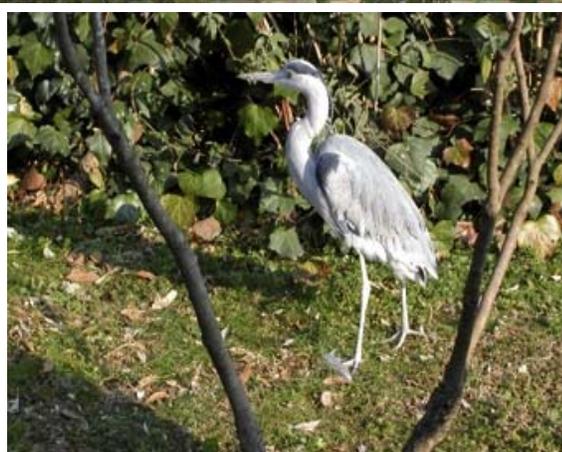




REPUBLIC OF ALBANIA
MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS

SECTOR STRATEGY ON TOURISM 2007 – 2013

(Approved through the Decision of the Council of the Ministers (VKM) No. 884,
dated June 11th, 2008 “On the approval of the Sector Strategy on Tourism”)



CHAPTER I

1.1 STRATEGIC CONTEXT

In the period 2005 – 2006, the Ministry of Tourism, Culture, Youth and Sports approved and obtained the approval – through decision of Decision of the Council of the Ministers (VKM) no. 395, dated June 21st, 2006, the Strategy on the Development of Natural and Environmental Tourism and the respective Action Plan. Such document was prepared with the assistance of the United Nations Development Programme (UNDP) Office in Albania.

The Document “On the Sector Strategy on Tourism” is prepared in the framework of a process initiated by the Albanian Government to coordinate the strategies of different sectors of the economy, where one the priorities was to review the Strategy of Tourism Development for the period 2002 – 2012 and its interaction with the Strategy on the Development of Natural and Environmental Tourism and its Action Plan.

The document is based also on the principles emphasized in the final statements of the European Tourism Forums held in Malta and Cyprus, particularly on:

- a) the development of sustainable, tourism;
- b) the sustainable growth and development of cultural tourism, as well as the undertaking of positive steps, endorsed in long term plans, intending to increase the number of tourists;
- c) the need of recognition and investment in the cultural tourism sites.

The Strategy is also in full compliance with the new Law “On tourism”, no. 9734, dated May 14th, 2007 and intends to establish the principles and rules operating in the field of tourism, as well as the establishment and development of standards for tourist and otherwise related services.

1.2 WHERE DO WE STAND

When the Strategy for Tourism Development in Albania was approved in 2003, Albania represented a country which had considerable potential to be used for tourism development, by presenting the image of a tourist destination such as described by the slogan: “Albania, yours to discover”.

The strategy was designed to expand and strengthen this sector, focusing particularly on the sustainable development principle and on the identification of challenges to optimize contributions to this sector.

Though four years have passed, there are still important aspects of the strategy and its plans of action which have not been achieved. They are related to:

- the sustainable development of the product and the application of the sustainability principle at all levels,
- the creation of institutional structures, both at central and local level, which would guarantee the implementation of plans and strategic objectives,

- the design or the review of urban plans in areas where tourism is a priority, based on comprehensive economic, social, cultural and environmental analysis,
- the creation of a system in accordance with international standards for the collection and distribution of statistical data on the evolvement of demand and supply,
- development of infrastructure elements,
- improvement of informal situations in coastal areas and solutions to the problems created by the application of “build and sell” schemes,
- priority given to the development of accommodation structures / facilities with an average capacity of 60 – 70 rooms in the coastal areas and growth as a category,
- clarification of the ownership entitlements,
- education and training offered to staff (human resources) working in tourism,
- increase of funding and identification of regulatory schemes aiming towards the creation of attractive environment,
- increase of funding for the protection and preservation of naturally and culturally important sites,
- involvement of both private and public sector,
- marketing and promotion of tourism inside the country as well as abroad,
- promotion of best practices,
- investment on various critical human resources to enable the effective development of the tourism sector,
- use of telecommunications and internet as an important and necessary component for the promotion of communication in general and the tourism sector in particular.

During this period of time, the number of tourists has continuously increased by maintaining a constant number of ethnic tourists:

- The number of foreign visitors has increased from 309 thousand in 2003, to approximately 1,100 thousand in 2007¹;
- The income from tourism as part of the GDP is calculated to be from 3.8 – 4 % or approximately 45 billion leks²;
- The contribution of tourism to the Albanian economy is at around 11 %³;
- The number of those employed in the tourism industry is at around 138,000⁴;
- Albania occupies around 0.6 % of the total demand for tourism in the tourism market of the Central and Eastern Europe⁵;
- Export of visitors occupies around 50 % of the Albanian exports⁶;
- The number of travel and tourism agencies has reached 116 in 2007, instead of 60 in 2004⁷;
- The gross revenues from tourism in the last three years were as follows⁸:

¹ According to data from the Border and Migration Police, Ministry of Interior, 2006.

² World Council for Tourism and Travel (KBUT), 2007.

³ World Council for Tourism and Travel, 2007.

⁴ World Council for Tourism and Travel (WTTC), 2006.

⁵ World Council for Tourism and Travel, 2007.

⁶ World Council for Tourism and Travel, 2007.

⁷ The National Tourism Agency, 2007.

⁸ Bank of Albania, 2007.

Year	Amount
2004	592 million euros
2005	692 million euros
2006	805 million euros
2007	1 billion euros

- The State Budget funds invested in the field of tourism by MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS in the last three years have been as follows:

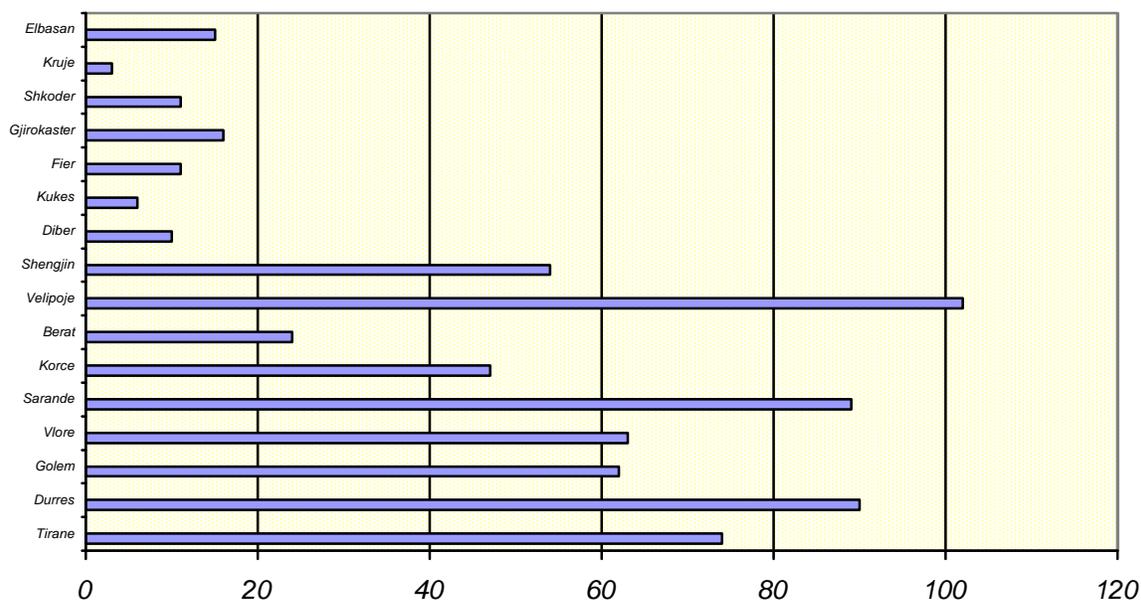
Year	Amount
2006	10 million Albanian leks
2007	25 million Albanian leks
2008	37 million Albanian leks (foreseen in the PBA for the period 2008 – 2010)

1.3 Tourism accommodation units

No. of hotels	No. of beds in hotels	No. of NJAT	No. of beds in NJAT	No. of licensed hotels	No. of classified (ranked) hotels
627	22743	908	33943	36	28

80 % of the hotels have 1 – 20 rooms,
13 % of the hotels have 20 – 40 rooms,
7 % of the hotels have more than 40 rooms,
14.29 % are ranked as one – star hotels,
25 % are ranked as two – star hotels,
35.71 % are ranked as three – star hotels,
14.29 % are ranked as four – star hotels,
10.71 % are ranked as five – star hotels.

Table 2: Distribution of accommodation units in Albania⁹:



1.4 Concerns related to “Incentive Person” (IP) titles

The existing tourism development situation shows that to date 96 structures, mainly in the coastal areas, have been granted incentives. Fifty-one of them have been constructed on non-public State property and 45 on private property. The agreements signed with these subjects present developmental, economic and financial concerns, causing:

- Development of a site into a different destination (use) from tourism,
- Low impact on employment, tourism-related professional capacity enhancement and limited use of local product,
- Use of tourism development priority construction sites (land-site, limited source) for residential buildings, which limits the generation of revenues from tourism,
- Benefiting of incentives for non-tourism related structures.

⁹ Source: The National Tourism Agency.

Table 3: IPs with a rent agreement (RA)

Area	IPs with RA	Types of structures				Surface area rented out
		Tourist Villages	Tourist Complexes (resorts)	Hotels	Tourist ports	
Golem	40	13	16	11		586254 m2 (square meters) 58,6 ha (hectares)
Durrës Shkëmbi i Kavajës	3			2	1	59100 m2 5,9 ha
Sarandë – Ksamil	5	2	2			3 202 130 m2 320 ha
Orikum	2			1	1	127 400 m2 12,7 ha
Gjiri i Lalzit	1	1				120 000 m2 12 ha
TOTAL ¹⁰	51	16	18	14	2	401 ha

In the *World Economic Forum (WEF)* Report of 2007, based on the data given in 2005, report which evaluates and ranks country competitiveness, Albania is ranked in the 90th place out of 124 countries, ranking above countries that have a long-time successful and established tourism, such as Kenya, Ecuador and Nepal. This proves that Albania has the potential to compete successfully. The analysis considered strong and the weak points regarding cultural and natural assets, sector and human resources upgrading, institutional roles in the building and the successful support of the tourism sector in the long-term.

Albania's ranking proves its considerable potential for tourism. The people are hospitable and open to visitors and the country is secure and stable. However, the ranking also points to weaknesses that harm competitiveness, such as lack of political will to undertake concrete actions, weak system of environmental protection and management, involvement (inclusion) of natural and cultural assets in tourism, a difficult investment climate, unresolved land title rights, lack of infrastructure and ineffective promotion efforts.

¹⁰ Statistics from MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS , 2007.

WEF REPORT¹¹: ALBANIA COMPARED TO THE NEIGHBOURING COUNTRIES

Sub-indexes

	General index	Regulatory framework	Business environment and infrastructure	Human, cultural and natural resources
Countries	Ranking	Ranking	Ranking	Ranking
Albania	90	94	114	43
Macedonia	83	114	82	44
Serbia – Montenegro	61	79	80	13
Croatia	38	58	40	11

The Tourism Development Strategy launched in 2003 was an instrument which led to the following achievements:

- Drafting of the new law “On tourism”. The new law “On Tourism in Albania” was approved in May 2007. It aims to create a sector compliant to international standards. It also aims to concretely assist the tourism industry development in line with the strategic directions of tourism development, by prioritizing and linking the cultural and natural heritage sources with the development of tourism.
- Approval of the law “On Tourism Ports”.
- Infrastructural development: the international Rinas airport, located in the vicinity of Tirana and Durres, presents nowadays international standards; Rehabilitation of several road axis and investments into secondary roads (6,000 km); sea ports’ development and rehabilitation projects. Projects for the development of infrastructural elements in various areas of the country.
- A joint project by the Albanian Government and the World Bank for the Preparation of an Integrated Plan for tourism Development in the Southern Coast. The respective draft was ready in early 2008. Such master plan will serve as a platform for other zonal / regional studies to be undertaken in the coastal tourism areas, since it will establish the main criteria for the development of that area by protecting natural parks, protected (reserved) areas, southern villages representing cultural and historical values, natural panoramas, etc.
- The National Tourism Entity was established in 2005 to increase Albania’s promotion as a tourism destination, to increase the marketing of the Albanian tourism product and to control and standardize the accommodating structures. After the approval and entry into power of the new law “On Tourism”, the competencies of such entity are further extended as for e.g.: preparation of programmes for financial assistance to support tourism investors and enterprises submitting contemporary projects for the development of sustainable tourism, as well as the provision of assistance in ensuring services and facilities for the private tourism operators, through tariffs respectively approved for such services. As per the law, this institution is now called the National Tourism Agency (AKT).

¹¹ Source: WEF, 2007.

1.5 *The following remain still preconditions for the tourism development in Albania:*

1. Implementation of the sustainable development principles by all planning, decision-making and management structures, at both the central and local level and also by the private sector,
2. Completion of the legal framework on tourism,
3. Effective organization of the public and private sector in order to achieve the vision and strategic objectives,
4. Infrastructure development – road, water and air transportation development. Improvement of the existing ones and creation of new efficient management systems for the treatment of solid waste and wastewater treatment and management,
5. Telecommunication and internet,
6. Revision and establishment of standards for drafting plans on the use of land in potential tourism development areas,
7. Ownership - one of the preconditions for tourism development and sustainability in tourism investments is to resolve as quickly as possible the legal issues relating to land and construction ownership,
8. Increase of financing for the preservation and maintenance of natural and cultural assets, improvement of management systems in areas of cultural and natural interest, development of human resources and improvement of image.

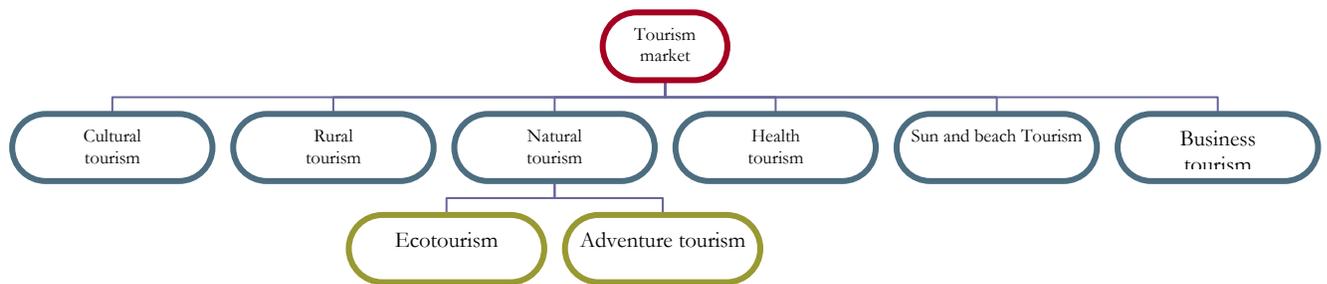
Albania should invest in various critical human resources so that the tourism sector is effectively developed,

9. Data collection and processing – It is necessary to collect and analyze data effectively and in accordance with the international standards at national, regional and local level. Albania should make important investments in data collection and management systems in order to monitor and analyze the characteristics of tourist visits, spending, behaviour, profile and other characteristics. Without such data, it becomes impossible to plan tourism.

1.6 *Main tourism products and the strategies for their development*

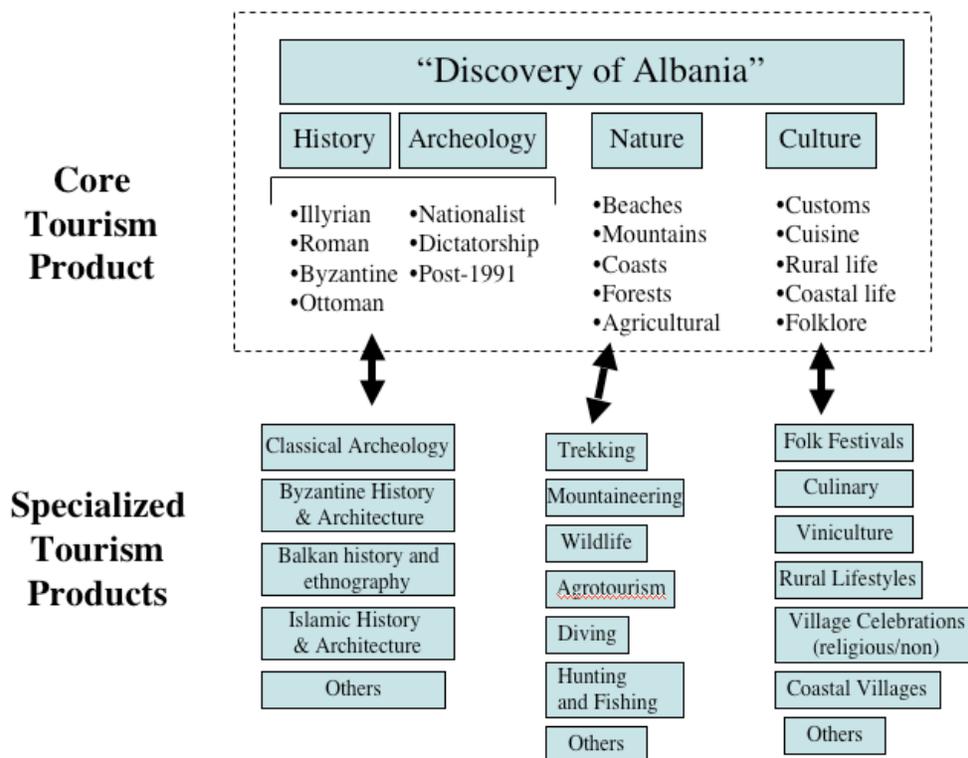
Based on the surveys and the analysis of the tourism potential of the country as well as of other factors which influence the development of tourism in Albania, the main tourism products of Albania are the following kinds of tourism:

1. Sun and beach tourism;
2. Special interest tourism;
3. Business and conference tourism.



The special interest tourism includes: natural tourism, ecotourism, adventure tourism (nature excursions, horse-riding, boat rowing, river rafting, parachute jumping, mountain bike trips, scuba-diving, canoeing, sail boating), rural tourism and cultural tourism (historical towns, archaeological centres, etc.)

Specialized tourism products can and should be developed under a general umbrella, broadening the diversity of products for the core tourism market and specialty markets. Graphic 1 presents a simple scheme.



Positioning

One of the important objectives of the strategy is to achieve a geographic balance in the distribution of tourism activities throughout the country. Currently, even areas with tourism potential have been excluded from the status of areas of priority tourism development. This requires the revision of the legal framework and the undertaking of development initiatives in less developed areas and areas of considerable potential.

Coastal area of the Adriatic Sea – it is necessary that current developments be controlled for compliance with the present legal framework. The product development should be aimed at offering the visitor a combination of experiences, based on the combination of attractive natural and cultural products which complement each other and are in line with the permitted environmental, social and cultural capacities.

Due to the flat terrain, resort constructions (hotels or villages of 3, 4 or 5 stars) should be of low height to fit the landscape, should preserve the green coastal areas and should be grouped together. Other developments could include camping sites or casinos. Sea parks should be created for preservation purposes and water sports.

While planning facilities for local tourism, the balance between local and international tourism should be considered. Buildings should preserve the local architectonic style (material, colours, details, etc.). The density of constructions should be 100 tourists per hectare.

Coastal area of the Ionian Sea – The product development should be aimed at offering the visitor a combination of experiences, by combining attractive natural and cultural products that complement each other and are in line with the permitted environmental, social and cultural capacities.

The area should be reserved for the development of potential high-class tourism, hotels and village resorts of low height and a density of 100 tourists per hectare, which are designed to create the least possible changes in the natural environment and local topography.

The development of marine facilities should use (and go along with) the physical form of the coast.

The existing villages along the coast should be taken into consideration not only with regard to construction but also in economic and social terms. Navigation access should also be developed in this area.

Mountainous areas – developments should be compact, using existing constructions or new “village resorts” constructions to fit the green landscape. The density of the construction should be 150 tourists per hectare.

Albania will seek to position itself as an attractive destination for tourists seeking a unique experience featuring high quality cultural sites and nature destinations presented in a truly “authentic” way. There are 1350 villages in Albania, inhabited by almost 1 million people. Such fact *per se* constitutes an opportunity for the development of rural tourism, especially agro-tourism,

ecotourism, natural tourism, etc). This is also one of the main objectives aimed by our policies, thus encouraging and supporting the creation of traditional hosting structures in rural areas, especially in remote mountainous areas and orienting investments towards the improvement of infrastructure in these areas. The main goal is the diversification of the tourism products offered by our country – based on the tourism sources, the enrichment of tourism guides (itineraries) in accordance with the demands of the various categories of tourists, as well as the improvement of the economic level of the local host communities especially in the rural areas. The goal focuses also on the economic development of rural communities, based on tourism activities and services.

Albania's core product will be the "discovery" of Albania. The product is a presentation of a broad cross-section of Albania's history, nature, archaeology, living culture, cuisine and hospitality. By participating in this discovery, visitors will be left with a lasting impression of the diversity, complexity and beauty of the culture and the land.

Albania will specialize in attracting educated and independent travellers and specialized group travellers. The principal target markets will be the upper-middle income individuals from Europe (primarily northern Europe and Great Britain) and North America. This segment represents the demographic segment, which is highly willing to pay for Albania's unique products and the spending patterns of whom will contribute mostly towards advancing development goals.

Albania's strength will rest in creating value for tourists in a wide variety of geographic locations. This approach opens up more of the country to "discovery", which:

- offers a great variety of products, strengthens the range and diversity available to visitors.
- creates spaces for the diverse local culture to express itself, in particular the special customs and traditions of the various regions of the country.
- allows more provincial and rural communities to participate in and benefit from tourism visitation and development.
- creates the basis for geographic linking of Albanian tourism with that of the neighbouring countries – increasing visibility and allowing tourism to develop in provincial and rural areas, bringing development opportunities to a broader section of the population.
- permits the development of complementary specialty tourism markets (such as – amongst else – trekking, climbing, diving, agriculture, hunting and fishing, archaeology, culinary, festivals), within the existing infrastructure and proposed central tourism products.

The forest parks in Albania create a very interesting microclimate; interesting also for visitors attracted by nature. Some of the most important parks in Albania are: the forest park of Divjaka (Lushnja), the forest park of Dajti (Tirana), the forest park of Lura (Dibër), the forest park of Theth (Shkodra), the forest park of Llogara (Vlora), the forest park of Drenovc (Korça), the forest park of Hotova (Përmet), etc.

A large number of people / visitors, visiting the national park of Theth, have been noted recently. It is for this reason that we may state that the mountainous tourism is to be seen as a potentially developing product, based on the interest shown by tourists from the Western European countries.

Albanian tourism will grow "organically" as an authentic destination, soundly safe in its culture, history and natural environment. The best international practices in nature and culture tourism, hospitality and logistics will be studied and adapted to Albania's specific needs and cultural context.

In keeping with the concept of authenticity, lodging, dining and other hospitality elements will be developed wherever possible in small to medium-scale, by locally owned businesses. This approach reinforces visitor connections with the cities and sites and generates greater income generation in the communities.

Tourism growth will be driven and supported by conscientious marketing, creative design of products, appropriate infrastructure, high quality human resources and by a tourism “business climate” with clear rules of the game and appropriate structures to ensure its long-term economic viability.

Ensuring repeat visits and achieving “word of mouth” recommendations will be the key to sustainable tourism development. This ultimately will depend on the long-term quality of cultural sites and nature destinations and the overall experience of visitors based on the knowledge and interpretation of their guides.

To create a virtuous cycle of sustainable development based on tourism, the Government of Albania (GoA) together with municipalities, tourism operators and NGOs, must protect and re-evaluate the sites, parks, cities and protected areas which are the core assets of its tourism sector.

1.7 Justification

Albania has excellent tourism development potential. Many cultural and natural attraction resources are of very high quality and would attract high number of visits, if they were more widely publicized within the target market segments.

Albania can position itself according to the important comparative priorities of the countries of high quality sites in a small geographic area and create an identifiable position in the international market, based on the discovery of the country.

More important for Albania, however, are the trends in tourism preferences. Culture, adventure and “eco-tourism”¹² are considered the fastest growing tourism markets worldwide. Their popularity points to a switch away from “passive” resort-based vacations, which were characteristic of the development of mass tourism since the 1970s. “Theme” travels focused on special-interest activities, such as discovery and adventure, sports and education, are increasingly popular.

Ecotourism should be seen as a priority considering the important potential and role it plays towards the development of Cultural Tourism. Activities such as: relax / entertainments in yachts and / or sailboats are optimal activities, very adaptable to the Albanian coastline. Also, investments in skiing plants – until now missing in Albania, would further enrich the tourism product in the country and would increase the number tourists. Optimal coordination is needed on this purpose with the Ministry of Environment, Forests and Water Administration, as the institution responsible for the development of protected environmental areas, natural resources and the impact of tourism in the environment.

¹² The International Ecotourism Society (TIES, at www.ecotourism.org) defined ecotourism as “responsible travel to natural areas, which conserves the environment and improves the well-being of the local people.”

Traditional “sun and sand” tourism (large-scale, undifferentiated packages) is losing ground to ecotourism, cultural tourism and adventure tourism. While sun and sand tourism remains the largest tourism segment within the international tourism, it is experiencing growth rates of no more than 2 to 4 percent per year¹³. Meanwhile, markets for cultural tourism are currently believed to represent more than 60 million tourists per year, with projected annual growth rates of 15 % through to 2010¹⁴. Adventure tourism is another small but rapidly growing segment, with nearly 5 million annual tourists and with a growth rate of 20 %¹⁵. Depending on the definition, the full range of nature-oriented tourism could represent as much as half of all tourism and has shown spectacular growth rates for more than a decade.

Neighbouring countries, such as Greece, Turkey and Croatia have focused their efforts on sun and sand tourism, further crowding an already very crowded tourism market (which also includes North Africa, Coastal Spain, the Caribbean, Indian Ocean islands and many others). Albania has a unique opportunity to differentiate itself from neighbours and avoid a crowded market, with decreasing revenues and profits.

Nowadays tourists evaluate a country’s environmental responsibility and preservation efforts. Consumers from developed countries may change their buying decisions based on the perception of negative environmental impacts or performance.

The tourism focused on independent tourists visiting local communities and participating actively in nature and culture activities has been shown to yield 5 to 10 times more development benefit per dollar spent by tourists than the large-scale sun and sand tourism. Studies conducted by INCAE (Inman 1999) and others, have shown that the nature-based tourism in Costa Rica yields about 50 % of the total spending made by visitors in the country (air travel excluded), while the sun and sand sector in Cancun, Mexico (based on general mass tourist villages) yields about 10 % of the visitor spending in the country. Moreover, the general expenses and multiple effects of the expenses (guides, tours, equipment, handicrafts) in Costa Rica tend to be greater.

Data on travels to Central America show that the tourists who come to try a combination of natural and cultural attractions (including the beaches) spend 25 % more for their stay than the ones coming exclusively for “sun and sand” tourism¹⁶.

The experienced tourists seek to find not only quality destinations or activities of increasing value, but also destinations that offer conformity of lodging facilities and that are in line with management practices following environmental guidelines.

Unfortunately, Albania has no alternatives for real positioning. Its individual destinations are attractive, but not unique. Ancient ruins of better quality can be found in Greece, Italy and Turkey. “Sun and sand” tourism competes with very many countries and it presents challenges due to declining prices and little contribution to the local economy. The nature and culture present few

¹³ World Tourism Organization (WTO).

¹⁴ WTO, Travel and Tourism Analyst, No. 4, 2001 by Travel and Tourism Intelligence.

¹⁵ Travel and Tourism Intelligence (TTI).

¹⁶ Deshazo, George. This was concluded by the author based on several studies conducted in Central America by the Harvard Institute for International Development, 1997.

alternative destinations, but they still compete with a wide variety of destinations. What makes Albania unique is the close proximity of a rich variety of attractions and the relative proximity of these attractions, in a unique cultural context, to a large number of local and international tourists.

While the unique market positioning is born primarily of necessity, it is a powerful position in the international markets. Trends in tourism visitation worldwide clearly identify nature and culture tourism as the fastest growing segment and with very large numbers of potential tourists. Albania appears to be ideally situated to meet the shifting demands of an increasingly nature and culture oriented tourism market.

1.8 Challenges

The development of Albania's tourism sector has to cope with a number of challenges. As they enter international markets, all countries face general tourism development challenges as well as specific challenges related to creating successful tourism, based on nature and culture-based destinations.

1.8.1. General challenges for tourism development in Albania:

- Establishing a clear market position in an overcrowded marketplace. There are many products and countries competing for the attention of travellers, travel agencies and publications.
- Overcoming previous conceptions and associations with Albania. Initial research points to a "non-image" among tourism professionals. There is interest in new destinations and also increasing interest in the type of experience Albania has to offer, but this will require a coordinated effort. In certain target markets, the general associations with Albania range from neutral to negative due to the historical developments during the transition period.
- Investment must be planned in the short, medium and long term. The country as a whole cannot enter this commitment lightly. Success in international markets requires consistency in message and market presence year after year. It requires investment of political capital by the government and private, public and civil society sectors. Further, success also requires a number of new or adapted mechanisms to ensure consistency and coordination, but also to avoid conflict and provide reliability in investment and decision-taking.
- Infrastructure. One of the visible advantages of the natural and cultural tourism is that the requirements for specialized infrastructure are minimal. However, the basic capacity to move the tourists safely (in cars, mini-buses, buses and airplanes) is an imperative. Telecommunication and internet are an important and increasingly necessary component for the promotion of the tourism sector, communication (by operators and local tourism offices) and for visitors. Albania faces significant challenges in all these areas.
- Coordination among a large number of governmental institutions. A successful tourism sector for Albania will require the coordinated efforts of a number of ministries, local government, institutes, as well as NGOs, the Academy of Sciences, international agencies and bilateral assistance programs.

- Market Intelligence. Without detailed knowledge of the tourism markets and the forecast of the target segments' expectations and desires, Albania risks wasting substantial investment and precious time. The country will need to invest in market information and knowledge to pinpoint opportunities and fine-tune products and services.
- Internal data. Albania will need to invest substantially in domestic data collection and management systems to monitor and analyze tourism visitations, spending, behaviour, tourist profiles and other characteristics. Without this data, tourism planning is virtually impossible and the scarce resources will be wasted.

1.8.2. Specific Challenges for Nature and Culture Tourism

A strategy focusing on nature and culture tourism presents a diversity of additional challenges beyond the general ones.

- The concept of sustainability is built upon the strategic position as per the need. Without aggressive efforts to ensure the sustainability of the natural and cultural resources, Albania cannot reasonably expect to maintain a market position capable of attracting international tourists. Without involving the local communities and providing real opportunities for them to participate in and benefit from the development process, the attractions will continue to degrade or will be converted for other economic uses – nearly all of which offer much less long-term development potential than the tourism.
- Developing a successful sector requires substantial levels of investment in infrastructure, marketing, human resources, natural area management, preservation of historical sites and of the living culture. The country will not be successful, without a serious commitment for investments.
- There are no “recipes.” Albania’s tourism products must be authentic, while meeting the general expectations of international tourists. International experience, knowledge and best practices should be sought aggressively in order to make informed decisions and plans for the country. However, the products themselves must represent, to the maximum extent possible, an authentic Albanian approach. The most likely outcome will be the adoption and adaptation of strategies and mechanisms from a number of countries with best practices in different regions of the world.
- Local – national issues. Nature and culture tourism require actual involvement of local governments in tourism planning, urban planning, infrastructure development, cultural preservation and environmental protection among others. While there is considerable local capacity in the larger cities and identified cultural centres, many cities and towns will require substantial amounts of additional support from the central government, Tirana-based institutions and international experts.
- The nature and culture tourism segment is highly dependent on very specialized human resources. Very high-quality tour guides are perhaps the most critical success factor for

Albanian tourism and will need to be aggressively recruited and trained. The country will need qualified managers for natural and cultural sites. In addition, there is an identified shortage of qualified hospitality personnel at all levels and in all regions. Limited language skills (English in particular) across these categories and in particular in provincial areas, presents a challenge.

- A number of alternative tourism strategies have proven to be non-complementary and potentially harmful to building high-value tourism. Large-scale “sun and sand” tourism represented by all-inclusive packages in isolated tourism complexes will likely do great harm to the country’s efforts to build a high-value sector based on nature and culture. The massive “sun and sand” tourism is a highly competitive segment that attracts primarily discount-oriented travellers. The arrival of large numbers of such travellers tends to make destinations much less attractive to “higher-end tourists”. A similar effect has been observed with the arrival of large cruise ships.
- Tourism growth can be slow in the early years. If successful, the sector will begin small, but grow rapidly as it gains a positive international reputation. While it will be possible to observe progress and measure advances with meaningful indicators, the tangible benefits – critical for ongoing political support and commitment – will be observed in the medium term.

The following vision formulates the desired achievements for future Albanian tourism. It aims at 2013 as the date to bring about the desired achievements, which would be the expression of reaching the objectives set forth in the strategy.

2.1. VISION 2013

“Albania is a safe, high-value tourism destination featuring an unparalleled variety of world-class natural and cultural attractions in a small geographic area, managed in an environmentally and socially responsible manner, easily accessible to European tourism markets.”¹⁷

The guiding principles for achieving the strategy and the future management of the industry development are:

▪ **Sustainable development**

Accepting this worldwide concept is essential for tourism development. Future development of natural, cultural and human resources is vital and critical for the long-term sustainability of the tourism industry. Developments that have a negative impact on the environment or offer only short-term benefits should be avoided. The main aspects of sustainable tourism policies include: land use, site management, preservation of important natural and cultural sites, project development, as well as investments in human resources.

The three respective main sub-principles are:

- **Ecological sustainability** – ensure that development is in line with the preservation of essential ecological processes, biological biodiversity and biological resources,
- **Social and cultural sustainability** – ensure that development increases people’s control over their lives and is in line with the culture and values of the people it affects, and also preserves and strengthens community identity,
- **Economic sustainability** – ensure that development is economically efficient and the sources are properly managed to create premises for future generations.

▪ **Benefits of Local communities.**

Tourism should bring benefits to the community or people living in the vicinity of the cultural and natural areas of interest, increasing their standard of living. It should use financial mechanisms and incentives to support the efforts for the preservation and improvement of revenue sources in the rural areas.

¹⁷ Taken from the Strategy and Plan of Action for the Development of Cultural and Environmental Tourism in Albania, 2006.

- **Partnership**

While the market changes rapidly, national and international partnerships should be successful in order to be competitive (“cooperate to compete”). Such partnerships are beneficial for all the parties concerned.

Public-private sector partnership: The international experience shows that successful destinations are the ones built on public-private partnerships. Such partnerships should be considered in planning, development, marketing, and promotion issues. The new law “ON Tourism” provides for the creation of the Consultative Committee of the Tourism Private Sector to deal with and consider issues concerning the tourism activity of the private sector or which arise during such activity as well as to ensure the cooperation between the private sector and the ministry responsible for tourism on issues which might arise during tourism development, during the implementation of the National Strategy on Tourism and its Plan of Action, etc.

- **Quality**

By improving service standards, thus the quality of the work force in tourism industry and offering continuously products of required value and quantity to satisfy the demand from the target groups, Albania will be able to compete successfully in the international markets.

The goal of the Albanian tourism development is to increase the quality of living for a considerable number of Albanians. Tourism development should be measured and assessed in a medium and long-term manner in relation to its ability to improve the well-being of Albanians. As such, it can be (and should be) part of the country’s strategy to achieve development priorities, such as the Millennium Development Goal commitments.

More tourists do not necessarily mean more development or revenue for Albanians. The kind of tourism that the country chooses to develop is mainly defined by the contribution to the well-being of its citizens.

Emphasizing natural and cultural tourism will keep in focus the benefits for local communities, which are currently faced with limited economic opportunities.

The tangible benefits expected from a successful tourism strategy include: increased employment rates, additional revenues for the economy (core or additional), improved infrastructure, and increased tax revenues that would contribute to the improvement of health-care, education, and other social developments.

Less tangible benefits include: affirmation of the local culture and traditions, creation of opportunities to keep the young generation interested in residing in Albania or returning to their towns, and exchange and contacts with people from different cultures.

2.2 THE STRATEGIC PRIORITIES

- **The Development**

The structuring and organization of tourism and its products are short-term and medium-term priorities. The development potential will be achievable through the combination of particular

interest tourism and the business of conferences for the short-term and medium-term period, developing in parallel the “sun and sand” tourism in accordance with international standards.

The measures:

1. For the short-term period, the unauthorized constructions must be seen in interrelation with the law and the relevant rules;
2. The focusing for the short-term period in the improvement of the existing product localized in regions of great development potential and in particular the increase of the accommodating units' quality;
3. The inclusion of the natural and cultural assets in the development of tourism;
4. The identification and analysis of the existing tourism product and its promotion;
5. The revision and the hitherto development analysis of the tourist zones, the improvement of the approved plans in using the lands in the tourist zones, related to the principles of sustainable development, the creation of attractive natural and cultural panoramas;
6. The development of infrastructure elements, mainly the management of water waste and solid waste;
7. The drafting of plans for the use of land for the zones with a high potential in the development of tourism, putting priorities on the zones with natural and cultural potential and villages that offer a potential for the development of rural tourism.

- The establishment of the institutional structures and capacities;

The establishment of the institutional structures at both central and local level for the short-term period to guarantee the application of the strategy and the respective legal framework in the field of tourism:

The measures: the training of human resources in the public and private sector:

1. The drafting of training programs;
 2. The drafting of the differentiated curricula for the tourist zones;
 3. The comparison and evaluation of the western educational programs;
 4. Inclusion of tourism issues as part of the educational programs in the elementary schools;
 5. The development of the managing and professional expertise;
 6. Creation / Constitution of the Tourist Information Offices in accordance with the new Law “On Tourism”, No. 9734, dated May 14th, 2007, in districts, and the Tourist Information Offices in the tourist destinations of (throughout) the country for the promotion of tourism areas also at central level;
 7. Restructuring of the Tourism Entity and its turning into the National Tourism Agency, in accordance with the above mentioned law.
- The funding and creation of the long-term mechanisms for the natural and cultural zones, aiming to their preservation and development.
 - The creation of the system for the accumulation and elaboration of the statistical data, as well as researches on the tourist market.

General Strategy

Albania is a beautiful and fascinating country. It has a wide range of historical, cultural and natural attractions that are of great interest to international tourists. The country is safe and the people are welcoming, hospitable and friendly. Most importantly, the country still remains “authentic.” It remains largely unspoiled by foreign influence, people live and work in traditional ways in much of the country and local culture expresses itself in varied ways on regional basis, even from town to town¹⁸. The combination of these factors makes the country unique and its potential value to international tourism markets is very high.

Albania is not an easy tourism destination to understand for international markets. It offers the potential for dozens of tourism activities in dozens of destinations. Individually, they are all interesting, however only few of them are unique or sufficiently compelling on their own to draw international tourists. It is the precise combination of activities and destinations within the country that offers the best possibility of building a successful tourism sector.

The country is complex. Its culture, history, geography and archaeology are fascinating, but complicated and not easily accessible, even to educated tourists. For a non-Albanian, it is virtually impossible to understand and fully appreciate the country without substantial assistance. However, it is through this understanding and appreciation – the “discovery” of Albania – that the country achieves its maximum tourism potential. Experiences that unlock new discoveries for visitors are the most valuable tourism products in the world, because of whom they attract and how they spend their money in a country.

The discovery of Albania through its natural and cultural attractions is of interest primarily to well-educated and relatively affluent international tourists¹⁹. This demographic segment spends considerably more for tourism products that include new experiences such as education, adventure and culture. In addition, their spending patterns are highly favourable for development, as they prefer to interact directly with the communities they visit (shops, restaurants and other local businesses) and tend to purchase a great deal of locally provided products and services, in particular excursions, guided cultural and nature tours, adventure experiences and handicrafts.

This segment does not make a clear distinction between cultural, natural and other tourism products. Visitors in this segment tend to combine many different activities during their visits and usually see the various natural and cultural activities as part of the process of discovering the destination.

The typical vacation periods for this segment are from 8 to 14 days. During this time, these visitors prefer to visit several destinations, usually in 2 to 3 day blocks, focused around a central location.

¹⁸ For example, wines, white cheese, olives and lamb have distinct flavours village to village. Behaviour, history, ethnography and cultural traditions are visibly different across very small geographic areas.

¹⁹ In most of the cases, especially in the rich western countries as well as in Japan, there is a direct correlation between educational level and income.

Albania's geography and culture are ideally suited to this approach. There are already great advances in tourism product development in a number of cities, which have several strategies and plans for multi-day itineraries in place, based on their culture, history and nature²⁰

The discovery of Albania will depend on detailed explanations and interpretation that open its culture and history to understanding by outsiders.

Albania must be marketed to international audiences as Albania. The country does not have strong enough assets for its central marketing position to be either geographically based (north versus south versus coast) or theme-based alone (eco-tourism, cultural monuments, etc).

Albania's core (primary) tourism product must be a general one, which encourages visitors to discover the many facets of Albania's culture and nature.

²⁰ The regions of Tirana, Saranda, Gjirokastra, Berat, Vlora, Shkodra, Korça and Kruja are ready for such visitors with interesting itineraries. For example in the region of Vlora, the MEDWET project has produced an outstanding guidebook detailing the cultural and natural monuments, while the AULEDA organization is working with the local communities on the concept of small town bed and breakfast lodging focused on small towns / centres with interesting nature and culture. A number of itineraries could be designed to offer tourists guided tours of many combinations, with minimal additional efforts.

CHAPTER IV

4. PLAN OF ACTION AND RESOURCES

This section presents a plan for the country to advance its tourism sector and tackle its principle challenges within the context of the strategy presented above and the existing policy, legal and institutional structure. It also expresses the compliance of the objectives and actions with the Mid – term Draft Budget of the MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS , in accordance with the policies and concrete projects presented in the PBA.

In operational terms, the country is ready to move forward with its tourism sector.

Today the country has the capacity to receive substantially more overnight international tourists than it is currently receiving. Although the country is not ready for aggressive marketing to broad international markets, it is absolutely ready to receive tens of thousands of additional adventurous and “pioneering” tourists who are willing to be flexible and “forgiving” in exchange for being among the first to experience a unique new destination.

The numerous challenges that Albania faces must be addressed, but most would not be solved before beginning tourism promotion. However, due to the interrelated nature of the identified challenges, the country must begin work immediately in a number of areas in order for tourism to grow effectively.

The specific elements of the Action Plan are presented as priorities in nine different areas.

- Awareness and Marketing;
- Product Development;
- Investments in Natural Areas to Strengthen the Tourism Sector;
- Investments in Culture to Strengthen the Tourism Sector;
- Human Resources;
- Infrastructure;
- Business Climate;
- Re-evaluation of Tourist Experience;
- Data and Information Management.

4.1 Awareness and Marketing²¹

Albania must work at multiple levels to increase awareness of the country, increase positive associations with Albania, consolidate a unifying theme to link the country’s tourism product with international markets, convince market opinion-leaders that the country is worth visiting, increase contact between specialized outbound travel companies in target markets and local tourism

²¹ The costs evaluation of the Plan of Action was done in Annex 1 – Plan of Action, according to an approximate calculation of the respective activities.

companies (inbound operators, outfitters, hotels, etc), establish a credible internet-based presence and establish a sustainable structure for continued marketing efforts.

4.2 Awareness and positive association

This must be a diplomatic and political effort. Coverage in the international press continues to be neutral to negative. Albania has not managed this aspect of its public image very successfully. Tourism, nature and culture provide excellent opportunities for senior officials to communicate positive messages. Every time the Prime Minister or other senior officials visit a target market country (particularly Germany, Great Britain, United States and northern Italy), he or she should set aside time to promote tourism to select audiences and to the media. They must be supported by the national unifying theme presented in “b)” below.

Action 4.2.1 Development of a collection of promotional materials – addressing international tourism, to be distributed to the press (**national tourism press kit and stand**), with printed materials, video, scripts and other materials to enable easy presentation of the country in any priority location.

Action 4.2.2 Increase positive media coverage in target markets. Albania must be more aggressive in communicating positive messages in target markets. Positive news on natural and cultural issues should provide substantial benefits. Commercial officers, press officers, consuls and even ambassador’s in Albanian mission abroad should be briefed on the use of the prepared materials and provided with frequent news feeds to create opportunities for advancing a positive image.

Action 4.2.3 Work closely with Albanian Diaspora. It is very important that Albanians abroad feel proud and willing to visit Albania with relatives and friends. As an example, Mexico has conducted a promotion campaign “Welcome Home Paisano.”

4.3 Consolidate a unifying theme to link the country’s tourism product with international markets

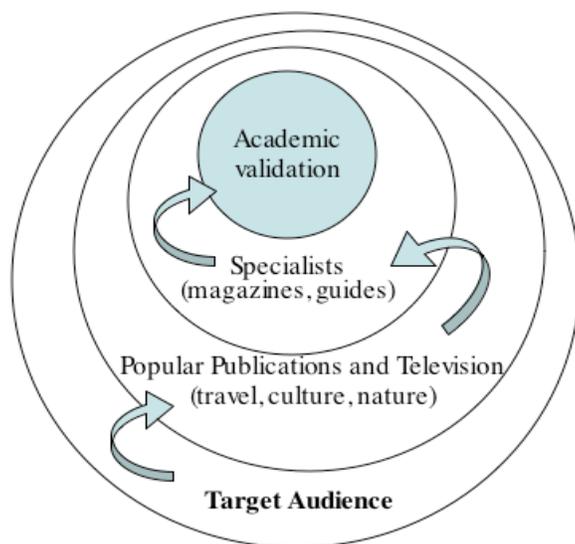
Today Albania is using a number of different themes to present itself – two can be found on the official tourism website and others in different promotional materials. This takes away focus and could eventually create confusion. The country needs professional assistance in selecting and designing a theme that reflects the national cultural and environmental strategy and the image the country wishes to portray to the world and connects these with a message that finds a proven resonance within the target market group that the country is seeking to attract.

Action 4.3.1 Hiring an international public relations company with experience in the strategic positioning of tourism destinations. This is an imperative. There are decades of experience, knowledge, science and art behind the design of market positioning. The process includes creative design process, analysis of open potentials, testing of the concept in various target markets and other steps to guarantee the strength and clarity of the message.

4.4 Convince market opinion-leaders that the country is worth visiting

Specialized products are only successful in the tourism market if their qualities are “validated” by respected opinion leaders. For a destination such as Albania, the most important opinion-leaders are frequently writers and publishers of articles, journals and guidebooks oriented toward nature, culture and travel. Occasionally they are travel companies known for “discovering” new destinations. The model of validation can be depicted as concentric circles (see Graphic 2), with each circle looking to the next inner ring for advice and recommendations.

Graphic 2: Concentric circles of information marketing



Action 4.4.1 Engage in an aggressive effort to increase Albania’s visibility in opinion-leader publications.

Sub-action 4.4.1.1 Albania must conduct a study, in cooperation with the public relations firm identified above, to determine which publications and information sources the desired target market uses to make decisions to travel to a destination. Since much early-stage tourism development happens by “word of mouth,” a secondary objective is to identify the decision processes of the “pioneering visitors.”

Sub-action 4.4.1.2 Increase coverage and presence of Albania in tour guidebooks directed at independent “adventurous” travellers. Specifically, Albania should convince:

- Bradt Travel Guides Ltd (UK) to expand and update its excellent travel guide;
- Lonely Planet Guides (UK) to produce a dedicated guide (rather than appearing in shared *Eastern Europe* one); and
- Rough Guides (UK) to consider including Albania in their portfolio of guide books.

Action 4.4.2 Invest in presence in “paid” space in high quality magazine. Marketing professionals argue that a good article about a product or destination in a credible publication is

worth 5 to 10 times more than an equal amount of paid advertising space in the same publication. Certain high credibility publications (in particular National Geographic and National Geographic Traveller) decide on much of their editorial content based on paid advertising space (X pages of advertising space “entitles” the purchaser to Y pages of editorial content from national geographic staff and photographers). The specific selection of publications should be based on the research of q + conducted in 1.3.1 above.

4.5 Increase contact between specialized outbound travel companies in target markets and local tourism companies

Action 4.5.1 Increase presence at major fairs featuring nature, culture, adventure and “alternative” tourism destinations. Trade fairs are considered by most country-promoters as a “necessary evil”. Positive results can be of varying quality, but lack of presence is universally regarded as bad. Albania’s participation in these fairs must be coordinated under a unifying national theme to maintain focus on the message and with clear objectives to achieve as a country, not just as individual organizations.

Action 4.5.2 Organisation of an International Tourism Fair in Albania. The best place to show Albania is Albania. Best practices in planning suggest that Albania evaluate the best available times slots on the international calendar and allow for approximately one year to ensure proper organization and communication. The national unifying theme must be the overarching position presented in the show. International expertise on tourism fair organization should be secured.

4.6 Credible internet-based presence

Action 4.6.1 Strengthen Albania’s presence on the internet. The National Tourism Organization’s web site (<http://www.albaniantourism.com>) is a good initial effort to ensure that potential visitors can find basic information on the country. And it sends a message that the country is “open for business.”

Design a comprehensive internet presence strategy which includes:

- A second generation of the National Tourism Agency website to include more detailed explanations and information on routes and contact with licensed tourism companies and the private sector portal.
- A linked private sector portal to provide easy access to tourism industry participants, such as inbound operators, lodging, restaurants, outfitters, etc.
- Creation of an Albanian tourism forum, attached to the national tourism website, linked to numerous sites, and monitored and responded to daily by a tourism promotion program person.
- Search engine placement. Information experts can assist the Ministry and the private sector in strategies to ensure that the national website and other sites rank in the top of “Google searches.”

4.7 Establish a sustainable structure for continued marketing efforts

Action 4.7.1 Establish a permanent financial structure that ensures a consistent marketing budget each year and allocation of that budget toward nationally agreed-upon marketing priorities. Albania should implement a mechanism used by a number of countries. A dedicated tourism

marketing fund is financed by a special tourism tax. All funds collected from the special tax (ranging from 2 % to 5 % applied to all hospitality businesses) should be earmarked for the marketing of tourism. Annual budget and expenditures are agreed upon by a special tourism promotion committee (or Board) comprised of Ministry representatives and the tourism sector. Albania will need to identify seed (initial) capital for this fund, but should conceive it as a renewable fund in a relatively short time – replenishing the fund with dedicated tax revenues.

4.8 Product Development

The general tourism strategy establishes the overall framework for tourism centred on the discovery of Albania through its nature and culture. Tourism development has evolved with a regional focus, centred on the principal cities and their surrounding areas. A continuation of this evolution is desirable.

While strategy and national planning is a “top-down” function, the development of the type of tourism sector Albania desires is predominantly “bottom-up.” Nature and culture tourism depends, at its core, on the ability of the local areas to effectively organize themselves to convert their natural and cultural assets into a viable tourism product, complete with recommended sites and activities, information and interpretation, lodging, food, guide services and a variety of other features that determine the quality and value of a destination.

Action 4.8.1 Establish mechanisms to support local efforts to bring culture and nature products to market. The first step of this process is to identify the needs of the tourism sector, the local government and civil society sector in each region. The second step will be to design a support plan to assist the local actors in whatever way resources permit.

Action 4.8.2 Establish and publish recommended tourism routes and activities for each city-region. With the assistance of the national government, the private sector and NGOs, each tourism centre must articulate recommended tourism itineraries for visitors – designed in blocks of half days, full days, two days, etc. The routes will be presented with detailed information, photographs and other materials in electronic and printed form and distributed on the web and in print format to visitors. The recently published compact disk “Albanian Nature Monuments”, produced by the Ministry of Environment with support from the Global Environmental Facility (GEF) / the Small Grants Program is an outstanding contribution to this effort.

Action 4.8.3 Develop small businesses. Small or family business is the mechanism through which the spending of the visitors contributes to the local or national economy. Several training sessions need to be conducted and tourism stakeholder groups encouraged and supported by the local government need to be established in order to develop this mechanism.

It is vital that the local government provide continuous information on the development of tourism product. The personnel providing this information should be trained accordingly. It is very important that the information on development opportunities be published.

Action 4.8.4 Set up simple tour offices in each major tourist city. While these offices exist on paper for some cities, they are not yet a reality. With shared funding and infrastructure, each of the current cities of tourism importance must have an office (even if in shared office space or in another government office) that has, at a minimum, a responsible person with up-to-date listings of

attractions, hotels, restaurants, stores, health facilities, tour guides, transportation companies and, if practical, a telephone line to help connect tourists appropriately.

An Information Management System should be established, consisting in the:

- Identification and collection of the existing data on what the region has to offer, structuring of the database, identification of itineraries in guide pamphlets accompanied by photos, product profile and establishment of national signals, symbols, and logos in line with the local tourism product offered.

4.9 Investments in Nature Areas to Strengthen the Tourism Sector

Albania has a long tradition in protected areas management, with substantial legislation and technical expertise. Budget constraints have led to institutional limitations that threaten the legitimacy of the system and perhaps even its viability. Nature areas (in particular protected areas) are one of the three “jewels in the crown” of the Albanian tourism. The country cannot be successful in the long term without significant investment in upgrading and continued maintenance of the core natural assets that form the underlying basis for the sector.

While there are many areas and budget needs, the following priority areas are those of most critical importance to involve the protected areas effectively in tourism development and generate the necessary conditions for effective synergies between tourism and the areas. Albania must begin to invest now, because the costs for the rehabilitation of the caused damages are high and can take longer than tourism markets are willing to wait.

Action 4.9.1 Establish long-term financial mechanisms. New mechanisms and structures must be established to ensure increased funding for nature areas’ protection and tourism development.

Sub-action 4.9.1.1 An aggressive search for additional external funding. Albania must explore the wide variety of funding mechanisms (traditional and non-traditional) that can be directed at natural areas. The time needed for successful proposals is typically one to two years from initial approach to approval of the project.

Sub-action 4.9.1.2. Maintain and expand the fiscal mechanism currently used for hunting and forestry revenues, which are maintained in special accounts with 70% automatically designated for re-investment in natural areas.

Sub-action 4.9.1.3 Environmental services payments. Eco-systems (particularly forests and wetlands) provide extremely valuable services to the economy that are not traditional market goods (e.g., they have no price). These ecosystems provide: water capture and filtration, climate control (global and local), wildlife and biodiversity hosting, scenic beauty, recreational space, among others. Many countries are beginning to establish internal markets to recognize the value and correct economic distortions that lead to sub-optimal use of the land²².

Sub-action 4.9.1.4 Establish new financial mechanisms to direct funds toward nature areas. The country needs trust funds or a foundation capable of operating outside the

²² For example, in several countries hydroelectric generators pay land owners (including protected areas) to maintain or increase forest cover in their watersheds in order to ensure water flow, particularly in dry season when water is more scarce (or energy purchase prices are higher). In theory, park entrance fees are a type of environmental service payment, if the funds are used to maintain or enhance the park.

Ministry of Finance to channel complementary resources. The most common mechanisms used at an international level are: a) “National Parks Foundations,” usually private foundations (with government sanction and representation), providing complementary funding such as additional investments channelled from private contributors or international donors; and b) “Nature Trust Funds” specialized funds usually managed for specific purposes such as biodiversity conservation and reforestation activities, that can be managed more simply under established rules administered by a trustee(s).

Action 4.9.2 Accelerate the development and approval of tourism plans for nature areas.

Traditional protected area management calls for the development of comprehensive management plans that include tourism plans as a component. While this is the technically correct approach, management plans require very complex processes that consume large amounts of financial and human resources and can take years. Albania must establish an accelerated process for establishing tourism plans in a number of identified priority nature areas with tourism relevance (due to the attraction itself and its proximity to tourism centres). The plans should be environmentally conservative (erring toward protection in absence of complete management plans) and be discussed formally and informally with a broad group of stakeholders to establish a consensus “best professional judgment” on visitor strategy, carrying capacity and infrastructure needs.

Here, suggestions for field studies are also included. They would enable the more accurate and well – informed estimation of the opportunities that various areas have to develop innovative forms of tourism.

Action 4.9.3 Instil a culture of “National Park” among Albanians, starting with Dajti. This effort will focus on three particular aspects of Dajti to begin to educate Albanians on the importance of “enjoying and caring for parks.” De-militarization, reinvestment of entrance fees and waste management should be the program priorities.

Action 4.9.4 Signalling standards. National standards for ecotourism signals in attractions and sites of interest should be established and implemented, based on the internationally recognized symbols and colours. These standards should be part of the Development Program by the local government.

5. Investments in Culture to Enhance Tourism Development

Albania has a long tradition in cultural preservation, with substantial legislation and technical expertise. The needs for cultural preservation in a country with such a rich history will always exceed its ability to protect and restore. However, the country cannot be successful in the long term without significant investment in upgrading and continued maintenance of the core cultural assets that underlie its tourism position.

While there are many areas and budget needs, the following priority areas are those of most critical importance which generate the necessary conditions for effective synergies between tourism and the areas. As with natural resources, Albania must increase investment now, because the costs of remediation of damage are high and cultural patrimony is frequently irreplaceable and represents a loss to national identity.

Action 5.1 Establish long – term financial mechanisms. New mechanisms and structures must be established to ensure increased funding for cultural site protection and tourism development.

Sub-action 5.1.1 Aggressive search for additional external funding. Albania must explore the wide variety of funding mechanisms (traditional and non-traditional) that can be directed at natural areas. Lead time for successful proposals is typically one to two years from initial approach to approval of the project.

Sub-action 5.1.2. Charge modest to substantial admissions fees of visitors to sites to help defray the costs of operating them. Many prime cultural locations in other countries charge as much as \$10 or \$20 for admission for foreign visitors. Economic analysis (travel cost modelling and contingent valuation) can assist in establishing correct prices for major destinations.

Sub-action 5.1.3 Establish new financial mechanisms to direct funds toward conservation areas. The country needs trust funds or a foundation capable of operating outside the Ministry of Finance to channel complementary resources. As with the protected areas mechanisms (discussed above), “foundations” and “trust funds” have proven to be successful in many countries.

Action 5.2 Economic Mechanisms to slow destruction of historic buildings and districts.

The high cost of maintaining the nation’s privately owned historic buildings is beyond the economic capacity of many (if not most) owners. Properly enforced zoning and planning laws establish the rules and permitted behaviour. However, without financial assistance or the use of new economic instruments, historic buildings will deteriorate (observing the law) or be torn down (violating the law). As tourism continues to expand, there will be increased pressure from entrepreneurs wishing to build cheaper structures instead of refurbishing historic ones. Inserting cultural patrimony into the tourism sector must be a viable strategy.

Sub-action 5.2.1 Explore the successful (and unsuccessful) experiences of other countries in establishing economic mechanisms for historic preservation in private buildings (the U.S., UK, Switzerland, Austria, France and Spain are recognized leaders in this area; Cuba recently started a program in old Havana).

Sub-action 5.2.2 Increase the cost-share for rehabilitation of historic buildings for inns and other tourism infrastructure. The current system of sharing the costs of refurbishment of important buildings (particularly homes) appears to be functioning in Gjirokaster and Berat. In those cases where owners wish the buildings to become part of the tourism infrastructure, the expenditure of additional government funds can be justified as the building will be increasing visitation, spending and revenue in the medium term.

Sub-action 5.2.3 Spain has had outstanding success with its system of “Paradores,” promoting the use of “castles, palaces, monasteries and other unique buildings of Spanish patrimony” in a network of “high quality” historic hotels and inns. Similarly France has been successful in promoting a national network of “Auberges” and “Chalets” with similar goals.

Action 5.3 Improved cultural access in museums. The most common weakness cited by Albanian and foreign visitors to the country’s museums is the lack of meaningful interpretive information (in Albanian or English). There are three complementary strategies to be explored. Printed material for individual galleries, trained guides (part of museum staff, or trained and

authorized private guides for hire) and new electronic guiding systems (recorded information under visitor control).

Sub-action 5.3.1 Begin a pilot project in the National Historical Museum to implement an electronic guiding system.

Action 5.4 Support, enhance and publicize cultural events and folk festivals. Living culture is a highly sought-after tourism product. A great number of tourists seek to plan their travels to coincide with important folk events (dance and music competitions, religious events, feast days, local town celebrations, important dance and music performances, etc).

Sub-action 5.4.1 Publicize existing events. Albania has a great number of these events that should be, at a minimum, well documented and placed in an “official national calendar of cultural events.” This information should be published on the national tourism website and include history of the event, descriptions of the activities, photographs and sound-bites and links to tourism companies capable of providing services.

Sub-action 5.4.2 Develop a long-term plan to direct government and private sector support to priority cultural events of interest to foreign visitors.

5.5 Human resources

Albania must invest in several critical human resources for the tourism sector to develop effectively. Even though the offer (supply) in human resources in these sectors is high, it lacks quality because of lack of knowledge on the tourism services’ sector, lack of training, lack of contemporary curricula on tourism in the pre-university and university schools, as well as the negligence of entrepreneurs or managers to maintain a high level of services, aiming towards the highest satisfaction of clients and increase of the services’ value.

Actually, there are four State universities offering studies on tourism in separate branches, as well as a high school on Tourism and Hotels in Tirana. The universities are respectively:

- University of Tirana
- University of Vlora.
- University of Shkodra.
- University of Korça.

The change is achieved through the people (employees and managers / entrepreneurs). They are the most valuable resource to satisfy the demands of guests (tourists). Only well – trained entrepreneurs who build up attractive structures and prepare service oriented capable staff, desired to be responsible for their actions, will be able to satisfy the increasing demands of local and international tourists.

In the conditions of a high competition from countries in the region, both in the variety and the quality of services, the Albanian tourism services’ industry has to cope with a challenge related to the upgrade of the human power (resources) working in tourism. Direct human contacts with tourists are of vital importance and have a direct impact in the creation of a quality or non quality image of the country by those who visit it.

Action 5.5.1 Establishment of an “Elite” Tourism Guide Corps. Ensuring repeat visits and achieving “word of mouth” recommendations will be the key to sustainable tourism development. Because of the complexity of Albania, the knowledge and interpretation provided by the country’s best tour guides will be perhaps the single most important factor for successful tourism development. Educated tourist willingness to pay for high quality guides is very high. In many high quality nature destinations they are among the highest paid employees in the tourism sector. An Elite Guide Corps will become the hallmark of Albanian tourism and differentiate it from the generally mixed quality of tour guides found across Europe. It will also provide income – generating opportunities for university graduates in the respective fields, currently in temporary employment.

Action 5.5.2 Train natural and cultural site managers. The increasing importance of the country’s natural and cultural sites will require more sophisticated management expertise. Today, park and site directors tend to have under their supervision well-trained technical personnel (foresters, curators, architects), who generally lack the training (or interest) to be effective managers. Skills such as planning, budgeting, accounting, project management, human resource planning and others are critical skills. There are two priorities in this area: 1) identify appropriate mechanism to train current managers in the required skills and 2) investigate strategies for recruiting and educating future managers to assume the new challenges.

Action 5.5.3 Train hospitality professionals and staff. Albania will require many more well-trained individuals in order to support an international tourism sector. The tourism sector and a number of supporting programs cite this aspect as one of Albania’s weakest ones.

Sub-action 5.5.3.1 Ensure that the tourism faculties at the Albanian universities are preparing managers for the type of tourism Albania seeks to develop. Their curricula should include course work on Albanian history and traditions, nature and culture preservations, in addition to traditional hotel and management training.

Sub-action 5.5.3.2 Vocational training for young people. The tourism sector will require trained individuals in areas such as, among others, plumbing, electricity, carpentry, maintenance, cooking, hotel service, restaurant service and driving.

Sub-action 5.5.3.3 “Continued Education.” Many adults currently in the sector or wishing to enter the sector need and desire the opportunity to improve skills or acquire new ones.

Action 5.5.4 Enhance language skills. Albania is a remarkably multilingual society. Additional effort needs to be directed at ensuring that tourism industry personnel, particularly those in provincial and rural areas possess the basic foreign language skills needed to conduct their jobs effectively. English and German are top priorities.

5.6 Infrastructure

One of the advantages of an emphasis on natural and cultural tourism is that the requirements for specialized infrastructure are minimal. However, the basic capacity to move tourists safely (in cars, mini-buses, buses and airplanes) is a necessary condition. Telecommunication and internet are an important and increasingly necessary component for tourism sector promotion and communication (by operators and local tourism offices) and also for visitors. Albania faces significant challenges in all these areas. The following are the priority areas of action.

Action 5.6.1 Improvements to two critical roads in the North. 1) Improvement of approximately 19 km of road connecting Lura National Park with the national road, to permit passage of vehicles other than 4-wheel-drive during summer tourist months. 2) Completion of road from Shkoder to Theth, to connect the extreme northern region with the rest of the country for tourism and trade.

Action 5.6.2 Maintenance of secondary national roads. Natural and cultural tourist experiences are greatly enhanced by moving visitors (by bus, taxi, rental car) on secondary roads. It is the secondary roads that provide the opportunities to see Albanian towns, culture, people and way of life. Highways are culturally “sterile” and are not valuable for purposes other than rapid delivery of tourists. Travel on these secondary routes permits tour guides to take advantage of numerous opportunities to explain Albanian culture and history. Further, these routes create opportunities for tourists to spend money in villages that are not their destinations. Secondary roads of tourism importance (for example, Kelcyre to Berat) should be made passable for regular vehicles in the most economic manner possible.

Action 5.6.3 Connection with the South. Current road conditions and lack of alternative transportation make the southern region unnecessarily far from the rest of the country. In the short-term, continued improvements of the highway between Vlora and Saranda will help. However, it is imperative to provide additional means to access the south.

Sub-action 5.6.3.1. The country must move to provide domestic airplane service. The priority is to conduct rapid feasibility studies for simple airstrips and related infrastructure and equipment in Sarande, Gjirokaster, Berat and Korça and for the financial viability of private airplane service²³.

Sub-action 5.6.3.2 A feasibility and financial viability study of sea routes connecting Durres, Vlore and Sarande should be conducted. In addition to providing an additional connection mode, travel by sea is an attractive alternative for many tourists and would likely be popular among a large number of tourists and locals.

Action 5.6.4 Increase rural and provincial connectivity. Internet and telephony are extraordinarily important for tourism development. High quality access permits local businesses to market their products directly and maintain more direct and fluid contact with their customers and suppliers. Internet access is also an important and valued service for international guests. The specific action to be taken is the exploration of ways to collaborate with the Ministry of Education and Science’s new “Internet to Schools” Project to connect all schools in the country to internet. Increased usage of the systems by local tourism business could help defray the costs of operating the network.

Action 5.6.5 Improved Signalling. There is a shortage of road signs indicating the direction to towns, cultural monuments and natural sites. The lack of signage makes navigation complicated for local professionals and nearly impossible for visitors.

²³ Discussions in Gjirokaster have suggested that there is likely economic justification for airplane service based solely on business travellers. Locals estimate that dozens of business people are currently paying \$120 for taxi service to Tirana each week. Cutting the trip from more than five hours to less than one hour would be valuable for business people and visitors.

5.7 Business Climate

A successful tourism sector requires a stable and rather sophisticated business climate. Business sectors grow more successfully with a regulatory framework that is clear and ensures that all actors are playing by the same set of “rules of the game.” Albania’s tourism business climate is unclear at this time. Several priority items will make positive advances toward building a healthy business climate.

Action 5.7.1 Formalization of the tourism sector. Albania must establish clear and simple mechanisms for informal actors in the tourism sector to formalize. Low-cost incentives, such as inclusion in the national website and a voice in how tourism promotion funds (to which they contribute) will be spent have proven effective in many countries. It will be incumbent on the private sector (particularly its associations) to push formalization as a necessary and important part of the associations’ work. The government needs to ensure that licensing and other requirements are appropriate and do not unnecessarily impede formalization. The tourism sector is strong. That should be made clear, but simple incentives encourage tourism.

Action 5.7.2 Calibrate to international tourism standards. Albania must encourage its tourism companies to compete at the highest levels of quality. One of the most convenient mechanisms to encourage this is the active promotion (by government and the private sector) of adherence to international standards. Among the most relevant are the international “stars” system for lodging classification, “Blue Flag” certification for beaches (coasts and lakes), Green Globe 21 for sustainable tourism practices and various EU standards for transportation, organic agriculture and food safety. Widespread use of these standards raises quality and makes it more obvious, which companies are lagging behind.

Action 5.7.3 Design and establish a National Tourism Quality program. Achieving high levels of quality in all tourism services (lodging, food, nature sites, culture sites, transport and logistics, guides) will be an important characteristic differentiating Albania from its competitors. Countries with diverse tourism sectors, such as Peru, are currently embarking on strategies to ensure customer satisfaction within the context of nature and culture tourism. Albania should start an initiative to incorporate quality principles in parallel with the growth of the sector. It is easier to establish good practices with a small sector and then replicate them.

Action 5.7.4 Update the tourism taxation system. Albania must review its system and adjust it to meet the current position of its tourism sector and revenue generation needs. An initial review suggests that: 1) the system is not collecting enough tax overall relative to prices and other countries, 2) the tax is too highly concentrated on hotels (which artificially inflates a visible factor in tourist decision to visit the country and encourages avoidance), 3) none of the funds collected from tourists are directed towards strengthening the sector, which is out of step with current best international practice.

Action 5.7.5 Provide strict enforcement of urban plans in coastal areas and historic districts. The mostly costly evasion of rules for Albania is what leads to destruction of cultural patrimony or deterioration of visitor quality. Local governments require resources, knowledge and political will to maintain control over land use. The national government and the tourism sector must assist them in these areas. The approval of the Law “On territorial planning” has given life to a

legal instrument which will discipline the operations in areas of particular national or tourism importance towards appropriate investments by protecting the environment, nature, biodiversity and other natural factors.

5.8 Enhancement of Tourist Experience

Action 5.8.1 Prevent Physical Risk to Visitors. Albania must avoid deaths or severe illnesses of tourists at all costs. While tourists understand that there is some risk in all travel, they expect a country (particularly a European one) to take reasonable provisions for their safety. The death of a tourist or group of tourists could virtually shut down country's newly developing sector.

The four greatest concerns identified by international visitors, tour guidebook authors and a number of local experts are:

Sub-action 5.8.1.1 Improve roads' safety. While poor quality roads are surmountable, the combination of poor roads, undisciplined drivers and high speed is of great concern.

Sub-action 5.8.1.2 Increase disease prevention awareness. Water-borne and insect-borne (mosquito and tick) diseases present significant health threats currently. Long-term solutions are needed for potable water and irrigation water integrity, as well as wastewater management. In the short to medium term, tourists need to be advised of health risks and basic measures to avoid them. At a minimum the country and the tourism sector need to advise visitors on sanitation precautions – avoid tap water, ice and street food and bring appropriate clothing and repellent to avoid mosquitoes and ticks. These advisories are normal in many parts of the world and are considered valuable information rather than deterrents to tourism.

Sub-action 5.8.1.3 Improve food safety practices through education campaigns in the hospitality sector and vocational schools. Priority areas should include 1) personal hygiene, 2) application of best practices in the handling of meat, poultry, fish and shellfish, 3) water temperature and cleaning techniques.

Sub-action 5.8.1.4 Emergency medical attention. Albania must put in place a national system for treating visitors who become seriously ill or injured. Infrastructure and language skills in the country's health sector are weak, particularly in provincial and rural areas, where the country seeks to develop tourism. While substantial investment in equipment and personnel is not viable at this time, the country should employ systems and protocols for attending to sick and injured tourists through existing mechanisms. A system of on-call doctors and translators in tourism areas should be complemented with protocols for deciding when and where tourists will be moved to and specify logistical mechanisms. Given the somewhat elevated risks to tourists in Albania, this system would inspire confidence and be seen as a highly attractive feature.

Action 5.8.2 De-militarization of tourism destinations. The heavy police presence on roads, in coastal areas and mountain destinations is a strongly negative factor. This presence sends a message of insecurity to foreign visitors (European and North American, in particular) in a country that is remarkably free of crime, violence, or political problems. This is particularly noticeable in the form of roadblocks, in coastal tourism destinations and certain mountain destinations.

It is very common in developing and transition economy countries for the prevailing attitude to be that more police and military presence implies more security for locals and visitors. Unfortunately,

while this may be true in certain cases and certain situations, it is not true for tourism in a very safe and peaceful country like Albania.

This is not a recommendation for the State Police to cease its functions of providing security; it is a recommendation that certain practices and policies be reconsidered as they relate to tourism development in a number of critical areas. Other countries have established tourism development as an economic priority of vital national importance, placing it on an even footing with other national security priorities.

Action 5.8.3 Reduce rubbish in tourism areas. Local attitude toward trash is troubling. The tourism towns, rivers, roads and lakeshores are embarrassingly covered. The amount of trash is shocking to most foreigners and the message received by visitors is that the Albanians do not love or respect their towns or their culture. Solutions to this problem must include improved municipal waste collection service (public or private), campaigns to make locals aware of the impact of the problem and massive community-organized clean up campaigns.

Action 5.8.4 Manage Wastewater. Effective management of wastewater must be an integral part of the development of locations. In coastal, river and lake destinations visitors and locals literally participate in activities in their own sewage (and that of the town they are visiting). Inappropriately managed sewage is of great health concern, projects a very negative image and deteriorates the quality of the tourism product that the country is selling to international markets. Sound management is critical for the long-term viability of the tourism sector and could become an attractive feature showing how responsible Albania is being with its core tourism resources. Close cooperation with the local power, between communes themselves, cooperation between local authorities and the community to charge new tariffs for such service, is needed along with a higher interest by the investors and donors to identify new forms of investments in this sector. Also, cooperation in the field of water is a priority issue also pertaining to inter – boundary cooperation or in the framework of programmes funded by the European Commission such as INTERREG, the neighbouring programmes and the Pre – adherence Instrument (IPA). It is easily understandable that there is an urgent need for investments especially in building plants for water waste.

5.9 Data and information management

Data on international tourism markets and comprehensive data on the Albanian sector are absolutely essential to tourism planning, marketing and monitoring.

Action 5.9.1 Data Management Department at the Ministry. Establish an office within the Ministry responsible for collecting, analyzing and distributing timely data to the tourism industry and other relevant stakeholders. The development of the national and local product and the design of the marketing plan require information on the market and its trends. A system for data collection and processing should be put in place nationally and locally, and which is in line with the international standards

Action 5.9.2 Maintain and analyze international tourism data. World Tourism Organization (WTO) and Menlo Consulting Group, Inc are the most widely used tourism data sources. The Ministry's WTO repository status allows the Ministry to receive large amounts of high quality market intelligence and data on international tourism. This data should be shared with collaborating universities and NGOs researching to increase analytical capacity.

Action 5.9.3 Implement the Tourism Satellite Accounts (TSA) data system. The WTO has promoted a comprehensive, internationally developed methodology for collecting and presenting domestic tourism information systematically. This approach permits countries to collect meaningful data and track impact at various levels within the economy and compare the data domestically and internationally. The Ministry will make these data available to researchers to assist their analysis and to inform tourism planning and development further. The comprehensive collection of survey data from international visitors is included in this system.

6. Institutional Issues

Success for Albania in international tourism markets will require a higher level of cooperation and fluidity among government ministries, between local and national government and among private, public and civil society organizations.

It is noteworthy to emphasize that Albania is signatory to two important documents such as “The Global Code of Ethics in Tourism” and “The Code of Conduct on the Protection of Children from Sexual Exploitation in Tourism” under the auspices of the World Tourism Organisation. Commitment by all government structures is needed for the achievement and implementation of such agreements.

6.1 Support from central power

It is imperative that nature and culture tourism development be made, considered and believed to be a priority at the highest level of the Albanian government. Without this visible level of commitment, it is unlikely that sufficient focus or cooperation among the various structures of government will be possible. Based on the various meetings with the technical staff of the various ministries and institutes, they understand the importance of this effort. They are willing and able to contribute with their knowledge and institutional expertise, but are clearly in need of instructions and formal direction from their management.

6.2 Ministerial Level Coordination

The implementation of the Strategy will require a comprehensive and strong leadership process from the Ministry of Tourism, Culture, Youth and Sports, as well as a very close collaboration of other line ministries and central institutions. The main responsibilities of the ministries concerned include:

- 1) The Ministry of Tourism, Culture, Youth and Sports is the lead Ministry for the overall process and is responsible for the set-up, implementation and monitoring of the National Tourism Strategy, the comprehensive legal framework for tourism development, related planning and development process, support for regional administration and tourism organization at the national, regional and local level.
- 2) The Ministry of Public Works, Transport and Communication is a supporting ministry responsible for urban planning, road maintenance or investment for new tourism roads, development of the sea transport and civil aviation transport in the priority heritage areas.
- 3) The Ministry of Interior is a supporting ministry, which will assist and support with grants the municipalities and communes which are part of the itineraries for culture and nature tourism. In such context, it is recommended that excessive “noises” (from discotheques,

water skiing, scooters, horns and traffic) as well as excessive “lights” (such as neon publicity, projectors, roads’ yellow lights) be both considered as forms of pollution and therefore should either be entirely avoided or be subject to strict rules and control from the Ministry of Interior and its respective subordinate institutions.

- 4) The Ministry of Environment, Forests and Water Administration, is responsible for environment policies and sustainable management of nature resources that will enable the development of tourism in protected areas, sustainable use of resources, access rules, payback schemes as well as tourism environment impact assessment.
- 5) The Ministry of Agriculture and Consumers’ Protection is responsible for the development and implementation of strategies for rural development, including development of tourism in rural areas, as well as for issues related to quality and safety of food and beverages.
- 6) The Ministry of Education and Science provides education and training for qualified tourism workers, guides and others and could develop specified curricula for local tourism guides and operators in the regions with high tourism potential.
- 7) The Ministry of Finance is a key ministry for tourism development, particularly in the area of taxation policy and related framework.
- 8) The Archaeology Institute and the Culture Monuments’ Institute (under the Ministry of Tourism, Culture, Youth and Sports) are critical for providing the information needed for the handouts, handbooks, websites for cultural tourism sites and materials for educational programs for tourism professionals.
- 9) The Ministry of Health is the key ministry for developing health tourism. This ministry will be part of the cultural tourism promotion through health and dental services to be offered as included in the tourist packages. It should guarantee the standards for licensing health activities during the tourism season; establish the number of doctors and nurses to work in the medical emergency service, as well as standards for the premises necessary to be included in the medical services building.
- 10) The Ministry of Economy, Trade and Energy is an institution with direct influence in the sustainable development of the economy. Thus it can influence in the promotion and encouragement of businesses, especially the SMEs involved in the tourism industry, as well as in consumer protection.

6.3 Local Government

The local power will require varying degrees of assistance and support in procedural issues and subject matter expertise. The highest priority for the Ministry of Tourism, Culture, Youth and Sports and other ministries is to become allies, supporters and facilitators of local government processes (efforts) to develop tourism.

Most of the cities and regions of tourism interest have substantial human resources with knowledge on culture and nature issues and a very clear understanding of the tourism destinations and products in their areas. They tend to be very unclear on how to proceed administratively and institutionally to obtain appropriate authorizations and approvals and have access to complementary human and financial resources. The main priorities for the national government are to:

- 1) Establish a clear “road map” for local governments on how to develop tourism in their towns describing steps, information requirements, procedures, assistance available and seek to assist them through this process.

- 2) Find ways to streamline the process to ensure that all rules are followed and requirements fulfilled, but in the smoothest most expedient way without unnecessary steps or hurdles.
- 3) Channel available assistance funds to local government directly (project-based) and through NGO programs that assist these local units.
- 4) Establish the location / land where the health centre will be built. This centre will offer primary health care to cover the needs of family health care and health care for tourists, as per the families / inhabitants standard.

6.4 Public – private – civil coordination

The successful implementation of the cultural and natural tourism strategy will require the involvement of public, private sector and NGOs, as well as coordination of activities among them.

Private sector operators will take the lead on product development. The sector is responsible for developing accommodations, hospitality facilities, tour and travel operations, on-site infrastructure, marketing activities, logistics and others. They also have a lot to contribute to destination management based on their knowledge of tourist expectations and market.

The support and strengthening of the private sector is expressed not only in the well – functioning of the tour operators and travel agencies, but also through the close coordination with MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS for the achievement of standards in accommodation, coordination for the organisation of various cultural events such as festivals or any other event which celebrates, preserves, develops or encourages the culture of the Albanian people and which is liked by tourists.

Albania's tourism associations are key institutions in the development of the tourism industry. Albanian Tourism Agency Association (ATAA), Albanian Tourism Operators Union (ATO), Albanian Hotel Association and other tourism related NGOs provide services of value to their members and provide legitimate voices for the sector in discussions with government. Anyhow, it is suggested to create an umbrella association where the three above mentioned associations will come together and take joint decisions. This is an experience already applied in other countries where tourism is very developed. Priorities for future efforts identified by association include: relationship with the Government, collaboration in attracting foreign tourists and training management and staff.

At this time, environmental and governance NGOs appear to have the greatest level of experience and knowledge in cultural and nature sites in many regions. They also possess specific skills in planning and processes of local government development. They are important allies in the tourism development process that should be included wherever possible in planning and operations programs to improve regional destinations.

6.5 Resources

The Mid – term Draft Budget (PBA) of the MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS for the fiscal years from 2008 to 2010, in its tourism development programme, contains planned funds for investments which aim to implement some important projects in this sector. Until now, the funds given to the Ministry's Budget for tourism were only for the publication of promotional materials and the participation in international fairs on tourism. They were managed

by the National Tourism Entity²⁴, an institution under the MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS , which has as one of its main functional duties the promotion of tourism in Albania:

Funds of MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS expenditures for tourism development (PBA) 2008 – 2010 (in 000 leks)	2007	2008	2009	2010
State Budget Funds on Tourism – total	49,000	84,000	91,750	97,650
Expenditures for tourism promotion	24,000	47,000	52,850	54,950
Expenditures for investments	25,000	37,000	38,900	42,700

Expenditures for investments in the period 2007 – 2008

In 000 leks.

Projects	Budget in 2007	Budget in 2008
Creation of Tourist Information Offices	15,000	
Tourist signalling	10,000	16,000
Tourism Development Fund		21,000
Total	25,000	37,000

Related to the goal of improving the image of Albania is also the project to fund the creation of tourist information offices abroad, intending to improve Albania’s tourism image and the achievement of the Albanian of marketing and promotion. The ultimate goal is to create an identity and the positioning of Albania in the international market. Also, another project already envisaged is the instalment of tourist signalling in tourism potential areas and areas with developments potential. Such project will enable and make it easier for tourists to visit tourist sites and to approach services’ units. It is in compliance with the strategic priority of development of the tourism areas. In such framework, the provisions of the Tourism Development Fund in the PBA – in the framework of the new Law “On Tourism” – will push investors who intend to carry out contemporary investments in the tourism sector.

6.6 Projects funded by donors for the tourism in Albania.

- Drafting of the Integrated Plan for Tourism Development in the South Coast.

Donor: The World Bank, in cooperation with the Albanian Government.

Status: Ongoing.

The project, amongst else, includes:

- The enlargement of the Passengers Port of Saranda, aiming to make it capable of offering space for large ships – here including cruise ships. The cost of the project is 6 million USD.
- The rehabilitation of the sewage system and the pipeline for the town of Saranda. The cost of the project is 3 million USD.
- The construction of a plant for costly treatment of solid waste, including the plant in Saranda and a transfer station in Himara. The cost of the project is 3 million USD.

²⁴ As established by the new Law No. 9734, dated April 15th, 2007 “On Tourism” – the National Tourism Agency.

- Approximately 1 million USD will be spent in tourist signalling and the restoration of monuments in the southern coastal area.

Other projects:

Project	Funded by	Cost
Creation of an efficient world class presentation of Albanian tourism in the Internet	UNDP / MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS	64,300 USD
Market intelligence for the intended tourists	UNDP	115,000 USD
The beautiful Gjirokastra	UNDP	1,120,000 USD
The beautiful Berat	UNDP	970,000 USD
The project on sustainable rural tourism “The forty (40) inns – <i>40 banet</i> ”	MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS / DONORS	250,000 USD
Sustainable and integrated development of historical and cultural areas	CARDS 2006	3,000,000 USD

For the next three years (the period 2008 – 2010), the development of tourism in Albania will be based on the implementation of the new legal framework, in the creation of new institutions dealing with tourism also at local level, the increase in the monitoring of the tourism industry in the country, the enlargement and the strengthening of the institutions which depend on MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS , as well as the increase and improvement in the marketing and promotion.

MINISTRY OF TOURISM, CULTURE, YOUTH AND SPORTS , in cooperation with the other actors concerned, implements the national strategy on tourism development, being the main supporter of the action plans for its implementation. Also, it protects and maintains the tourist resources, the culture and the heritage of the Albania nation, aiming to improve the product and the image of Albania in the world. It regulates the activity of businesses / enterprises operating in the tourism field, in accordance with the legal norms.

The PBA provision for the creation of Tourist Information Offices in each district, based on the new Law “On tourism”, fully complies with the strategic priority of building institutional structures and capacity in the local level. Such structures will provide for the safeguard and assistance to tourists and visitors through new State structures foreseen under the new legal framework.

Also, considering the international experience, private sector and local power should contribute in the total budget for tourism development. For example, in Croatia, the National Tourism Board budget, the body carrying out the promotion and marketing for Croatia, was afforded by 30 % from the State Budget and 70 % from the local boards under the local units.

The resources of the local boards' budgets are provided by the tourism taxes taken from the accommodation units as well as by the membership quotas from the tourism services' operators in the respective localities.

A similar experience may also be applied in Albania by using for e.g. the local power revenues, obtained from the 5 % tax charged on the accommodation units (the accommodation tax). Such income may be used to publish promotional materials for the Tourist Services' Offices to be created in the tourism destinations in Albania, at district level. Such co-financing would contribute to increase the quantity and quality of promotion in the tourism sector, which would bring a direct impact in improving the image of tourism destinations.

CHAPTER V

5. MONITORING

5.1 Progress monitoring

It is suggested that a Group for the Implementation of the Tourism Strategy be created, comprising members of the public and private sector, in order to achieve the strategy vision, to supervise the implementation, and monitor progress toward key indicators. The group should meet annually. Its findings and proposals should be included in a written report to be distributed to the industry stakeholders. The implementing working group should work as a catalyser for pushing forward the strategy for both the Government and the donor community.

5.2 indicators for tourism development for the period 2006 – 2013:

1. Total number of visitors:

Year 2006 – 1.2 million

Year 2013 – 3.5 million

2. Number of ethnic Albanian visitors and non – Albanians:

Year 2006 – 0.5 million

Year 2013 – 2.1 million

3. Visitors of neither Albanian citizenship nor Albanian ethnic origin as part of the total number of visitors:

Year 2006 – 24 %

Year 2013 – 60 %

4. Gross revenues from tourism:

Year 2006 – 0.8 billion euros

Year 2013 – 2.0 billion euros

5. Increase of average revenues from each visitor:

Year 2006 – 35 %

Year 2013 – 40 %

The indicators for identifying concerns and measuring strategy implementation progress are identified as follows:

- warning indicator: decrease in the number of tourists intending to return,
- performance indicator: increase in the number of first-time and returning tourists,
- system stress indicator: interruption of water and energy supplies and telecommunication
- tourism industry status indicator: local employment and tourist satisfaction,
- tourism development impact indicator on the biophysical and socio-economic environment: deforestation levels and local economy revenues,
- management indicator: cleaning of natural and cultural areas, cleaning of beaches and water pollution percentage, and the over-all pollution level,
- policy indicator: attended and unattended concerns by the legal regulatory system.