



Regional Expert Advisory Working Group (REAWG) on
Economic Diversification through Rural Tourism (ED-RT)
Final Meeting

REPORT



13 – 14 February 2020

Niksic, Montenegro

1. Introduction

Support to Economic Diversification of Rural Areas in Southeast Europe (SEDRA) is a 3-year regional program jointly implemented by SWG and GIZ, aiming at strengthening the institutional capacities of selected stakeholders in Southeast Europe for supporting EU-compliant economic diversification in rural areas. Rural tourism is one of the topics that are selected within the project, as part of the economic diversification agenda in SEE countries. The focus will be on streamlining tourism with agriculture and rural development within the EU framework for rural development programmes.

The objective of the Regional Expert Advisory Working Group (REAWG) on Economic Diversification through Rural Tourism (ED-RT) is to develop a regional approach for the assessment of the policies for diversification of economic activities in the rural areas of the SEE, with focus on rural tourism development, as well as to propose policy framework for economic diversification through rural tourism in line with EU policies.

The Final Meeting of the REAWG on EC-RT took place in Niksic, Montenegro, on 13 and 14 February 2020 and gathered experts and relevant ministries' representatives to discuss the final results of the work of the REAWG and future steps. The list of participants is provided in **Annex 1**, and the program of the meeting in **Annex 2**.

2. Final report – achievements, issues, gaps

All experts (except Kosovo*) managed to consider the feedback provided by the Regional and International Expert and submitted final versions of the national reports. Thereby, FAS (factors, attractors, support) analysis was only provided by Serbia and BiH, while Albania, North Macedonia and Montenegro provided the input in a narrative way. They were requested to also add ratings to already presented factors, attractors and support. Kosovo* report is still lagging behind due to the change of expert in the middle of the engagement period. The draft report was submitted and feedback for improvements was provided. In the current circumstances the final assessment, including all national reports and regional synthesis report, is expected to be delivered by the end of March.

3. National reports

Albania – conclusions and recommendations

Albania has great natural, historic and cultural heritage potential, but inadequate accommodation units, low quality facilities, unskilled human resources to deliver quality services to tourists, poor infrastructure in some rural areas, weak cooperation among local government units, non-governmental organizations and businesses. The competitiveness of the sector is weakened by the lack of well-defined rules and regulations of rural tourism activities, lack of adequate standardization, certification and monitoring system and consequently, unfair competition. Some of the recommendations are: identifying target market segment/s and formation of an adequate offer; linking agriculture with tourism; providing funding and Technical Assistance for compliance with regulations; increasing quality and human capacity to improve tourism services; improving the business climate and encouraging

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

private investments; increasing the support for sustainable agriculture and diversification. The presentation is provided in **Annex 3**.

Bosnia and Herzegovina – conclusions and recommendations

BiH is an administratively complex country with no ministries of tourism or agriculture. Policies and laws are created at the level of entity and cantonal ministries and departments of Brčko District. There is insufficient connectivity and synergy of stakeholders in the field of rural tourism development. There is almost no progress in establishing the necessary institutional structures to implement the IPARD program. Some of the recommendations are: improved access to the rural areas, increased number of guides, better public transport; using new technologies, digital media, social networks, web portals to manage "Smart Destinations"; creating functional and short value chains in the hospitality industry (food, drink, souvenirs) to increase the income of the local population; developing an adequate national strategy for sustainable tourism; establishing a system of support and incentives; increased support for tourism promotion; education of public institutions staff. The presentation is provided in **Annex 4**.

North Macedonia – conclusions and recommendations

In North Macedonia policies and legislation need to be upgraded with regulation specific for rural tourism. New natural and/or cultural heritage sites should be protected, and natural resources managed in a sustainable way. The role of municipalities in the rural tourism development should be strengthened and tax regulations and financial transactions system should be revised. Efficient mechanisms to solve property issues and rural space planning should be introduced. Engagement of local people in the business should be emphasized, rescue and risk management system introduced and promotion improved. In addition, institutional capacities as well as regional cross-border cooperation should be improved through organization of joint activities for cross-border capacity building and networking, support of quality business initiatives, introduction of national co-financing facility/fund, improvements to the physical connectivity between cross-border regions etc. Presentation is provided in **Annex 5**.

Montenegro – conclusions and recommendations

Montenegro has the capacity to develop a complex network of rural tourism products, some of which have already advanced in market commercialization. Thereby, focus should be on several key products that need special attention, such as agritourism, tourism based on activities in nature and other products related to rural cultural heritage. Increasing state support to stakeholders in rural tourism, as well as providing favourable loans, would significantly contribute to increasing offer and quality in rural tourism in all segments: organization, accommodation, food and beverage production and serving, etc. The presentation is provided in **Annex 6**.

Serbia – conclusions and recommendations

Integral development of agriculture and tourism should contribute to a more creative use of Serbian agro-tourism resources. Reliable data and intersectoral cooperation are necessary for evidence-based policy making. Creating a more stimulating environment, providing better incentives, such as lowering taxes, would trigger greater development of the rural tourism. Thereby, advisory support, education, and promotion are essential, as well as adequate cross-border cooperation on all levels. Full presentation is provided in **Annex 7**.

4. Regional synthesis report

Regional synthesis report is based on the national reports and provides recommendations that are common for the entire region. The recommendations refer to improving institutional support (improving national policies, legal and institutional set-up) and improving rural tourism development support. Thereby it is recommended to:

- Provide models for integrated measures intended for strengthening, shortening & greening agriculture-tourism value chains
- Provide platforms for collection and dissemination of good practices from various projects conducted in rural tourism in the SEE region
- Increase public awareness and participation in promoting rural tourism of the SEE worldwide
- Introduce sustainable destination management and marketing
- Improve regional cross-border cooperation on the destination management level

The presentation is provided in **Annex 8**.

5. GSTC

Mr. Ioannis Pappas from GSTC (Global Sustainable Tourism Council) participated via Skype and provided status on the translated versions of the Global Sustainable Tourism Criteria in the local languages. They are expected to be on the GSTC web-site very soon. The next steps would be to take advantage of the criteria on a national level and adjust the policies accordingly or adjust the national standards to be in line with the GSTC. Their implementation could be tested in some pilot places in the region. Mr Pappas informed of a training they are organizing in March in Greece, which is open for relevant participants from the Western Balkans, but also tailor-made training could be organized in the region.

6. Next steps

Activity	Deadline/Place	Responsible	Status 14 Feb 2020
Final draft national reports	21 Feb 2020	NEs	- BiH and Serbia completed - Albania, N. Macedonia and Montenegro FAS analysis missing - Kosovo* to be improved based on the feedback
Draft cross-country synthesis report	20 March 2020	RE supported by IE	Pending
Final cross-country synthesis report	31 March 2020	RE supported by IE	Pending

Legend:

NEs – National Experts

RE – Regional Expert

IE – International Expert

7. Wrap-up

Present ministries' representatives expressed their satisfaction with the REAWG's work and their commitment to support the future implementation of the recommendations within their capacity. The objectives of the REAWG are in line with the ministries' needs and the final results would contribute to improved evidence-based policy making in the area of economic diversification through rural tourism.