rural development should contain **territory related rural tourism components** (not „copy pasted“) and **harmonized with the related national strategies** in all relevant sectors
- ☛ **Provide full participation of all stakeholders** – it is **crucial** for creating truly **needed and achievable** policies
- ☛ **Introduce a shared methodology** for SEE to obtain **comparable, comprehensive and reliable statistical data** for evidence-based rural tourism policy making
- ☛ This methodology should be developed to efficiently **monitor** main rural tourism value chains and supply chains, by using **permanently functional interactive links** with other sectors providers

# A. Recommendations for improving national policies (II)

- ☛ **Permanent monitoring of the achieved results** is absolutely necessary for quality upgrades
- ☛ **Spatial information systems should be digitized and spatial planning data available** to monitor space utilization, to introduce control and monitoring mechanisms and to shape support policies at different levels (from national to local)

**„What you don't measure,  
you can not manage or improve“**



## A. Recommendations for improving national policies (III)

- ☛ Reduce **VAT for all rural tourism services/products** to 5% in regular areas and to 0% in high mountains (remote and marginal) areas, areas with specific development needs and depopulated areas
- ☛ Increase the number (**variety**) of **support measures and amounts** for sustainable agriculture and diversification of rural economy
- ☛ **Increase state subsidies** for stakeholders in rural tourism

## B. Recommendations for improving legal set-ups

- ☛ Change the legislation in terms of more pleasant and more **favorable business environment** for rural tourism households, i.e. for **local rural tourism service providers**
- ☛ Create special **Laws on Rural Tourism**
- ☛ **Harmonize legislation** regulating tourism, cultural and natural heritage conservation as much as environmental protection

## C. Recommendations for improving institutional set-ups at national levels

- ☛ There is a need to **enhance**, as soon as possible, the **national institutions relevant** for rural development, agriculture, tourism and statistics: ministries, agencies, tourism organisations, advisory services, chambers of commerce...
- ☛ This improvement is primarily to enable a **system for timely opening of opportunities and efficient problem-fixing...**
- ☛ ...and can only be achieved through **permanent cooperation and transparent, continuous communication** of relevant institutions at all levels (from local to national)
- ☛ **Networking and cooperation** of service providers and other stakeholders involved should be encouraged and enabled at all levels

## 3.3 Recommendations for supporting rural tourism development in SEE

- ☛ Provide models for integrated measures intended for **strengthening, shortening & greening agriculture-tourism value and supply chains**
- ☛ Provide platforms for **collection and dissemination of good practices** from various projects conducted in RT in the past of SEE region
- ☛ Increase **public awareness** and participation in **promoting rural tourism** of the SEE worldwide
- ☛ Introduce **sustainable destination management** (not just marketing)
- ☛ **Improve regional cross-border cooperation** on the destination management level

# **Cross-borders: Increasing cooperation of all stakeholders in rural tourism on the design and realization of projects with long-lasting positive effects on rural development and rural tourism, especially in:**

- **Capacity building** through raising the level of knowledge and skills of all actors on both sides of the border
- **Networking** within the country and with actors across borders
- Increasing **financial resources** for development initiatives, activities, projects and diversifying the economy in these areas
- Improving **traffic communication and ease of access** between these areas (roads, border crossings, bicycle and hiking routes, public transportation)

# Q & A – and further here for you.



Suzana Đorđević-Milošević  
[resrusticaserbica@gmail.com](mailto:resrusticaserbica@gmail.com)



Kirsi Hyvaerinen  
[k.hyvaerinen@pratto.eu.com](mailto:k.hyvaerinen@pratto.eu.com)