



OVERVIEW OF THE ECONOMIC DIVERSIFICATION POLICIES (FOCUS ON RURAL TOURISM) IN ALBANIA

FINAL MEETING OF REGIONAL EXPERT ADVISORY WORKING GROUP (REAWG) ON ECONOMIC DIVERSIFICATION THROUGH RURAL TOURISM (ED-RT)

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Actions and measures

Financial support

- *The main scheme to support rural/farm tourism in Albania is the IPARD Programme 2014-2020 through the Measure 7, “Farm Diversification and Business Development” (Nature and rural tourism sector). Funds available for this measure are 14,666,667 EUR*
- *There are 64 applications (out of 317 in total) under the Measure 7: “Farm Diversification and Business Development” and among them, there are 32 applications related to “Nature and Rural Tourism” with a total budget (requested) 5,54 Million Euro*
- *Right now there are 8 contracts signed with a total allocated budget approx 2,36 Million EUR*

Conclusion: *Rural tourism development status*

- The definition of *rural tourism* provided by the Law On Tourism (tourism activity performed in a rural environment and is oriented towards the use of local tourism resources) is in line with UNWTO definitions.
- Rural tourism is viewed as the most important element of diversification of rural economy contributing to a general socioeconomic development of rural areas. It is also a new component of the Albanian supply of tourism, providing opportunities for little villages and rural regions of the country.

Conclusion: Rural tourism development status

Estimation of the level of rural tourism development

Albania has great natural, historic and cultural heritage potential.

- Cultural, nature and rural activities in many cases are very well combined. Popular celebrations, folklore and traditional crafts, local specialties and typical food offered are making the rural area more attractive for tourists.
- Rural tourism with a strong link to cultural heritage and other related activities has good potential for development both for domestic and foreign markets.
- Recently, there is a significant development of rural and mountain tourism, ecotourism, agro tourism and outdoor activities

Conclusion: *Rural tourism development status* (continuing...)

Some constrains:

- inadequate accommodation units, low quality facilities, unskilled human resources to deliver quality services to tourists. poor infrastructure in some rural areas that have good resources for rural tourism is also accompanied by a lack of drinking water, electricity shortages and weak cooperation among local government units, non-governmental organizations and businesses.

There is still need for *qualified labour force in rural areas*, especially in rural tourism, better oriented vocational training, higher level of hygiene and food safety standards and better entrepreneurial skills for the development and management of tourism products / infrastructure.



Conclusion: *Rural tourism development status* (continuing...)

- The main focus of rural tourism development in Albania is directed towards the *promotion* of rural areas' natural and cultural values for tourism purposes (Albanian Alps, as a model)
- In order to prove the increasingly important role of rural tourism in Albania, ***some national statistics need to be shown***, though statistics about rural tourism are not available

Conclusion: *legal, institutional and policy gaps*

- Although Albania has basic legal framework in compliance with EU regulations, and a large number of policy documents, it faces challenges associated with lack of coordination, planning and undisciplined development of the rural tourism (develop a dialogue between stakeholders in different ministries, departments, agencies, academic institutions, the private sector, civil society organizations, and the donor community).
- The 100 Villages Programme lacks a detailed planning in terms of investments activities and funding for these selected villages. While municipalities are strongly involved, their financial capacities in these villages badly affected by internal and external migration are limited. d undisciplined development of the rural tourism.

Conclusion: *legal, institutional and policy gaps*

- The competitiveness of the sector is weakened by the lack of well-defined rules and regulations of rural tourism activities, the lack of adequate standardization, certification and monitoring system enabling higher standards and quality in the sector, and unfair competition due to high level of informality.
- Envisages of concrete actions and methods that addresses the formalization issues (identification and registration), could make the strategy objective realistic.

Perspective and Recommendations

- In order to utilize the full potential of rural tourism and to create a sustainable, competitive tourist product of rural tourism, it is necessary to conduct market survey, as well as survey of needs, motives and preferences of consumers (tourists).
- Identifying different categories of potential visitors (eg. families, youth, active tourists, tourists with special interests, etc.) plays a key role in the formation of an adequate offer. Each of these categories of visitors have different preferences, interests and requirements, so it is necessary to form different offers and services for each of these segments in rural tourism.
- Linking agriculture with tourism: Interventions to improve and connect the existing individual offers of services (accommodation, restoration, leisure services) and local products (food products and handicraft) in order to offer more options to potential tourists can have a significant and synergetic impact on all private actors and communities in general.

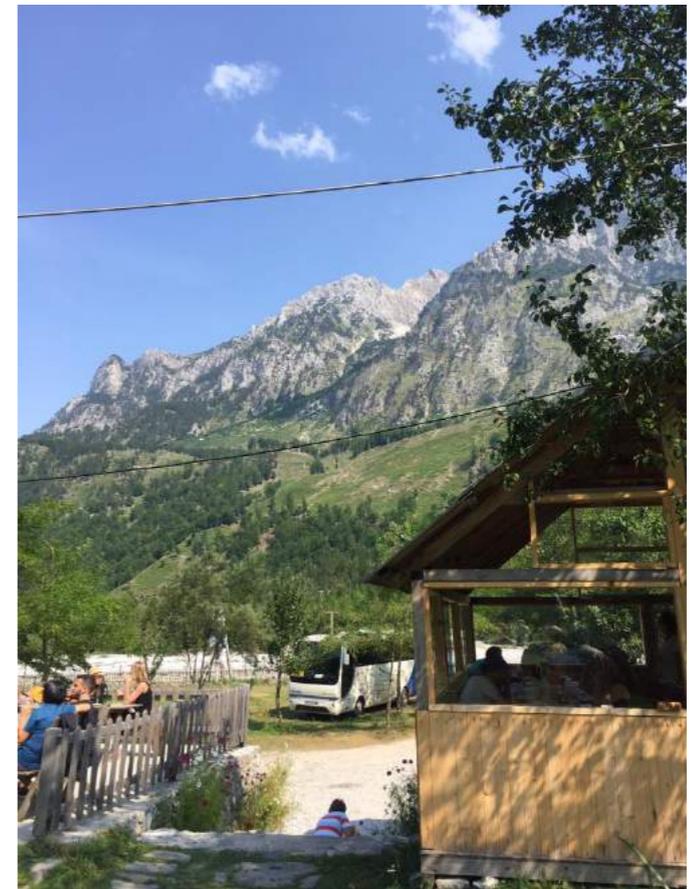
Perspective and Recommendations (continuing ...)

Upgrading policy and legislation:

- It is necessary to review carefully the legislation related to agriculture and rural development, and ensure realistic transitory periods are in place, while on the other hand, to step up effort to raise awareness, provide funding and Technical Assistance for compliance with regulations.
- Regional organizations, such as DMO and LAGs should integrate general provisions into regional level, standards for tourists' security and safety, management, marketing, and the branding of rural tourism in close cooperation with local entrepreneurs, farmers, regional municipalities, and nongovernment organizations.
- It is also crucial to perfect the certification system and standards in order to increase the quality, as well as human capacity building to improve tourism services; improve the climate business and encourage private investment.
- Increasing the support of sustainable agriculture and diversification could motivate farmers to expand their activities and ***link the agricultural production with rural tourism***

Perspective and Recommendations (continuing ...)

- INSTAT and other statistical units should organize data collection and analysis on rural tourism, at local, regional and national level according to international standards.
- The extension service and relevant institutions should be more active, in terms of giving information related to rural tourism and training. This would bring an awareness of farmers and the rural population about economic importance and opportunities that come from the rural tourism development.
- With regards to Cross-Border Cooperation, more consultations have to be done for the identification of strategic projects ideas that depend on whether the CBC beneficiaries could prove to have a genuine interest in addressing common strategic objectives and entailing a clear cross-border impact.



Thank You!