



MONTENEGRO

MINISTRY OF SUSTAINABLE DEVELOPMENT
AND TOURISM

**THE PROGRAM OF RURAL
TOURISM DEVELOPMENT
OF MONTENEGRO**

.....
**WITH THE ACTION PLAN
2019-2021**



MONTENEGRO



MONTENEGRO

MINISTRY OF SUSTAINABLE DEVELOPMENT
AND TOURISM



THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN
2019-2021

Podgorica, 2019.

PREFACE

Ministry of Sustainable Development and Tourism (MSDT), starting from the guidelines defined in the Strategy of Tourism Development by 2020, is determined in its intention to create opportunities for the development of rural areas in Montenegro by adequate strategic policies and continuous activities.

Current tendencies on the market and characteristics of tourism demand influence favourably onto development of rural tourism, which is confirmed also by World Tourism Organization (UNWTO) that emphasizes that market trends in tourism are moving in favour of rural tourism. One of the most important trends is diversification onto tourism market. Increased interest in the demand for rural areas is contributed by a life-style of, primarily, urban population.

Tourism plays a key role and records increasing trends in the economy of Montenegro, which is indicated by the data showing that tourism counted for almost 24% of GDP in 2017. The full picture is completed by the data about direct employment in tourism that makes 7.6% of the employment in Montenegro, i.e. total (direct, indirect and induced employment), which makes over 19% of the total employment in Montenegro.¹ From this reason, tourism in Montenegro is considered to be a priority and strategic economy branch that has a potential in its individual segments for further development.

On the other hand, what is evident is that the wealth of natural and cultural heritage of Montenegro in its rural areas, vicinity of mountains and the sea has raised an interest in different segments of tourism demand that requests something new and something authentic. In this term, there are conditions being created for the development of segments of an innovative and relatively new tourism offer – rural tourism areas in Montenegro. **Rural tourism** creates conditions for satisfying the needs of an increasing number of tourists that aspire to a healthy life-style and seek experience that considers pleasure in nature, traditional cuisine, hospitality of husbandries/households in rural areas, enjoyment in tradition and preserved customs and other authentic sensations.

Recognizing the potentials of rural areas of Montenegro in terms of the development of authentic tourism products, potentials of rural tourism, and additionally the need to systematically define the area of rural tourism at the national, regional and local level, MSDT brought a decision in 2018 to design **The Program of Rural Tourism Development of Montenegro with The Action Plan 2019-2021** (PRTD 2019-2021). PRTD 2019-2021 starts from the standpoint that that rural space and attractions should not be considered in a narrower sense only as a resource for tourism development, but also as a potential for the development of local communities and rural areas of Montenegro through active participation of different subjects in the area of rural tourism and entrepreneurship development in this area along with a clearly defined system of development and incentives at the national, regional and local level. Therefore, the strategic objective of rural tourism development is directed toward **the development of diversified and authentic rural tourism offer of Montenegro** that will create a basis for the improvement of population's standard of living in rural area and cease the depopulation of rural areas.

¹ Source: WTTC (2018) Travel and Tourism Economic Impact 2018: Montenegro. World Travel & Tourism Council, London UK. <https://docs.google.com/viewer?url=https%3A%2F%2Fwww.wttc.org%2F-%2Fmedia%2Ffiles%2Freports%2Feconomic-impact-research%2Fcountries-2018%2Fmontenegro2018.pdf>

The objectives of the rural tourism development are defined through a set of operational goals, priorities and measures that result from them. The key **operational goals** are related to:

1. Improvement of the system of tourist experience and integration of the offer in order to establish an integrated value chain in rural tourism on the territory of Montenegro.
2. Raising tourists' awareness and knowledge about the offer in the area of rural tourism of Montenegro in order to position rural tourism on the market, i.e. recognizing a new brand and positioning of Montenegro as a new rural destination.
3. Training and mobilizing rural communities, entrepreneurs and enterprises to enhance rural product value through an active participation in sustainable development management of their destinations which means specific know-how and synergy in terms of creation of a tourism product.

In the context of the existing natural and organizational conditions, as well as tourists' interest, it can be undoubtedly determined that Montenegro possesses capacities for the development of a complex network of **products in the area of rural tourism**, while some of them have already grown in market commercialization. Although some of the products have not been developed like separate yet, but they exist in a form of an activity, it is evident that the products which initiate the rural tourism development in Montenegro can be divided into three key categories: agritourism, tourism based on the activities in nature, as well as products related to rural cultural heritage.

The key recommendations of PRTD 2019-2021 regarding the future rural tourism development are that it is necessary to do the following:

- To create system preconditions for the development of rural tourism at national as well as local levels in order to create opportunities for the development of private initiative and to close the product value chain in the area of rural tourism;
- To identify the offer in the area of rural tourism and form a unique database of the providers of rural tourism services at national and local level;
- To facilitate the procedures of registration for entities conducting activities in the area of rural tourism;
- To identify and reduce business barriers and the presence of grey economy in this area at national and local levels;
- To identify the measures of incentives for the development of rural tourism at national and local level;
- To identify potential synergies between rural and cultural tourism;
- To define educational measures among current and future service providers in the area of rural tourism and raising awareness about its significance;
- To encourage coordination and networking among different entities in planning and promotion of rural tourism products.

It is evident that, starting from the experience of other countries that have already developed this segment of rural tourism, the universal model for the development of this tourism area does not exist. In relation to this and in the context of rural tourism development of Montenegro, it is necessary to overview the specific characteristics of the country, its potentials, as well as the challenges in order to define an adequate policy for its further development. Perceiving the current state in the area of rural tourism development and through the elaborated three-year's plan of activities for a further process of development support, PRTD 2019-2021 supports the vision that in the upcoming period Montenegro becomes globally recognized as a developed destination in the area of rural tourism for its brand and authenticity of the offer.

LIST OF ABBREVIATIONS

ADA	Austrian Development Agency
ATAMNE	Association of Travel Agencies of Montenegro
ATTA	Adventure Travel Trade Association
CEI	Central European Initiative
MTA	Montenegro Tourism Association
EFRR	European Regional Development Fund
EU	European Union
ICT	Information and communication technologies
IFAD	International Fund for Agriculture Development
IFC	International Finance Corporation
INTERREG ADRION	Interregional Adriatic-Ionian Cooperation Program
INTERREG MED	Interregional Mediterranean Program
IPARD	Instrument for Pre-Accession Assistance for Rural Development
LAU	Local Authorities Unit
LAG	Local Action Group
LTO	Local Tourism Organization
ME	Ministry of Economy
MPA	Ministry of Public Administration
MC	Ministry of Culture
MSDT	Ministry of Sustainable Development and Tourism
MARD	Ministry of Agriculture and Rural Development
MTMA	Ministry of Transport and Maritime Affairs
NARHT	National Association of Rural Households in Tourism
NSSD	National Strategy of Sustainable Development by 2030
NTO	National Tourism Organization
PRTD 2019-2021	Program of Rural Tourism Development of Montenegro with Action Plan 2019-2021
WGRT	Working Group for Rural Tourism
RDA BKP	Regional Development Agency for Bjelasica, Komovi and Prokletije
RWGRT	Regional Working Group for Rural Tourism
SARD	Strategy of Agriculture and Rural Areas Development 2015-2020
SRD	Strategy of Regional Development of Montenegro for the period 2014-2020
STD	Strategy of Tourism Development in Montenegro by 2020
TO	Tourism Organization
UNDP	United Nations Development Program
UNWTO	World Tourism Organization

CONTENT

PREFACE	2
LIST OF ABBREVIATIONS	5
I THE TERM AND DEFINITION OF RURAL TOURISM	7
II STRATEGIC, INSTITUTIONAL AND REGULATORY FRAMEWORK	9
2.1 Strategic framework	9
2.2 Institutional and regulatory framework	10
III GLOBAL TRENDS IN RURAL TOURISM	14
3.1 Trends on the global market	14
3.2 Rural tourism: tendencies on European market	16
3.3 Tendencies in favor of supply and demand in European rural tourism	20
3.4 EU funds as financing resources for implementation of measures and activities	22
IV RURAL TOURISM IN MONTENEGRO FROM THE PERSPECTIVE OF THE EXISTING SUPPLY AND DEMAND	27
4.1. The supply in the field of rural tourism	27
4.2. The demand in the field of rural tourism	36
V SWOT ANALYSIS OF MONTENEGRO RURAL TOURISM	40
5.1. Strengths	40
5.2. Weaknesses	42
5.3. Opportunities	46
5.4. Threats	48
VI PROGRAM DEVELOPMENT	50
6.1. Defining objectives of rural tourism development	50
6.2 Defining priority products	53
6.3 Proposal and prioritizing of measures and activities for rural tourism development	53
6.4 Proposal of the management system	57
6.5 Monitoring and evaluation	61
VII THREE-YEAR ACTIVITY PLAN	62
VIII APPENDICES	78

I THE TERM AND DEFINITION OF RURAL TOURISM

There is no widely accepted definition of rural tourism. Differences in definitions occur due to various factors such as those related to the differences in defining rural areas, specific characteristics of certain countries and similar. According to a definition of European Council in 1986, “rural tourism” represents “a form of tourism that gathers all activities in a rural area, not only activities that could be determined as agritourism, i.e. tourism on agricultural husbandries. Rural tourism is also defined as a form of tourism activities that take place in rural areas and that include local culture, tradition and commercial activities, as well as the activities outdoor and experience gained in an unspoilt rural ambient. The local community plays an important role in providing a rural tourism product” (Smith et al., 2010).

Some authors include in the term of rural tourism also the visits to national parks, as well as cultural tourism in rural areas. As a market niche, rural tourism considers a range of narrower niches such as eco-tourism, nature tourism, agritourism, sports and adventure tourism, gastronomic and wine tourism and others. Basically, the previous definitions correspond to one given by OECD in 1994, according to which rural tourism represents *“a complex activity taking place in rural areas, which is functionally rural, constructed on special characteristics of the rural world (small businesses, open space, contact with nature, traditional character), most oftenly controlled locally in terms of development and which considers sustainability, i.e. controlled use of resources and preservation of nature, culture and overall rural character of the area. Rural tourism includes not only relaxation in a rural household (a farm), but also a range of other products, such as relaxation in nature, eco-tourism, hiking, mountaineering, horseback riding, adventure tourism, hunting and fishing.”*² PRTD 2019-2021 completely accepts this interpretation of rural tourism.

Rural tourism includes a wide range of various tourism products, which are often interrelated. The number of these products is huge, and there are constantly more and more new products emerging. Therefore, it is impossible to determine precisely all the products of rural tourism. These products are, for the needs of PRTD 2019-2021, grouped into three general groups of products, according to mutual characteristics related to the nature activities that they gather. The overview of these products groups and individual products is provided in the Table 1.

² Source: OECD (1994) Tourism Strategies and Rural Development. Organisation for Economic Co-operation and Development, Paris.f

Table 1: Rural tourism products

		RURAL TOURISM PRODUCTS	
PRODUCT GROUP		INDIVIDUAL PRODUCTS	
1	Agritourism	1.1	Accommodation in a facility that used to be an active country household ³ (i.e. agricultural husbandry ⁴), while activities are conducted elsewhere
		1.2	Accommodation in an agricultural husbandry, with a passive contact (accommodation without additional services)
		1.3	Accommodation or a visit to an agricultural husbandry with an indirect contact (serving the products of the agricultural husbandry – a meal)
		1.4	Accommodation or a visit to an active agricultural husbandry with a direct contact, but in a form of a demonstration of agricultural activities
		1.5	Accommodation or a visit to an active agricultural husbandry with an authentic experience through participation in the activities with the hosts
2	Tourism based on the activities in nature	2.1	Cycling / mountain cycling
		2.2	Hiking / mountaineering
		2.3	Horseback riding
		2.4	Sports fishing and hunting
		2.5	Adventure activities/ extreme sports (canyoning, paragliding alpinism, rafting and similar)
		2.6	Eco-tourism
		2.7	Team building program
		2.8	4x4, enduro, moto-cross
		2.9	Other
3	Other products related to rural cultural heritage	3.1	Wine tourism, gastronomic tourism and product degustations/tastings
		3.2	Events, festivals
		3.3	Visits to historical sites and local museums
		3.4	rural tour
		3.5	Creative tourism (handcraft and art workshops, cooking schools and similar)
		3.6	Rural markets – market days
		3.7	Theme routes
		3.8	Other

Such grouping and definitions of products of rural tourism will serve later for defining of priority products within PRD 2019-2021.

³ A rural household means an active agricultural husbandry that has been registered for providing services in the field of tourism. A rural household is a household that possesses appropriate facilities that fulfill minimal technical conditions for providing services: preparation and serving hot and cold meals, drinks and beverages from mainly its own production, then serving and degustation of wine, other wine products, other alcohol and non-alcohol drinks, as well as home-made products from its own production and accommodation service (Source: Rulebook on Minimal Technical Conditions for the Category and a Way of Categorizing Facilities That Provide Services in A Rural Household, " Official Gazette of Montenegro" No. 50/13 from 30/10/2013).

⁴ An agricultural husbandry is an organizationally and business completed commercial unit that includes one or more production units, conducts an agricultural activity, has a unique management, a name or a firm, i.e. an address or location and is organized in one of the following forms:

- a) commercial company, i.e. a legal entity or an entrepreneur;
- b) a family agricultural husbandry;
- c) manufacturing organization;
- d) educational or scientific and research institution that also conducts an agricultural activity;

(Source: The Law on Agriculture and Rural Development ("Official Gazette of Montenegro", No. 56/2009, 18/2011 – other law, 40/2011 – other law, 34/2014, 1/2015, 30/2017 and 51/2017 – other law)

II STRATEGIC, INSTITUTIONAL AND REGULATORY FRAMEWORK

2.1 Strategic framework

The strategic framework for elaboration of PRTD 2019-2021 is made of the following strategic documents:

1. National Strategy of Sustainable Development by 2030 (NSOR);
2. Strategy of Agriculture and Rural Areas Development 2015-2020 (SARD);
3. Strategy of Tourism Development in Montenegro by 2020 (STD);
4. Strategy of Regional Development of Montenegro for the period 2014-2020 (SRD).

The analysis of strategic documents that have represented a framework for the elaboration of PRTD 2019-2021 is provided in Appendix 1. Additionally, for the needs of situational analysis elaboration, strategic documents both at republican and local level have been considered – strategic plans of local authorities units from the point of plans and statuses of different projects that relate to the field of rural tourism (Appendix 3).

PRTD 2019-2021 has been structured in accordance with the mentioned national strategic documents. The Spatial Plan of Montenegro by 2020 has also been consulted. It contains only drafts of tourism development that were certainly taken into consideration, but a detailed elaboration of tourism development of Montenegro is provided in Master Plan for Tourism of Montenegro and entailing Strategy of Tourism Development in Montenegro by 2020, which PRTD 2019-2021 has been in accordance with. In terms of compliance with SRD by 2020, the proposals provided in this Program contribute directly to the accomplishment of the Strategic Objective 1 – *“more equal development of the units of local authorities and regions”*, and this refers to the following priorities: development of communal, public and road infrastructure; the competitiveness improvement by sustainable use of commercial, rural and cultural resources; valorization of cultural and natural potentials in a sustainable way; development of communal, public and road infrastructure; reinforcing the competitiveness by development of entrepreneurship. PRTD 2019-2021 also contributes to the accomplishment of the second strategic objective – *“accelerated development of less developed units of local authorities and regions”*, i.e. it has been in accordance with envisaged measures for enhancement of equal regional development in Montenegro.

PRTD 2019-2021 additionally contributes to the accomplishment of Mid-Term Program of Montenegro Government 2018-2020, and this is within the framework of priority 1: Montenegro – the country of economic development and new jobs, i.e. objectives – *“a support to equal development of the units of local authorities, accomplishment of connection of the agriculture with the trade and tourism through diversification of economic activities in rural areas, improvement of infrastructure necessary for the development and connection of rural areas, enhancement of conditions and quality of life and staying in the country”*, then the priority 3: Montenegro – the country that stimulates the development of science, education and culture for better economic growth, i.e. the objective – *“valorization of cultural heritage in economic and tourism purposes and establishing public-private partnerships”*, as well as the priority 4: Montenegro – the country of successful infrastructure projects, i.e. the objective – *“to provide a full coverage of Montenegro territory with fast Internet.”*

Moreover, it should be added that PRTD 2019-2021 is in accordance with Strategy of Europe 2020, more precisely, it is closely connected with its second priority *“Sustainable development – simultaneous stimulation of competitiveness and production”* that treats resources more efficiently. The program is also

in compliance with EU Strategy for Western Balkans, and primarily, with the initiative for enhancement of social and economic development and with the initiative related to the increase of connectivity, which considers digital connectivity as well.

2.2 Institutional and regulatory framework

- ✓ **Ministry of Sustainable Development and Tourism (MSDT)** is a governmental department in charge of the development of tourism through actions and activities of its directorates.

In term of the regulatory framework, it is evident that there is an extensive framework that regulates issues of the rural tourism development, directly or indirectly. The most important legal act that directly regulates the field of tourism is *the Law on Tourism and Hospitality*⁵. In the Article 103 of the Law, there are conditions related to providing hospitality services in rural households that are regulated as follows:

- A rural household that conducts agricultural activity and that is located in a rural area can provide hospitality services.
- Hospitality services in a rural household can be provided by a commercial company, other legal entity, an entrepreneur or an individual/personal entity.
- Hospitality services in a rural household are:
 - preparation and serving of hot and cold meals, drinks and beverages from mainly its own production;
 - serving and degustation of wine and other alcohol and non-alcohol drinks, as well as home-made products from mainly its own production in an arranged section of residential or commercial facility, in a closed, roof-topped or open space;
 - accommodation services in rooms meant for a rent to tourists, tourism suites and “katuns” (huts or cottages), up to 10 rooms, i.e. 20 beds, exclusively for individual entities, only to the guest they serve food, pour drinks and beverages (breakfast, half-board or full board) from mainly its own production.
- Food, drinks and beverages that are served in a rural household must be characteristic for the area in which the rural household is located.
- Hospitality accommodation facilities in a rural household must fulfill a minimum of technical conditions and conditions for a category in accordance with this law.
- Hospitality service in a rural household from the paragraph 1 of this Article can be provided after obtaining the confirmation of registration in Central Tourism Register in accordance with the Articles 77 and 78 of this law.
- Hospitality services in a rural household from the paragraph 3 of this Article with more than 10 rooms and/or more than 20 beds can be done by hospitality companies.
- Minimum of technical conditions, conditions for the category and a way of categorization of the facilities in which service are provided in a rural household is defined by the Ministry.

In this sense, the Law defines that hospitality services can be provided by a household that conducts an agricultural activity and that is located in a rural area.

Minimum of technical conditions, conditions for the category and a way of categorization of the facilities are regulated by Rulebook on Minimal Technical Conditions, Conditions for the Category and a Way of Categorization of the Facilities that Provide Service in a Rural Household.⁶ Besides agritourism, the Law on Tourism and Hospitality also regulates other products in the field of rural tourism. Tourism services that

⁵ „Official Leaflet of Montenegro “, No. 002/18 from 10/01/2018, 004/18 from 26/01/2018, 013/18 from 28/02/2018.

⁶ „ Official Leaflet of Montenegro “, No. 50/13 from 30/10/2013.

include sports, recreational and adventure activities are regulated in Articles 54 and 55, whilst the Article 105 of the Law regulates issues related to camps.

Besides this Law, there is also the *Law on Mountain Trails* that arranges issues significant for determination, arrangement and usage of mountain trails.⁷

From the point of adventure tourism products, the *Law on Rafting* („Official Leaflet of Montenegro“, No. 53/11) and the *Law on Alterations and Annexes of the Law on Rafting* are significant, as well as the By-Law on Minimal Technical Conditions, Way, Sources and Equipment for Providing Certain Services that Include Sports, Recreational and Adventure Activities.⁸

In that sense, a range of rulebooks is also essential, since they regulate this segment of tourism. These are: Rulebook on the Criteria for Classification of Mountain trails („Official Leaflet of Montenegro“, No. 20/11 from 15/04/2011), Rulebook on Form, Dimensions and Content of Tourism Signalization of Mountain Trails („Official Leaflet of Montenegro“, No. 03/10 from 19/01/2010), Rulebook on Conditions, Way and Procedure for Categorization of Mountain Trails According to Difficulty („Official Leaflet of Montenegro“, No. 31/12 from 15/06/2012), Rulebook on Conditions, Way and Procedure for Classification of Mountain Trails According to Purpose („Official Leaflet of Montenegro“, No. 31/12 from 15/06/2012), then Rulebook on Conditions, Way and Procedure for Selection of the Host for Mountain Trails Maintenance („Official Leaflet of Montenegro“, No. 34/10 from 18/06/2010). Regarding categorization of camps, the Rulebook on Classification, Minimal Technical Conditions and Categorization of Camps is relevant.

Additionally, for the development of rural tourism Law on National Parks as well as Spatial Plans of special purpose for national parks are also relevant.

- ✓ **Ministry of Agriculture and Rural Development (MARD)** covers with its jurisdiction a wide range of activities related to agriculture, fishery, water economy, forestry, hunting and wood industry, as well as issues of rural development.

Support measures that concern agricultural production are extremely important because of providing the volume and quality of agricultural products, which represent simultaneously one of the vital elements of the demand in rural tourism. Regarding rural tourism, last few years there has been an increasing support to agricultural husbandries. Supports to agricultures were conducted in 2018 through 23 measures that are classified in three categories as follows:

- 1: Measures of reinforcing competitiveness of food manufacturers (17 support measures);
- 2: Measures for sustainable management over natural resources (4 support measures); and
- 3: Measures of improving life standard and expansion of economic activity in rural areas (1. Diversification of economic activities in rural areas and 2. Development of rural area and construction of rural infrastructure).

From the point of rural tourism, MARD conducted support measures to diversification of economic activities of agricultural husbandries, offering non-refundable support for the adaptation of accommodation capacities and engaging them in the function of tourism development and a gain of additional incomes of agricultural husbandries in rural areas.

⁷, „Official Leaflet of Montenegro“, No. 51 from 22nd Aug. 2008, 53/11.

⁸, „Official Leaflet of Montenegro“, No. 06/12 from 27/01/2012.

The first Public Invitation for diversification of economic activities in rural areas, MARD announced in 2013, which can be marked as a beginning of more significant support to the development of rural tourism in Montenegro.

In the period from 2013 to 2018, there have been 5 public invitations announced, which related to: Agriculture budget, adaptation of facilities and purchase of equipment in the purpose of tourism and hospitality needs up to the amount of 50% from acceptable costs. Agricultural manufacturers that had an intention to provide services in the field of rural tourism had an opportunity to adapt their facilities from tourism activity (bathrooms, kitchens, degustation halls) or to purchase the equipment necessary for providing such services (an inventory) up to the maximum amount of 10.000 euros.

Through these MARD's invitations there have been 46 applications supported (i.e. 36 agricultural husbandries, which applied conducting a tourism activity, mainly through the improvement of accommodation capacities at the husbandry, in the total amount of 147,439.88 euros. „Diversification of husbandries and business development “will be conducted in the following period via MIDAS 2 project (as an IPARD-like project) and Program of Development of Agriculture and Rural Areas within IPARD II 2014-2020 - IPARD II program (about 3 million euros for the program period 2015-2020).

MARD also provide a support that indirectly contributes to the development of rural tourism, and has been conducted through Agriculture budget. A measure for the development of rural area and construction of rural infrastructure has been conducted in cooperation with municipalities, and has a goal of improving life conditions and life standard in rural areas, creation of conditions for the development of agriculture and other sectors connected with agriculture such as rural tourism. The support has been provided with an aim to improve rural infrastructure, adaptation and/or reconstruction of the existing roads, water supply, the development of electricity network and similar.

Furthermore, in 2017 in cooperation with International Fund for Agriculture Development (IFAD), MARD started a project worth 13 million euros for the creation of clusters and development of rural areas, which is being implemented in seven Montenegrin municipalities (Niksic, Savnik, Zabljak, Bijelo Polje, Mojkovac, Petnjica and Berane). This project relates to the infrastructure improvement of water supply, irrigation system, local rural roads, and all these with a goal to enhance a standard of living in the countryside and creation of preconditions for the increased added value at a husbandry.

It should be emphasized that since 2015 Public Invitation for the investment support award to adaptation of mountain katuns (cottages/huts), based on which agricultural husbandries have an opportunity to gain support for the adaptaion of cottages and regulation of water supply issues. By 2017, through three announced public invitations, 42 users were supported, whilst only in 2018 the support was envisaged for 62 potential users. In the previous period, in cooperation with the Ministry of Economy (ME) and local authorities, since 2011 MARD has awarded more than 200 solar panels to agricultural manufacturers in katuns.

✓ **National Tourism Organization of Montenegro (NTO)**

National Tourism Organization of Montenegro (NTO) has in its jurisdiction exclusively the promotion of tourism offers of Montenegro.

Therefore, NTO represents a roofing organization of national tourism marketing of Montenegro. NTO promotes different elements of Montenegro tourism offer, whilst on their website you can also find information about routes and nature activities, but agritourism is not present.

✓ ***Local tourism organizations in Montenegro (LTO)***

There are 23 local tourism organizations (LTO) in Montenegro. Their activities are mainly related to promotion and providing information in the field of tourism and tourism offer at the local level. LTOs provide information on their websites, to a lesser or greater extent, about activities in the nature, locations, trails and routes significant to tourists that visit rural areas, while the information about accommodation in households can be found to a lesser extent, whereas there is no possibility of on-line accommodation booking.

✓ ***Other organizations***

There are also other organizations in Montenegro whose activities are directed to the field of tourism, especially rural tourism at regional and local level, with a special emphasis on the activities of the organizations in civil sector in this domain.

III GLOBAL TRENDS IN RURAL TOURISM

3.1 Trends on the global market

Analyses of global trends show that at the global level 55% of total population lives in rural areas. It is projected that between 2020 and 2025 the total rural population will be increasing, a then decreasing, which will at the global level cause the number of urban populations to grow in comparison with rural area.⁹

The current tendencies at the market and characteristics of tourism demand influence enough onto the development of rural tourism, which has been confirmed by World Tourism Organization (UNWTO) that emphasizes that the market trends in tourism are moving in favour of rural tourism. A successful development of rural tourism requires following contemporary world trends and utilization of the experience from the best tour-operators in this field. One of the most important trends is diversification onto the tourism market. In rural tourism it is essential to promote a compact, unique and typical market, which influences on the increase in demand, and makes a destination more attractive and more recognizable.¹⁰ A life style of primarily urban population significantly contributes to an increasing interest in demand for rural areas. "Changes in travel motives enabled rural tourism to find its place on the list of perspective tourism products, which intensive development is yet to occur."¹¹

This form of tourism includes overall tourism activities that take place in rural areas with a very wide range of activities, services provided by owners of rural tourism husbandries and other members of rural population motivated by additional incomes from conducting tourism. Rural tourism also includes visits to national parks and nature parks as well as other natural and cultural heritage in rural areas. "Development of rural tourism can contribute to economic reinforcement of rural population, strengthening of local and regional economies and overall economy."¹² Other countries' experience shows that the development of rural tourism influences positively both on social and cultural revitalization of rural areas, therefore, this form of tourism is an inevitable part of the strategy of rural development in a huge number of countries.

Contemporary trends consider promotion and information availability of rural areas on the Internet. Tourists are getting more and more informed about destinations and organize travels on their own via Internet. In the following period, it is expected to improve rural environment due to the fact that rural tourism is characterized by a growing trend and that there are presumptions for its development, which is accomplished through the development of creative tourism and innovations, i.e. interpolation of multiple forms of tourism into a unique offer, and through education of human resources in an aim to prevent and reduce negative effects during tourism development.

It is crucial to recognize the tourists' demands, which are necessary to be included in a rural tourism offer, having in mind that rural tourism demand is conditioned by motivation, awareness, emotions, knowledge (that form tourists' behaviour), in order to be price and income elastic.

On the global level new tendencies in terms of supply and demand in rural tourism are following:

⁹ Rural Poverty Report - New realities, new challenges: new opportunities for tomorrow's generation, International Fund for Agricultural Development (IFAD), Rome, Italy, 2010

¹⁰ Samuelson, P.A. & Nordhaus, W. A. 2005. Economics. Tata Mc-Gaw-Hill: New Delhi

¹¹ UNWTO- Tourism Highlights, UNWTO, 2016

¹² Tourism and the Sustainable Development Goals – Journey to 2030, UNWTO, 2018

- A *creative tourist* is transformed from an insensitive individual who does not know the local culture into a student and a colleague who receives and exchanges knowledge with the hosts.¹³ From this reason in favor of the offer, service providers in rural tourism have found a way in which they develop new strategies in order to promote new places, which differ from other offers by creative and recognizable activities.
- *Creativity in creation of a tourism offer* has influenced onto the attraction of a huge number of numerous guests of this type. Some hosts organize activities within the husbandry in order to familiarize the tourists with local life. Tourists stay in host's house and choose the activities they will do within the husbandry. It is not a rare case that the hosts themselves offer a set of activities to the guests. For the guests who prefer a visual sensation, scenes from the life of local population are organized. Many inhabitants reconstruct their real estate and show the visitors their material and non-material (customs, rituals, tradition) cultural heritage. Ecologically aware guests enjoy in the activities such as hiking, mountaineering, horseback riding or cycling, and more creative hosts organize various workshops where guests learn about local gastronomy, culture, a life-style and gain new skills.
- *Tourists that seek authenticity* are divided into two basic groups. The first group are members of mass tourism that seek authentic sensations when the authenticity is incorporated in the product that has been presented to the tourists.¹⁴ This mode of a tourism offer in rural tourism is also called "artificial" authenticity. It relates to the content, i.e. so-called created resources (tourism infrastructure, special events, entertainment, shopping) that the local population has created in order to attract curious tourists who have already pre-determined stereotypical concepts about the place they want to stay (e.g. decorative objects, reproductions of historical events, folklore of rural areas which depicts the identity of various geographical areas of the country).

The other group consists of the tourists who seek for genuine authenticity.¹⁵ This mode of a tourism offers correlates with a real life-style of the local population, where the demand is created based on the concept that tourists would like to experience. The fact that tourists at a global level are interested more and more in history, culture and tradition of a certain place and want to get integrated into a local life during the stay at the destination brings a range of positive influences that reflect in opening new jobs and revival of the economy in undeveloped areas. Although experts do not predict a mass growth of rural tourism, it is expected that tourism activities in rural areas are to be developed along with the occurrence of new products and a redesign of the old ones. The main reason of this trend is reflected in insufficient engagement of tourism employees in creation of new package arrangements for attracting guests wanting holidays away from big resorts and experiencing small undiscovered places.

- *Independent and socially aware guests* are an important segment of the demand. Although there is no efficient strategy for mass development of rural tourism, rural areas in the world are more and more seen as destinations in which you can entertain, spend free time and gain different experience from those in urban areas characteristic for mass tourism. Rural tourism attracts a certain type of guests wanting an alternative offer which bring specific experience. Those kinds of guests are socially and ecologically more aware to a greater extent than other guest types, so they expect that this type of offer is in accordance with their beliefs. They mostly travel by car so that they do not depend on a transport company, and they seek authenticity, i.e. an offer "with a style", and not a standard, already seen, hotel welcoming one.

¹³Source: Richards, G., 2010. Tourism Development Trajectories - From Culture To Creativity? *Encontros Científicos - Tourism & Management Studies*, Nr. 6, pp. 9 – 15.

Richards, G., 2011. Creativity and Tourism. The State of the Art. *Annals of Tourism Research*, Vol. 38, Nr. 4, pp. 1225–1253

¹⁴ Source: MacCannell, D., 1973. Staged Authenticity: Arrangements of Social Space in Tourist Settings. *The American Journal of Sociology*, Vol. 79, Nr. 3, pp. 589-603.

¹⁵ Source: Cole, S., 2007. Beyond Authenticity and Commodification. *Annals of Tourism Research*, Vol. 34, No. 4, pp. 943–960.

Such guests expect more content, communication with the local population, and they use rest mainly out of season. This profile of a tourist expects from the host certain creativity and an authentic product related to the tradition.

Since tourism is connected with nature activities (so-called adventure tourism) as an inevitable part of rural tourism, trends in this growing segment of the demand are especially important. It is common that, besides the nature and physical activity, culture represents the third key element of this product. Travel motives of these tourists are as follows:¹⁶

- A desire for so-called transformation, i.e. personal development and achievements;
- Broader comprehension and reasoning of the world and other cultures;
- Learning, i.e. gaining new knowledge, skills and experience;
- Discoveries in the nature – natural beauties and landscapes;
- Mental health – an escape from everyday routine and peace;
- Entertainment and excitement, i.e. adrenaline activities;
- Bonding both with the people they travel with and with the local population;
- Sensations with profound meaning, which remain a permanent memory;
- Physical health;
- Unique, unexpected experience.

Adventure Travel Trade Association (ATTA) estimates that this market, when talking about international travelling, is worth USD 683 billion, not counting the travelling of Asian population, with an average annual growth rate of 21% since 2012.¹⁷ Simultaneously, according to a report from International Finance Corporation (IFC), it is claimed that the global (international and domestic) market of light adventure tourism in 2016 was worth USD 470 billion, and that 357 million travels were accomplished the very same year.¹⁸

3.2 Rural tourism: tendencies on European market

Tourism contributes to the employment increase and economic growth in rural or less developed areas. Therefore, the development of rural tourism has become a major element of rural and regional development policies in EU and one of the most significant strategies for diversification of economic activities in undeveloped rural areas. Rural areas occupy 90% of EU territory where around 60% of its population lives. Agriculture and forestry use the largest part of the land and have a key role in natural resources management in rural areas. Synergy of agriculture and tourism provides social and economic development of rural areas and it is a platform of economic diversification in rural communities, so this is the reason why strengthening of rural development policy is one of the most important EU priorities.

PanEuropean Association of Rural Tourism recorded around 200,000 registered service providers in 2008 in rural tourism of Europe, with over 2 million of beds. It is estimated that accommodation in agricultural husbandries, in private rural houses, in small family boarding houses and hotels reaches a direct annual consumption of about 12 billion euros. With a local added value and multiple effects, it amounts for 26 billion euros.

¹⁶ Source: ATTA (2017) The New Adventure Traveler, Adventure Travel Trade Association.

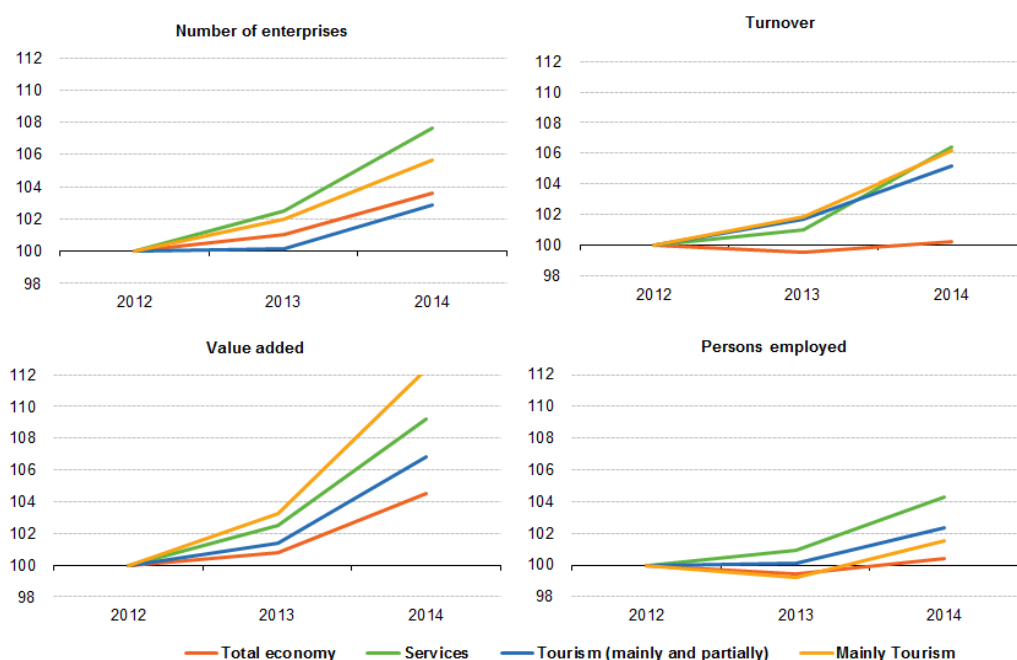
¹⁷ Source: ATTA (2018) 20 Adventure Trends to Watch in 2018, Adventure Travel Trade Association

¹⁸ Source: IFC (2017) The Case for Change for Tourism in Papua New Guinea: Papua New Guinea Demand Assessment Highlights, International Finance Corporation.

If daily visits are added to this, the offer is then estimated to more than double from officially registered amounts, so the total consumption within rural tourism in European areas probably exceeds 65 billion euros.¹⁹ An impressive data is that around 90% of all registered accommodation facilities in the field of rural tourism is located in EU member countries.

According to EUROSTAT data²⁰, in EU-28 countries from 2012 to 2014 the tourism industry had a more rapid growth (with minor discrepancy) that overall economic growth of the total economy considering all indicators. Analysing industries that “mainly make tourism”, the achieved added value registered a growth of 12% in the period 2012-2014. At the same time, the number of enterprises and turnover rose by 6%, and the number of employees by 2%.

Chart 1: Trends of economy, tourism and services in the EU-28 countries in the period from 2012 to 2014



According to the same source, out of four enterprises in tourism industry more than three provide services of accommodation or provide services of food and drink. According to EUROSTAT data, in the period 2012-2014 79% of the total number of employees was doing business in tourism.

Tourism agencies and tour-operators gained a turnover of 163 billion € in 2014, which makes 17% of the turnover in EU tourism industry. In 2014 one in ten companies in European non-financial economy belonged to tourism, i.e. 2,3 million of companies employed 12,3 million of people. Companies whose activities were related to tourism in 2014 made 9,1% of employees in the total non-financial economy and 21,5% of employees in the service sector.²¹

According to EUROSTAT data for the year of 2015, around 28% of EU-28 population lived in houses in rural areas. More than a quarter of EU population between the age of 30-34 lived in rural areas and had tertiary level of education.

¹⁹ Muhi, B. (2013) Rural tourism as a component of integral and sustainable rural development in Vojvodina. Collection of Matica srpska for social sciences, 142, 135-143.

²⁰ Eurostat (2018) Tourism industries - economic analysis. http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tourism_industries_-_economic_analysis

²¹ Eurostat (2017) Tourism statistics. http://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_statistics

An unemployment rate in EU-28 countries in rural areas was 9,1% in 2015, which is slightly less than an unemployment rate in the cities (10,0%). A very low unemployment rate with less than 4%, is characteristic for rural areas of Austria, Germany and Great Britain.²²

According to Eurobarometer data for 2015, around 27% European tourists think that cultural experience is the main reason for holiday. These travellers favorize gaining of experience rather than classic sight-seeing, and they especially like to communicate with the locals. Many developing countries have rural areas with interesting culture and tradition, which provides numerous possibilities for service providers in rural tourism.

The largest receptive, but also emissive markets of rural tourism in Europe are: France, Germany, Austria, Great Britain and Italy, which together make over three quarters of the total rural tourism market of Europe. According to participation of households that deal with agriculture in the total number of households dealing with agriculture, on the top of the list there are Austria (8%), France (6%), Ireland and Germany with a share of around 3%, while in Italy there are only 0,3%, although, for example, Tuscany is among the top destinations of rural tourism.²³ Development of rural tourism in EU, and especially in the mentioned countries, is based on identical objectives: maintaining and strengthening of agricultural production onto family husbandries, social cohesion via possibility of indirect employment and achieving significant income via tourism services and reduction of depopulation of rural areas. Therefore, rural tourism has become a strategic state interest of many countries that is manifested in various ways.

Modern tourism trends are characterized by an increasing direction to rural destination, by more and more visible personalization, by tourists' increased interest and significant demand for non-standard tourism products. Because of this, the countries with a developed tourism offer pay much greater attention to the development of rural tourism, which makes one of the most important components in the development of tourism and integral and sustainable development of the country-side and rural region.

UNWTO's estimations about the extent of tourism demand consider their positive effect on the overall relations at tourism market, considering a dominant position of the demand compared with the tourism offer. In this context, there are following facts derived as prevailing tendencies in favor of tourism demand, especially in Europe:

- 1. Travels are increasing, but toward safe destinations** – European travelling market is growing continuously despite geo-political instability at the global level. However, European tourists are choosing more and more destinations they think are relatively safe. This open new possibilities for destinations that have not been affected by terrorist attacks and with an instable political situation.
- 2. Exclusive and authentic tourism experiences are more and more popular** – Tourists from Europe are more and more looking for unique, exclusive experiences that create permanent memories. A part of this trend relates to the interest in authentic sensations on untraditional destinations where tourists can make interaction with local population. Destinations in developing countries perfectly match this trend with their unique cultural and natural resources. The term "rural tourism" is getting more and more popular and is a reflection of this movement. This creates new possibilities for tourists to participate actively in the activities characteristic for a destination. The activities can be from traditional cooking to dancing, making handcrafts or pieces of art.

²² Eurostat (2017) Statistics on Rural Areas in the EU http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_on_rural_areas_in_the_EU

²³ Baćac, R. (2011) Manual for Doing Rural Tourism – a Step by Step from an Idea to Successful Business. Croatia: Ministry of Tourism of Republic of Croatia (orig. Priručnik za bavljenje seoskim turizmom - korak po korak od ideje do uspješnog poslovanja. Hrvatska: Ministarstvo turizma Republike Hrvatske).

3. **A growing trend of “peer-to-peer” travels** – These relate to exclusive and authentic sensations, travelling where destination population offers tourism services and products to tourists directly through online platforms without interference of professional tourism intermediaries (so-called *peer-to-peer*). The precise influence on traditional tourism industry cannot be accurately estimated, but it is certain that it creates additional opportunities. This type of travelling considers accommodation in the homes of local population, local food and similar. Tours and activities offered by this type of tourism possess more local, empiric and unique sensation than tours conducted by traditional guides, which gives an opportunity to local population to offer their own tours and activities.
4. **Mature emissive markets prefer personalized travelling** – Personalized travelling is getting more and more popular among European tourists. These tourists demand package arrangements in accordance with their own personal preference and budget.
5. **An increasing interest for specialized travelling** – European tourists prefers more and more specialized travelling than mass package arrangements, especially those from mature emissive market. This provides an opportunity for a perspective development of rural tourism. According to the findings of experts from the field of tourism industry, tourism segments that possess potential on European market include: adventure tourism (including cycling and diving), gastronomic tourism based on local cuisine, cultural and religious, as well as tourism based on nature, green and wellness tourism. “Green tourism”²⁴, health tourism and tourism related to natural and cultural surrounding in a synchronized action represent the basic structure of eco-tourism, alternative or responsible tourism. A vital part of this form that is getting more and more important is also rural tourism.
6. **There are new target groups appearing** – Relatively new target groups of tourists from Europe are becoming of great interest for the markets. Fulfilling their specific needs and preferences can offer good business opportunities. As the age and composition of population is changing, there are new kinds of tourists appearing. Relatively new target groups include: elderly tourists, disabled tourists, tourists travelling alone, families with older children, single parents, Millennials²⁵ and other.
7. **Online presence is becoming a must** – In order to attract tourists from Europe more efficiently, the presence of the offer on the Internet is crucial. Social media, websites and blogs are key communication channels to potential clients. Visually presented stories represent an efficient mode to reach consumers.
8. **Sustainability is becoming a norm** – European tourism industry is more and more demanding sustainability of their suppliers. A sustainable approach is also in the interest of the destination itself in order to ensure long-term protection. According to projections, in 2030 57% of international tourist arrivals will be to developing countries. This is a considerable increase in comparison with 45% in 2015. In order to protect and preserve local environment and community, it is necessary to focus onto sustainable development of the destination.
9. **Low-cost long flights** – enable creation of opportunities for opening distant travels in European market. Low-cost flight companies enter the distant flights market, and traditional long-flight companies offer lower prices. These connections can considerably stimulate travelling to the destination.²⁶

²⁴ Green tourism and eco-tourism share some characteristics, since both kinds of tourism consider nature care. The difference is that eco-tourists are focused on researching the nature and pleasure in sensations that are directly connected to the nature, while “green” tourists perceive nature as environment that they escape to from every day routine and stress.

²⁵ Millennials are also called Generation Y. there is no consensus about what time range they belong to based on the year of birth. Seen from a broader perspective, it is about a generation group that young people born in the period from early 1980s to early 2000s belong to.

²⁶ Source: CBI, Ministry of Foreign Affairs (2017): “Which trends offer opportunities on the European outbound tourism market?” <https://www.cbi.eu/node/2208/pdf>

The crisis in mass tourism resulted also in inability of tour-operators to reach parts of the market that are nowadays requiring more and more personalized holiday, far from mass tourism resorts, where there is a possibility to meet local customs, area and local community. This segment of consumers presently makes a big portion of the market, especially on the south of Europe, which implies to big opportunities and potentials for the development of primarily rural tourism. Besides these market trends, the range of products being offered in tourism is still not in accordance with market demands, that, first of all, consider:

- Desire for independence (small group, driving their own vehicles);
- Search for a specific “style”, authenticity, and not a standardized service;
- Attractiveness of holiday that offer some “content”, intellectual discovery and a contact with local population;
- A demand strongly oriented to out-seasonal tourism with a short stay (Friday, Saturday, Sunday or at most, a week).

In conclusion, nowadays tourists seek a highly personalized and traditional products, which rural areas can offer them. Some of rural destinations have already realized this fact, which is confirmed by creation of first product chains in the field of rural tourism – whether by promotion institutions, associations or small and medium tour-operators whose number is increasing in this sector. However, a lot of effort is necessary to use these trends in a proper way, so that is why rural area development should be approached in a strategic and planned manner.²⁷

3.3 Tendencies in favour of supply and demand in European rural tourism²⁸

Rural tourism fits in European tourism trends that include authentic, unique sensations and a local life style. European tourists interested in rural tourism want to experience genuine natural ambient and authentic accommodation. Rural communities in developing countries often possess precious resources for providing such experience. In favour of rural tourism offer there are following:

- Accommodation in rural and country-side areas;
- Content – activities and attractions;
- Staying in camps, rural households or a family boarding houses and agricultural husbandries on the basis of Bed & Breakfast;
- Accommodation in a small country-side hotel, a tent, a tree house (glamping), a country house;
- Contents that require the presence of farm animals;
- Organization of outings by a small boat, cycling;
- Culinary workshops and handicraft workshops;
- Horse-back riding, fishing and other sports activities; swimming;
- Organizing tours (visits to other villages along with consumption of coffee, tea, wine tasting, hiking trails;
- Vicinity of archaeological sites and cultural centres;
- Cultural theme and gastronomic trails.

²⁷Source: Rural Tourism: the need for a product strategy (<http://ec.europa.eu/agriculture/rur/leader2/rural-en/biblio/touris/art07.htm>)

²⁸ CBI, Ministry of Foreign Affairs (2017): What are the opportunities for rural tourism from Europe? <https://www.cbi.eu/market-information/tourism/rural-tourism/rural-tourism-europe/>

.....
Clients in rural tourism are generally highly educated and belong to upper social and economic groups, so they can be divided into four main categories:

1. Elderly people

Rural tourism is especially popular among 50 to 70 age group, who has more spare time and financial resources from the other groups. Travellers that enjoy rural, quiet surrounding and new experience prevail in this group, and they expect a higher value for their money and they are ready to pay more for authentic experience. This segment of the demand prefers better comfort than younger age groups.

Recommendations: It is recommended to focus on this segment of the demand which is most interested in rural tourism. Within marketing activities it should emphasize on the offer authentic characteristics of the product, use of the Internet, but also traditional media during the promotion.

2. Younger tourists

The second largest market segment is young tourists between the age of 18-30 and 31-44. It is about the population that usually travelled most frequently in their early youth or got educated abroad, along with a distinctive interest in further exploration of new destinations.

There are two groups of young tourists:

- Those with high incomes and less time. They are young professionals with high incomes, but a limited travel time between the age of 31-44, who travel most often in couples. This group seeks unusual, so-called "once-in-a-lifetime" experience and they try to have as much as possible content, but also comfort.
- The market segment with lower daily budget is in the age group between 18-30. Despite the low daily budget, these tourists stay longer from a month to even a year. Most often they choose cheaper accommodation, participate in activities with local population, try to experience local attractions and consume local products. They often combine their travel with a volunteering work.

Recommendations: It is recommendable to develop a unique combination of accommodation and experience, together with other service providers in rural tourism at the local level. In the promotion, unique "once-in-a-lifetime" experience should be emphasized. Different options of accommodation and activities that young "rural" tourists combine should be offered. The reason for this approach is that in this way they can create their own package arrangement that meets their budget. If it is necessary, a connection with volunteering organizations can be taken into a consideration.

3. Families

A great, growing market segment of rural tourism are family travelling of parents and their children or more generations that travel together. In Germany families are one of the greatest market segments of rural tourism. Families want good accommodation and hospitality facilities, a complementary ratio of safety and entertainment, and they like to combine rural holidays and entertainment with enjoyment in cultural heritage.

Recommendations: Families in rural tourism need to be offered adapted family accommodation, such as connected rooms or rooms next to each other, children programs, playgrounds, swimming pools. The offer package should contain entertaining, educational and other original contents. Especially significant for this group are special family discounts for the entire family.

4. People with special interests in rural and country-side tourism

There is a growing interest in recreation in rural areas as a main motive for the visit. Cycling and hiking in the nature are very popular, which German and Dutch tourists are especially interested for.

Recommendations: the offer should contain as much as possible more local products, such as: horseback riding through rural areas and trails, visits to agricultural husbandries and country-side facilities for preparation of food and service providing, local handicraft workshops. Special attention should be paid to authentic landscapes, which is sometimes more important than the level and quality of accommodation and hospitality facilities. Quality management is an essential tool for understanding and fulfilling the needs and demands of the tourists. It is necessary to develop a quality management system in order to check customers' expectations and their level of satisfaction. In terms of tourism offer improvement, it is necessary to introduce questionnaires/surveys for the visitors, to provide feedback information from employees, tour-operators and journalists, and to analyse guests comments from the Guest Comments Book.

3.4 EU funds as financing resources for the implementation of measures and activities

Being informed about the existing source of financing projects from EU funds is of vital importance for all stakeholders that participated directly or indirectly in rural tourism offer of Montenegro. The reason is that not rarely a lack of financial means for investments in tourism infrastructure, HR development, but also forming and placement of a tourism product onto the market can represent key barriers in the process of rural tourism development.

Basic strategic document that represent the foundation for information about financing projects in tourism and which should be started with are current development strategies at national and regional level:

- Development Strategy of EU;
- Development Strategy of SE Europe;
- National Strategy of Sustainable Development by 2030;
- Development Strategy of Agriculture and Rural Areas 2015-2020;
- Development Program of Agriculture and Rural Areas of Montenegro within IPARD II - 2014-2020;
- Development Strategy of Tourism in Montenegro by 2020;
- Regional Development Strategy of Montenegro for the period 2014-2020.

These strategic documents derive numerous programs for financing rural tourism development. (Figure 1).

Figure 1. Sources of financing rural tourism development



Programs that are the most relevant for the area of Montenegro and that are related to EU funds which directly or indirectly refer to rural tourism development are as follows:

1. RCC – program aimed at creating an integrative tourism product at the level of South-Eastern Europe

RCC coordinated the economies of Western Balkans during the elaboration of a strategy inspired by the Strategy of European Union – Europe 2020, both from the aspect of solved issues and concepts for accelerating the development through better cooperation in the areas that are of mutual interest.

The equivalent of South-Eastern Europe – SEE 2020 – Affairs and Prosperity in the Strategy of European Perspective adopted seven economies from SEE at the conference of Ministry of Economy held in Nov. 2013 in Sarajevo, Bosnia and Herzegovina. Direct participants in SEE 2020 are: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia and Macedonia. The program is aimed at creating an integrative tourism product at SEE level 2017-2019, is entailed to this strategy and has a main purpose to provide assistance in overcoming obstacles in mobility of experts, improvement of coordination, creation of investment condition and similar.²⁹

2. European Union strategy for Adriatic-Ionian Region (EUSAIR) – 4th column Sustainable Development of Tourism

EU strategy is based on Adriatic-Ionian initiative, which was launched in 2000 and covers eight countries: four EU members (Greece, Croatia, Italy and Slovenia) and four countries that are not EU members (Albania, Bosnia and Herzegovina, Montenegro and Serbia). Based on previous strategies for Region of Baltic Sea (EUSBSR) and Danube region (EUSDR), the Committee is now adopting Action Plan for EU Strategy that is focused on Adriatic-Ionian region (EUSAIR). This new strategy also covers Marine Strategy for Adriatic and Ionian Sea, which was adopted by the Committee on 30th Nov. 2012. EUSAIR has an aim to improve economic growth and prosperity of the region by enhancing its attractiveness, competitiveness and connectivity. It also has an aim to protect the seas, the environment and ecosystem of seaside and

²⁹ Source: <http://www.rcc.int/pages/92/>

continental areas. Besides this, the Strategy is expected to contribute to a better integration in EU of the candidate countries as well as potential candidate countries all over the region.³⁰

3. IPARD – Instrument for Pre-Accession Assistance to Rural Development for the program period 2014-2020

Within a new financial 2014-2020 perspective, European Committee has given €39 million for Montenegro through Instrument for Pre-Accession Assistance to Rural Development (IPARD II). IPARD Program relates among other things to diversification of agricultural husbandries and business development, i.e. development of rural tourism and businesses. Investments relate to investing in construction and/or reconstruction and/or equipping facilities for providing tourism and hospitality services, such as rooms, restaurants and other facilities, including facilities for recreation, playing, tourism camps, as well as enhancement of facilities in open space (for horse-back riding, fishing in inner waters, cycling, theme trails).

The program of the development of agricultural and rural areas of Montenegro within IPARD II 2014-2020 (IPARD II program) was adopted on 20th July 2015 by European Committee, and Montenegrin Government on 10th Sept. 2015. The main objective of the Program is improvement of food safety in Montenegro and development of competitiveness of agricultural production and processing, as well as compliance with EU standards in these areas. *Financial agreement 2014-2020 between Montenegro government and European Committee about assistance to agriculture and rural development IPARD II, within Instrument for Pre-Accession Assistance IPA II*, defines in detail EU financial obligations in terms of conducting IPARD II program and defines directives for task assignments of the budget for two measures of IPARD II program:

- Investments in the equity of agricultural husbandries and
- Investments in the equity related to processing and marketing of agricultural and fish products³¹.

Total indicative amount of costs for IPARD II program realization in Montenegro for the period 2014-2020 is € 86,811,578.00, primarily in a form of grants for investment co-financing in public contribution up to maximum 70% of acceptable costs.

4. Interregional Cooperation programs of Montenegro

Interregional Cooperation programs of Montenegro represent financial support to border territories of neighbouring countries (interregional cooperation) or cooperation of parts or whole countries (transnational cooperation) onto solving issues of mutual interest – waste management, service providing in different sectors, cultural and economic cooperation, **tourism**, traffic. This EU initiative has been ongoing since 1990, when resources of European structure and investment funds (ESI funds) – more precisely, European Regional Development Fund (ERDF) – were available only to EU members through INTERREG programs. Since 2004 non-EU members have been included into INTERREG programs, using funds that have been available to them: at the moment IPA 2 (Instrument for Pre-Accession Assistance) is current in the period 2014-2020.

³⁰ Source: (http://ec.europa.eu/regional_policy/sources/cooperate/adriat_ionian/pdf/brochure_mn.pdf)

³¹ <http://www.mep.gov.me/organizacija/def/IPA-II/ipardII>

Specific objectives of interregional cooperation are:

- 1) To develop tourism as a key sector of interregional economy;
- 2) To promote interregional cooperation in trade, as well as an access to new markets;
- 3) To establish again interregional relations between organizations that provide support to business and trade in order to promote together cooperation initiatives;
- 4) To maintain quality of environment of interregional regions as economic resources, cooperating in the initiative for protection and exploit of the environment;
- 5) To reinforce economic and sports connections among people in order to strengthen inter-ethnic, educational, cultural and sports bonds and use areas of mutual interest equally;
- 6) To ensure equal opportunities for everybody;
- 7) To respect specific needs of endangered groups, disabled people and/or national minorities;
- 8) To protect the environment, both nature and that one built by a man in purpose of sustainable development;
- 9) To build partnerships and team work.

In financial period 2014–2020, Montenegro has been participating in eight programs of interregional and transnational cooperation, whereof five bilateral programs and three multilateral programs:

- 1) Montenegro – Croatia
- 2) Montenegro – Bosnia and Herzegovina
- 3) Montenegro – Serbia
- 4) Montenegro – Albania
- 5) Montenegro – Kosovo
and
- 1) **Interregional Adriatic-Ionian Cooperation Program (INTERREG ADRION)** – European transnational program that stimulates cooperation and solidarity, strengthening of economic, social and territorial cohesion in Adriatic-Ionian region among eight partner countries (Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia and Slovenia).
- 2) **Transnational Danube Program** – Program territory of the Danube Program will include 14 countries, whereof 9 are EU members, 3 candidate states and potential candidates for the EU membership and 2 neighbouring countries (it will include Austria, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Hungary, Moldova, Germany (Baden-Wurttemberg and Bavaria), Czech Republic, Romania, Slovakia, Slovenia, Serbian and Ukraine (a part of the territory)). Priorities defined in Operational Program are: innovative and socially responsible Danube region; environment and culture of Danube region; better connection of Danube region and better management of Danube region.
- 3) **Mediterranean Program** – INTERREG MED 2014-2020 Program includes 57 regions from different EU countries and three IPA users, which are Montenegro, Bosna and Herzegovina and Albania. Priorities defined in Operational Program are following: promotion of Mediterranean innovation capacities with an aim of “smart” and sustainable growth; stimulation of low-carbon strategies and energy efficiency in specific territories of MED Program: towns, islands and remote areas; protection and promotion of natural and cultural resources of Mediterranean region; strengthening of the management in Mediterranean region.³²

³²http://www.mep.gov.me/organizacija/def/IPA-1/II_komponenta

Table 2: Models of project financing in the field of tourism

Institution	Grants programs	Link
USA Embassy in Podgorica	Fund for preservation of cultural heritage, work with the young and strengthening of the young, environment protection	https://me.usembassy.gov/me/education-culture-me/grants-assistance-me/
Embassy of Norway Kingdom	Strengthening of EU integrations in Serbia and Montenegro – social and economic development, stability and good governance	http://www.skgo.org/konkursi/detaljno/143/otvoren-poziv-jacanje-eu-integracija-u-srbiji-i-crnoj-gori
Embassy of Canada	Canadian fund finances small projects that improve democratic, economic, cultural and social life of the citizens of Serbia, Montenegro and Macedonia.	http://www.canadainternational.gc.ca/serbieserbie/bilateral_relations_bilaterales/canada_montenegro-montenegro.aspx?lang=eng
CEI – Central European Initiative via Ministry of External Affairs of Montenegro	Regional connecting through sustainable development of tourism and economy	http://www.mvp.gov.me/rubrike/multilateralni-odnosi/Regionalne-organizacije/Centralnoevropska-inicijativa-CEI/Fondovi-CEI/
UNDP (sustainable development objectives)	Support to the local development via civil sector – social inclusion, democratic governance, economy and environment protection, tailored development	http://www.me.undp.org/content/montenegro/en/home.html.html
GEF – Global environmental facility	Sustainable tourism development	https://www.thegef.org/
COSME – program of European Union for stimulating competitiveness of small and medium enterprises 2014-2020	Measure in purpose of reducing all those difficulties that restrain enterprise growth (especially SMEs), including better business surrounding, easier access to financing, promotion of entrepreneurial culture and internationalization of SMEs, i.e. their entrance onto foreign markets, in and outside Europe.	https://ec.europa.eu/growth/smes/cosme_en

IV RURAL TOURISM IN MONTENEGRO FROM THE PERSPECTIVE OF THE EXISTING SUPPLY AND DEMAND

Montenegro is abundant in resources and potentials for the development of various forms of tourism with a special emphasis on: nautic, health, rural, eco-tourism, mountain, sports and recreational, cultural, religious and event tourism. Regarding potentials and resources for the development of rural tourism and its closely related forms such as eco-tourism and mountain tourism, the state among regions is different. In 2011 ME elaborated the Map of Resources where there is an overview of the resources significant for tourism, classified according to the region.³³ The very offer in the domain of rural tourism in Montenegro should be considered from the aspect of more elements, such as accommodation capacities, infrastructure, products, i.e. travel organizers' offer.³⁴

4.1. The supply in the field of rural tourism

4.1.1 Products related to the activities in the nature

Regarding the nature activity related products in Montenegro there is a national cycling network and formed regional and local cycling trails through mountain and rural areas. There are five national marked cycling trails. The network of so-called "supreme cycling trails" was established as result of MSDT's decision to improve biking and hiking offer of Montenegro, which mountain areas represent ideal terrains for various offers in the field of active tourism. These trails connect everything – from the mountains, glacier lakes, mountain rivers, Adriatic Sea up to the most significant cultural and historical monuments and vivid country-side. Besides excellent infrastructure, certain segments of the trails need to be continuously maintained due to damaged signalization. There are also two regional trails "Katun Road" (orig. Katunski put) and "Borderline Heights" (orig. Granicni visovi, which covers municipalities of Berane, Andrijevica and Plav) and Rikavica Lake – Josanica. There are local cycling trails on the north in municipalities: Andrijevica, Berane, Bijelo Polje, Mojkovac, Kolasin, Plav and Gusinje, Pluzine and Pljevlja. There is a great number of hiking trails, and additionally, a developed offer of other activities such as rafting, canyoning and others. Also, there are two supreme trails of the National network of mountain trails for mountaineering: Central Transversal 232km long and Seaside-mountain transversal 187km long. The trails are arranged and marked. In addition, it is worth mentioning a regional mountaineering track "Peaks of the Balkans" – orig. "Vrhovi Balkana", which stretches over three countries (Montenegro, Albania, Kosovo) 134km long and is very attractive and visited.

It has been proved that the fans of active holiday in nature and adventure tourism are more important segment of the demand. They most commonly come because of mountaineering and mountain cycling (*hiking & biking*)³⁵. They are interested in nature, tradition, culture, *slow food* concept. On the other side, there are those who come for rural ambient. These are mainly families and elderly that seek activities related to household and direct surrounding. There is a great share of foreign visitors, especially in terms of households, while domestic tourists prefer commercial accommodation.

³³ Map of Resources, Government of Montenegro, Ministry of Economy, 2011.

³⁴ Rural tourism is a wide term that includes various forms of tourism. According to this, there is a great number of products possible to develop and which Montenegro has, which will be discussed in detail in the special section of this Strategy. Basically, for the needs of this Strategy products in rural tourism are categorized in three groups: (a) agritourism and stay in rural husbandries, (b) tourism based on the activities in nature – which cover various activities that become a product once they can be bought, individually or as a package arrangement, and (c) other products related to rural cultural heritage, including gastronomy.

³⁵MSDT had a working group called *Hiking & Biking* (mountaineering and cycling).

A huge number of visitors come into rural areas of Montenegro not using the service of agencies. They organize their stay on their own and they engage different activities – mountaineering, cycling, fishing or simply apply to some of the activities on time which require a tourism guide (canyoning, rafting and similar).

4.1.2 Agritourism

Agritourism and stay in rural households is a product that is yet to be developed, since it is becoming more and more popular on the market. Tourists search for authentic experience of rural, active participation and a contact with local population. Opening rural households for tourists is in the beginning stage, but the tourists to whom nature activities are a primary motive of arrival are often accommodated in those households. However, there is an offer of households aimed at those who want to enjoy peace, home-made food and activities within the household. It is positive that tour operators also offer a possibility of accommodation in rural households, katuns, ethno-villages, as well as in mountain huts and houses which gives to arrangements a trait of rural tourism. It should be mentioned that there is still a small number of local tourism agents that offer package arrangements or activities that are related to rural tourism.

From the point of offer attractiveness of agritourism, it has been proved that households that preserve a traditional style of construction and equipping of the space have a higher demand, and those who produce the food on their own for their guests achieve higher net profit. It is exactly in this part where MARD is constantly supporting in order to increase the livestock/cattle fund, sown surfaces, processing of products on agricultural husbandries and similar.

In terms of other products of rural tourism, there are more wine and gastronomic tours offered to tourists, and one of the attractive ones is ethno-gastronomic tour on Skadar Lake created as a result of IPA project of interregional cooperation between Albania and Montenegro. There is a high number of activities with a potential to become products.

4.1.3 Tour operators' offer

Products that can be found in the offer of travel agencies in Montenegro vary from package arrangements prepared well in advance for certain period (from 5 to 15-20 days), up to the offer of individual content, i.e. products that tourists can choose according to their own personal will and make a travel plan that suits them personally. One of the examples are the agencies that offer possibility of modular booking, where tourists are offered a possibility to choose individual content from different available categories (from katun to katun, adventure, stay and activities on agricultural husbandry). Also, travel agencies often get requests for organizing special contents, i.e. the arrangements for individuals, smaller or bigger groups of tourists, and one of the examples is cycling tour (defining the tours, equipment transfer, guides) in accordance with special requests of the tourists. Tours adapted to special needs of tourists are most commonly organized for the groups of 1-5 tourists, and what is specific for all tours organized on tourists' demand is that they are almost always of mixed character, i.e. that tourists are offered the arrangements within which they have a combination of stay on the seaside and on a mountain. The offer also includes special tours for the guests that want special experience and want to enjoy in a more luxurious version of rural tourism, and these tours are organized for special target groups and are called „special interest tours“, i.e. „tailor-made luxury travel“.

Besides the tours and tourism products offered in Montenegro, regional tours are getting more and more popular, which are organized for tourists who stay longer and want to visit more countries in the region.

Regarding the types of contact that travel agencies most frequently offer within these arrangements, the most popular are: rafting, canyoning, tasting/degustation tours, katun visits, hiking tours, zip-line, jeep safari, visits to rural households and participating in traditional activities on agricultural husbandries.

The practice of domestic travel agencies shows that foreign tourists do not want to get only finished products in a form of individual activities, but they look for a combination of content offered in rural tourism in Montenegro. Although travel agencies say that foreign tourists are the most frequent among the groups of tourists visiting rural areas, they note that domestic tourists also choose this type of tourism in some cases, and this is most often when they organize team building activities. It is also important to mention that the offer of rural tourism can be found on the websites of several foreign specialized agencies.

The table (Appendix 3) shows offers and characteristics of the arrangements in rural tourism of travel agencies in Montenegro dealing with rural tourism, from which it is possible to get an image of the type of activity that the agencies offer, the type of accommodation, locations and length of the arrangement. In the case of days-long journeys, the agencies offer mostly arrangements for products from the group *Nature Activities* which includes a wide range of activities such as hiking, biking, rafting, canyoning and other extreme activities, bird watching, but also often a combination of several activities as well. This is also in accordance with the research among tourists visiting rural areas conducted for the purpose of PRTD 2019-2021, and reveals that the highest percentage of tourists who visited Montenegro for several days have stated the unspoiled and exceptionally beautiful nature (55.4%) as an advantage of the rural destination they visited. Gastronomy is at the second place (30.9%), while the smallest percentage share is related to the night life/festivals (2.2%) and history and culture (3.6%). *Cultural and historical values are the least exploited segment of the offer, especially in the north of the country, so special attention should be paid to this segment in future, and interconnect the offer in the field of rural and cultural tourism. These two aspects of tourism represent complementary forms of tourism with a great potential of enrichment, which would result in an extension of the stay of tourists who visit rural areas of Montenegro.*

Additionally, a large portion of the offer is based on excursions/outings, where there is no longer stay in rural households, which diminishes the long-term benefit of such activities. What is missing is the organization of more lengthy arrangements that will combine the supply of the north and the south, thus better exploiting the diversity of natural values of Montenegro at a relatively short distance. Besides this, what rural tourism domestic offers lack in is the integration, or more intensive cooperation of the offer organizers in creating a unique value chain in rural tourism. This also applies to the cooperation of rural households with organizers of various activities in nature, the offer in the field of extreme sports, events, museums, agricultural producers.

4.1.4 The value chain

In most rural areas of Montenegro, there are no contents that would sufficiently animate rural area visitors.
³⁶ Local mountaineering clubs and other participants of this type through the activities they perform still do not consider tourism sufficiently as an important component of local development and villages, whilst there is a lack of developmental synergy. Therefore, there are examples where different project designs of the arrangement of trails and space have been realized, without taking into account the potential of the project for attracting and the stay of tourists. Where there is a diversified offer of accommodation capacities and not only registered accommodation capacities, there is still a rounded offer missing, i.e. there is no completely closed value chain.

³⁶ See the table on accommodation capacities and unvalorized space in municipalities – Table 1.

Furthermore, local authorities represent a significant subject when it comes to recognizing the importance of the value chain and an integrated destination product, and it is clear that their role in product development is very important.

The offer providers definitely need different types of support, but what is truly necessary is *to build a management system of the destination product*. During 2017, a project for the development of Katun road "Bordering Heights" (orig. "Granicni visovi", Berane, Andrijevica, Plav, Rozaje) was completed, 160km long. Within the project, katuns were equipped with solar panels, and this thematic tourism route got five camps and five rest areas.³⁷

It is meant for mountaineers and cyclists, but also for those who are not so active tourists, but they also like to go to these landscapes, and find the katuns interesting. In the upcoming period, it remains to be seen how the tourism activities will continue to be valorized here, whether and how new service providers will be attracted on the route itself, and whether and what is still necessary in order to achieve economic sustainability. For example, on the aforementioned Katun Road, not all families are ready to engage in tourism. Bearing this in mind, it is necessary to find a way to involve local participants as much as possible to benefit from panoramic roads and similar projects, but also to indicate that projects can not be a priori successful, and that often the development of the offer has not been planned in an integral mode.

Available agricultural products represent also a part of the value chain. This should not be considered only as a part of households supply, but also as a potential for linking farmers and larger caterers. Despite the attempts of connecting, this still remains a challenge. On the one hand, caterers are not interested enough because it is easier to cooperate with a smaller number of larger suppliers, where they have the security of the delivery, volume and quality of the products delivered. On the other hand, agricultural producers often do not deliver their products that is consistent in quality and quantity required. Besides this, the challenge is also insufficient knowledge of food safety laws, as well as other regulations governing this area, whose requirements must be met in order for the product to be placed on the market. The potential certainly exists, especially considering that the FAO has prepared an inventory of traditional products of Montenegro.³⁸

4.1.5 Infrastructure

What is evident is that the potential for rural tourism has not been fully exploited, and that the construction of infrastructure, the formation of products and activities and their placement on the market can be more intensive in the future period. The key challenge in the development of rural tourism represents the unsolved problem of basic infrastructure in most villages, such as security of electricity and water supply, waste disposal, but also inadequate access roads and signalization. Villages where there are households actively providing rural tourism services lack in contents for different target groups – walking/hiking routes, rural theme trails and the like. In addition, most facilities lack in the Internet, which is a frequent observation of visitors. Although certain tourism infrastructure is required by certain rulebooks and regulations for doing tourism activities, in most cases, it does not exist or is in a poor condition, and individual rural households are not able to provide it.

The results of the survey about tourists' attitudes visiting rural areas in Montenegro have showed that the tourists who were on a several-day visit mostly attributed negative rating to the infrastructure (29.4%).

³⁷ Source: www.katunroads.me

³⁸ A new FAO project „Montenegro: Promotion of sustainable value chains of agricultural and food products through connection with tourism“ started in 2018, which has an aim to improve a market connectivity between food manufacturers and tourism and HORECA market.

The largest average rating for infrastructure development was given by the tourists in the central region (3.25). The tourists who stayed in the north gave the highest score for the clean environment (4.12). Nevertheless, there is a noticeable progress in the northern region regarding the development of infrastructure, while the tourist information system remains a major problem for the region.

4.1.6 Accommodation

Hotels and similar facilities (on more or less established destinations), ethno-villages, private apartments renters and rural households participate in the offer of accommodation capacities. The accommodation offer in katuns and ethno-villages is of a newer character and is yet to come to life in some areas (especially in the northern region). The Central Tourist Register of Montenegro contains information on various service providers in tourism of Montenegro, and thus in rural tourism. In this sense, different types of accommodation are available, and the information is available in the register. However, there are providers of accommodation services whose data are not in the register, which also includes rural households. The reasons for rural households's non-registering are often related to registration procedures for engaging in tourism activities. The new Law on Tourism has introduced some changes in these procedures, which is an additional challenge when it comes to knowing the procedures. The Central Register does not provide detailed information on the characteristics of the accommodation offer, so *the key issue is consequently the establishment of a unified database of service providers in rural tourism for all regions of Montenegro*. This particularly applies to those travel agencies that are still in the initial stage of engaging in this activity and which need to get acquainted with all offer providers in rural tourism. Creating this database would potentially be helpful not only to travel agencies, but would also increasingly facilitate the business to the offer providers in rural tourism in the way that their offer would be more promoted and would become more recognizable on the market, and thus the conditions for their cooperation and networking would improve. On the other hand, there is no single system of reservations where tourists could reserve and immediately pay for accommodation in a rural household.

Based on data received from most of the local authorities from all three regions of Montenegro, a rough picture about the type and a number of accommodation capacities in rural tourism, as well as areas that are still not valorized was obtained. Another important conclusion derived from the collected data on areas that are not sufficiently valorized is that there is a large number of unused spaces suitable for sustainable tourism valorization. These data are supplemented by the data from the Central Register of Tourism and shown in Table 3.

Table 3: Overview of accommodation capacities of rural tourism and insufficiently valorized areas

Municipality	The type and No. of accommodation capacity	Unvalorized areas
Municipality Berane	The total number of registered service providers in rural tourism in the territory of Berane Municipality is 5. Mostly, these are houses or summer houses with rent rooms. Secretariat of Agriculture, Tourism, Water Management and Environmental Protection of Berane Municipality monitors and records registered service providers. Besides this, in the Central Register of Tourism of Montenegro there are 3 persons registered for providing services in rural tourism.	The districts of the Bjelasica, Mokra and Smiljevica mountains, as well as the surrounding villages and katuns near the glacier lake, or in the vicinity of the same mountains (Sisko lake, Malo and Veliko Ursulovacko lakes, Pesicalake).
Municipality Bijelo Polje	Secretariat of Rural and Sustainable Development does not have a formed database, but it has information about individual providers of accommodation services in rural tourism - Ethno village Vukovic, Tomasevo – ethno-village,	The village of Bistrica, near Djalovic gorge and cave. Through the valorization of Djalovic cave, the whole region can be developed in terms of a tourist offer (rent rooms, restaurants, home-made food, etc).

	rent rooms, resort, picnic, restaurant. According to the Central Register of Tourism, one person is registered for providing services in households and rural households.	<p>The Mountain Bjelasica - building infrastructure and hotels of Bjelasica villages that gravitate in this area of the municipality can become a recognizable destination for tourism in the north of the country. Also, through the valorization of Bjelasica, the whole chain of tourist offer would be improved.</p> <p>Bijelo Polje is the municipality with the largest number of villages in Montenegro, whereof 117 villages are on the territory of this municipality. Almost two thirds of the municipality inhabitants in a rural area, and the development of rural tourism would be a chance for a large number of municipality inhabitants.</p> <p>The Pester plateau is a plateau that contains a range of katuns, clean air and beautiful landscape, and in the vicinity, there is the place Boljare, the end point of Montenegro where the highway will pass. In the vicinity of Boljar there is Djalovic cave, so this whole area represents a significant potential for the development of rural tourism.</p> <p>The mouth of the river Bistrica in Lim is a picnic spot with beautiful nature, a place where the music festival "Usce fest" has recently been held.</p> <p>There is still a number of areas in Bijelo Polje that are potentially suitable for the development of rural tourism, such as the Vranes valley, there is now a well-known ethno-village Vukovic, the Bihor area, etc.</p>
Municipality Pljevlja	Secretariat for Economy keeps records of the providers of accommodation services in rural tourism – the types of facilities – family houses: a total of 6 (six) registered service providers and 5 unregistered service providers.	The entire rural area of the Municipality of Pljevlja is suitable for the development of rural tourism, in particular: the Ljubisnja Mountain with the canyons of the Tara and Draga rivers, the area of Kosanica Plateau, the Kovac mountain, villages in the area of the local communities Bobovo and Potkovac, as well as the villages Rudnica and Kozica, at the area of local community Vrulja and Mataruge.
Municipality Andrijevica	3 rural households	Stavna, Gradisnica
Municipality Rožaje	According to the registry, there is one rural household with about 10 beds.	Bandjov, Seosnica, Lovnica, Bisevo, Radetina, Balotice, Cenca, Bascci, Lasovica
Municipality Žabljak	There is one registered rural household located in the village of Virak in the municipality of Zabljak. It is a two-star category (two single rooms with a total of two beds). This household operates throughout the year. In addition, according to the Central Register of Tourism, there are three other persons registered who provide services in households and rural households.	There are rural settlements in the vicinity of the town, since they are well infrastructure connected and easily accessible: Borje, Virak, Moticki gaj, Pitomine, Bosaca.
Municipality Mojkovac	There is a record as a result of the work of the Committee for the Categorization of Accommodation Facilities that is in charge of the territory of the municipality of Mojkovac, i.e. rural households. Eight rural households have been registered.	Katuns are not sufficiently valorized and recognized.
Municipality Petnjica	A TO Petnjica has recently been founded and currently there is no record on service providers in rural tourism.	On the municipal territory there are few areas that have not been recognized yet. This is the area toward the border with Serbia, i.e. Pester Plateau.
Municipality Plužine	Rural tourism households, ethno-villages, campsites, private accommodation, inns/taverns	Mainly all areas on the municipal territory have been included in a way into the development of rural

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



	(over 20 providers of this type of accommodation).	tourism (Trsa, Nedajno, Vojnovici, Brezna, Rudinice, Scepan Polje, Brijeg).
Municipality Kolašin	Accommodation providers in rural tourism are katuns on the mountains Bjelasica, Sinjajevina and Komovi, as well as rural households that provide accommodation services in cottages. There are two katun on Bjelasica.	It is the area on the line from the Sinjajevina Mountain via the river Gornja Moraca up to the Lola Mountain with the spring of the Moraca river.
Municipality Danilovgrad	The accommodation providers in rural tourism in the municipality are: Hotel Sokoline, Mountaineering Accommodation Facility on the Studeno excursion site, as well as the owners of residential facilities in the mountainous part of the Municipality. Besides this, there are 4 registered persons providing services in households and rural households.	The areas that possess potentials for rural tourism development, but are still not sufficiently reputable are Sretnja located on the north of the Danilovgrad Municipality and Martinicka Gradina with archeological sites.
Niksic Municipality	There is still no complete data about service providers.	Zupa, Banjani, the area around the Captain's Lake, Grahovo, Vucje, Bogetici, Petrovici.
The capital of Podgorica	Currently there are three registered providers of services in rural households in the Register and these are two wineries and one cottage inn.	The Municipality of Podgorica locations as follows: 1. The area of Lijeva Rijeka, where the elderly households live mainly, but it represents an area that has ideal conditions for this type of tourism, where organic agriculture, beekeeping, production and processing of forest fruits, animal farming, mountaineering can be successfully developed; 2. The area of Piper, where there are already several registered wineries that are recognized on the wine market not only in Montenegro, but also abroad. There are also successful beekeepers in this area, and the terrain is ideal for cycling routes; 3. The area of Lješanska nahija used to be a vineyard area, but it is currently abandoned since there are no active subjects. Besides vineyards, the area has ideal conditions to the Skadar Lake access; 4. The area of Kuča has few registered wineries, a road that leads to the Kucka Korita katun which is extremely visited during both summer and winter.
Municipality Cetinje	One facility, i.e. an apartment in the place of Dide, according to the data obtained from Secretariat of Finance and Economic Development.	Zabljak Crnojevica, Karuc, Dodosi
Municipality Tivat	There is one registered facility in the territory of the Municipality of Tivat for providing services in households and rural households. Besides this, there are only houses for rent and apartments.	All rural areas in the back of the Tivat Municipality have potentials for rural tourism development. Generally, most of the villages is still not sufficiently recognized. The municipal rural areas (defined in the Strategy of Rural Development of the Municipality of Tivat, are in the areas: Krtola; Djurasevici, Mestrovici, Milovici, Nikovici, Bogisici, Gosici and Gornji Krasici, then hill places of Vrmac, i.e. suburban areas: Gornja Lastva, Djurdjevo brdo, Petkovici, Bogdasici, Peani the upper part of Mrcevac).
Municipality Bar	The Municipality of Bar does not have a record of registered service providers in rural households. They are most often registered as accommodation renters in rural areas (Virpazar). The TO Bar promotes in the accommodation catalogue the accommodation renters in the rural area, (there is only a portion of renters in the catalogue, but actually there are many more).	Crmnica (recognized to a certain extent), Krajina, Mrkojevici, Maljevik.
Municipality Budva	Individual husbandries that deal with agriculture, but also possess an accommodation capacity.	Old urban units in the back of Budva field, Budva villages, the area of Buljarice and the back of the Jaz beach have potential for rural tourism development.

<p>Municipality Herceg Novi</p>	<p>There are three households that provide services of accommodation and meals from mainly their own production. Secretariat of Tourism, Economic Development and Entrepreneurship conducts the registration process.</p>	<p>Herceg Novi's hinterland possesses all the features of the rural end of the bottomhills of the Orjen mountain. On the peninsula of Lustica there are numerous rural units characterized by the traditional type of stone construction and which are integrated into the agricultural landscape of olive groves. The northern region with the local communities of Kameno, Kruševica, Mokrine and Ubli has a priority for the development of agriculture and tourism. The western region of Mojdez, Prijedor, Ratisevina, Suscepan, Trebesin and Suterinsko Polje is an area where the field of agriculture is an important factor of intensive production.</p>
<p>Municipality Kotor</p>	<p>There are no registered facilities for providing services in households and rural households.</p>	<p>Lower and upper Grbalj, upper Stoliv, Krivosije, upper Morinj, Trojica and Mirac, Vrmac. The Municipality of Kotor has huge spatial potentials for the development of rural tourism, considering the fact that its territory spreads from the border with Bosnia and Herzegovina up to Budva, and from Herceg Novi to Cetinje.</p>
<p>Municipality Ulcinj</p>	<p>There are no registered facilities for providing services in households and rural households.</p>	<p>The area around the Sasko Lake, as well as the area around the Bojana river have potentials for rural tourism development..</p>
<p>Municipality Plav</p>	<p>There are no registered facilities for providing services in households and rural households.</p>	<p>The Municipality of Plav has an immense potential for rural tourism development through the sustainable valorization of natural potentials and cultural values. Many stone towers, religious buildings and cultural and historical monuments are important cultural treasures that testify about the common and multicultural life of people in this area. The following rural areas have special potential in terms of rural tourism development:</p> <ul style="list-style-type: none"> -Murino (especially households that gravitate along the river Lim, which should seek an opportunity in the adaptation for the need of fishing tourism, rafting and kayaking); Cakor, Velika, Mokra (potential for mountaineering, photo and jeep safari, katun tourism). - The places of Brezojevice, Rudo Polje, Latek Sarkinovica, Vojno Selo (the places near to the Plavsko Lake and the rivers of Ljuca and Lim. Besides ideal conditions for the improvement of sports fishing, this area offers a possibility of mountaineering and paragliding, especially the Visitor Mountain and the Visitor Lake. - Završ, Djurice, Jasenica, Budovice (one part is passed over by an international mountaineering route Vrhovi Balkana and mountain cycling trails. - Skic, Korita, Prnjavor, Sela Bogajice and Malo selo are located on the Kofiljaca Mountain, where mountaineering/hiking routes and katun tours can be organized, and there is a take-off point for paragliding. There is a mini-ski lift and a ski track. - The Babino Polje Valley and small villages of Komorac, Jar, Gradina, Treskavica, Meteh etc. are located on the road to the National Park Prokletije, toward Bogicevica and the Hridsko Lake and Tromedji – the place where the borders of Montenegro, Kosovo and Albania connect.

Note: The overview of the accommodation capacities in rural tourism and unvalorized areas is provided on the basis of the data provided by local authorities recorded in the period May-July 2018.

4.1.7 Knowledge and skills

LTOs often face challenges that relate to doing more effective business in rural tourism. The key challenge relates to human resources, as well as the issues regarding the management of a tourism product, especially when it is about rural tourism. In the south, along with this, LTOs' dominant orientation to sea-related tourism should be added.

There is a lack of knowledge and skills of service providers in rural tourism, primarily of rural households. This problem is easy to solve through organizing trainings and education, with an aim and idea of training being pre-defined. On the other hand, well-organized education and trainings for larger groups are only a part of the solution. A mentorship approach is necessary, and it is not possible without forming advisory mobile teams and field interventions. The development of this type of tourism requires a personal contact. On the other hand, there is a social and population component of the development of rural tourism present, both in terms of the rural population's life-style and in terms of the support to young people who want to return to the country-side to deal with agriculture and tourism.

The efforts to connect agriculture and tourism, i.e. country-side and tourism in Montenegro so far have had relatively limited results, resulting in a relatively small number of rural households open for tourists in relation to the potentials available in the rural area of Montenegro.

The causes are definitely multiple, but the key problem is the lack of leadership in the segment of rural development and tourism development, and also insufficient understanding of the needs, possibilities and capacities of the existing and potential service providers by tourism policy makers at the local level. The existence of different local strategies has proven to be an insufficient basis for the development and a poor guarantee of success. *From an institutional point of view, it is essential to define clear action measures at national and local levels concerning the development of rural tourism.*

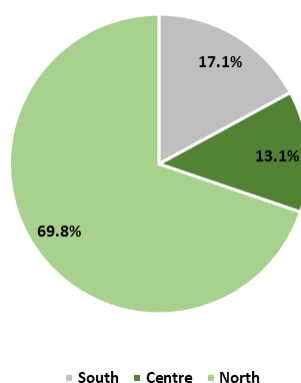
4.1.8 Coordination

A particular problem in the development of rural tourism relates to its complexity. This complexity originates primarily from the complexity specific only for tourism in general (a large number of participants in providing services to tourists, i.e. in the creation of a unique experience, the inconsistency of administrative boundaries with how tourists perceive a destination), but also from the characteristics related to rural tourism (the common use of space by agriculture, forestry and tourism, the dependence of the rural products authenticity on the existence of the adequate supply of local agricultural products, rural tourism as a form of diversification of rural economy). Due to this complexity, the consequence is a diversity of powers in charge. On the example of Montenegro, this is reflected in strategic jurisdiction of two different ministries (MSDT and MARD), the local development jurisdiction of different municipalities, jurisdiction in the domain of marketing by the NTO at the level of international marketing, and LTOs at the level of local marketing. The real existing *problem of disharmonized directives may only be overcome through the development of appropriate coordination mechanisms that would set general rules and strategic directions of development, as well as to harmonize the activities of individual participants*, which is one of the recommendations of PRTD 2019-2021.

4.2. The demand in the field of rural tourism

The analysis of the demand in the field of rural tourism is one of the basis for assessing the level of rural tourism development in Montenegro, and it is also a very important source of information for creating a tourism development policy of rural tourism. Therefore, for the needs of the PRTD 2019-2021 elaboration, a survey was conducted about the opinion of tourists visiting the rural areas of Montenegro with an aim of gaining an insight into the current offer and the level of visit satisfaction. The survey about the opinion of tourists visiting rural areas in Montenegro was conducted in a form of a direct interview on a sample of 543 respondents (domestic and foreign tourists) in 16 Montenegrin municipalities during the summer tourism season (July-August 2018).

Chart 2: Allocation of the sample at the regional level



The highest percentage of tourists was surveyed in excursion sites/picnic spots (65%), while the remaining 35% of tourists were surveyed in accommodation capacities (hotels, ethno-villages, rural households and tourist resorts/campsites).³⁹ Below there are some of the key research results.

4.2.1 Social and economic characteristics of the tourists visiting Montenegrin rural areas

- Tourists belonging to age groups from 26 to 35 years (40.7%) and up to 25 years old (13.4%) were the most prominent.
- The highest percentage of tourists visiting rural areas comes from Western Europe (37.4%), as well as the Western Balkan countries (31.1%).
- In relation to the total sample, the highest percentage of tourists is highly educated – a college degree (25.3%), a university degree (35.7%).
- The highest percentage of the surveyed tourists is employed (84.2%), while among the overall sample of the surveyed tourists the most frequent are those with average monthly income from €1,001 to €2,000 (26,2%), or from €501 up to €1,000 (28.2%).

4.2.2 Visit to a rural area

- Among the total number of the tourists, those who have already visited a rural destination in Montenegro (54.7%) are more numerous, and most often they travelled to the destination with a friend (30.8%) or a partner (31.5%).

³⁹ Excursion sites/picnic spots include facilities preparing and serving hot and cold meals, drinks and beverage to the guests, attractive tourism sites, rest areas, sightseeing spots and the like.

- Regarding the accommodation capacities, the largest number of the surveyed tourists stayed in a hotel (20.3%) or a friend's/family house (20.5%), while 15.1% of the tourists stayed in ethno-villages.
- The largest number of the surveyed tourists arrived in Montenegro in their own arrangement (88.9%), whereof the most commonly used means of transport was a car (59.5%).
- Regarding the length of stay in Montenegro, the largest number of the surveyed tourists came to Montenegro for more-days-visit (82.7%), whereof the highest number of the tourists was of those who made up to 3 nights (50.1%), while the average number of nights in rural destinations in Montenegro was 4.7.
- The data on the consumption of the surveyed tourists at the level of the entire sample (three regions) show that the average daily consumption of tourists staying in a rural area was €92.3. Furthermore, analyzing the consumption of tourists by regions in Montenegro, there is a significant difference, so the tourists staying in the northern region had twice as lower average daily consumption. The average daily consumption of tourists in the northern region amounted to €62.2.
- Regarding the information about the destination, the surveyed tourists are mostly acquainted with Montenegro as a rural destination by friends, family, acquaintances (51.9%).
- The most of the surveyed tourists plan to visit a rural destination in Montenegro again in the future (83%). The reason for the arrival of the largest number of the surveyed tourists was preserved nature, which recorded the highest rate of 4.4 (on the scale from 1 to 5).

Table 4: The reasons of visits to rural areas of Montenegro

Reasons for arrival in Montenegro	Region			
	South	Centre	North	Total
	average	average	average	average
To learn something new and interesting	4,14	3,77	3,77	3,84
To visit a place I have not visited before	4,21	3,83	4,00	4,03
To meet new people and to spend time with locals	3,91	3,68	3,89	3,88
To escape from everyday routine	4,33	3,74	4,33	4,28
To spend quality time with family	3,54	3,18	3,59	3,55
To spend some time with friends	3,60	3,35	3,85	3,76
To entertain	4,41	3,97	4,23	4,24
To bond closer with a partner	3,70	3,03	3,27	3,33
To visit cultural-historical sites	4,25	3,89	3,21	3,45
To enjoy traditional music	3,33	2,94	3,01	3,07
To learn more about myself	3,23	2,73	3,12	3,11
To participate in extreme adventure activities	3,67	2,59	3,42	3,40
To rest from the speed of everyday routine	3,95	3,32	4,04	3,97
To experience new cultures and life-style	4,39	3,74	3,77	3,88
To try out local dishes	4,52	4,15	4,25	4,29
To enjoy preserved nature	4,52	4,23	4,44	4,44
To experience rural environment	4,42	3,97	4,28	4,28
To enjoy local wine	4,35	2,91	3,39	3,53
To be active in nature	4,13	3,39	4,28	4,18
To try myself out in extreme sports	3,75	2,36	3,34	3,34
To be included in farm activities	2,57	1,78	2,74	2,64
To obtain a good value for the money	3,77	3,00	3,39	3,43
To enjoy a festival/ a cultural event	3,24	2,79	2,77	2,86
To gain unique cultural experience	3,97	3,23	3,27	3,40
To visit friends/family	2,58	2,50	2,89	2,81
To try myself out in milder forms of adventure activities	3,60	2,50	3,51	3,44
To seek thrill and excitement	3,85	2,82	3,35	3,40
It was a good price of the package arrangement	3,76	2,47	3,18	3,23

Note: The average values refer to the tourists who were on a several-day visit to Montenegro.

4.2.3 Evaluation ratings on the supply element characteristics in the field of rural tourism

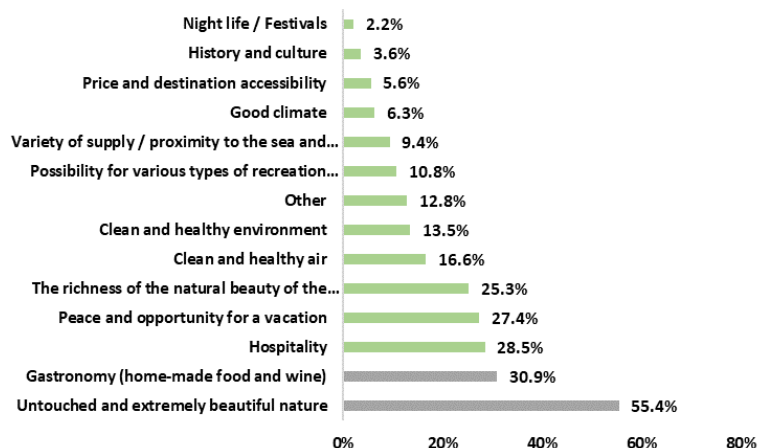
- The highest ratings given by the tourists for individual segments of the supply in rural areas in Montenegro (on the scale from 1 to 5) relate to: *populations's hospitality* (4.48), *local dishes* (4.38) and *the quality of accommodation capacities* (4.12). The advantages of a rural destination are beautiful nature and gastronomy, which is also in accordance with the reasons for the tourists' arrival that were also recognized by tour operators.

Table 5: Ratings of the characteristics of an element of rural tourism according to regions

The characteristics of an element of rural tourism (The average values refer only to the tourists who were on a several-day visit to Montenegro)	Region			
	South	Centre	North	total
	average	average	average	average
Quality accommodation capacities	4,05	4,22	4,12	4,12
Authentic restaurants	3,90	4,12	3,91	3,93
A low level of service	2,19	2,18	2,45	2,37
Various stores	3,10	3,22	2,74	2,87
Delicious local dishes	4,26	4,62	4,36	4,38
Various cultural events/festivals	3,74	3,95	3,21	3,42
Cultural / historical significance sites	4,29	4,51	3,54	3,84
Poor availability of tourist information	2,56	2,68	3,20	3,02
Convenient transportation system	3,30	3,02	3,35	3,30
Developed infrastructure	2,72	3,25	3,03	3,00
Easily accessible	3,21	3,80	3,55	3,52
Good tourism signalization	3,52	3,61	3,29	3,37
A low level of personal security and safety	2,18	1,61	2,35	2,22
Great opportunities for extreme adventure sports	4,11	3,79	4,00	3,99
Friendly local people	4,47	4,62	4,43	4,46
It provides good value for the money invested	3,88	4,00	3,92	3,92
High prices in this destination	2,97	3,10	2,75	2,83
Clean environment	3,39	4,07	4,12	3,99
Preserved environment	3,83	4,32	4,27	4,20
Pleasant ambient	4,24	4,57	4,53	4,48
A wide choice of nature activities	4,12	3,75	4,07	4,04
A wide choice of the activities for children	3,21	3,37	3,38	3,35
Enough children playgrounds	2,69	3,35	3,17	3,09
It has got little to offer to families	2,49	1,97	3,05	2,86
Little opportunities for milder forms of adventure activities	2,45	2,60	2,99	2,85
Peaceful and quiet atmosphere	4,32	4,40	4,47	4,43
Overall perception of this place is very positive	4,34	4,39	4,51	4,46

- In relation to the level of satisfaction with visiting a rural area, the highest percentage of tourists was very satisfied (39.2%), i.e. satisfied with the visit (32.3%), whereof 6 was the average rating of satisfaction level with the visit (on the scale from 1 to 7).

Chart 3: The advantages of rural destination (tourists who visited Montenegro for more days)



Note: A possibility of multiple answers.

- Finally, regarding the activities that tourists engaged during their stay in rural destinations in Montenegro, the highest percentage had active holiday (49.3%), walking and staying in nature (34.3%) and adventure tourism (23.1%). Such a selection of favorite activities during the stay in rural destinations is in accordance with the statements of tour operators regarding the reasons for the arrival of tourists who use their services when choosing or staying in rural destinations in Montenegro.

40

⁴⁰ Other data and research among tourists that visit rural areas of Montenegro are provided in the Appendix of PRTD 2019-2021.

V SWOT ANALYSIS OF RURAL TOURISM OF MONTENEGRO

The analysis of the external and internal factors that create the opportunities and limitations of the rural tourism development in Montenegro was made taking into consideration not only Montenegro as a whole, but also the regions and the existing and potential tourism products of rural tourism. It should be emphasized here that in terms of the development of this type of tourism, Montenegro is at the initial stage, and that there are still no major differences in the regions and the products, i.e, most of the internal advantages and disadvantages as well as external opportunities and threats are immanent to the whole of the rural tourism system. Where there are specificities, i.e. where a certain factor does not affect the rural tourism of Montenegro as a whole (national level), it is specially marked which strengths, weaknesses, opportunities and threats affect the regional level (northern, central or southern), or affect some of the product groups (for specific groups and individual products, see the section titled "Priority Tourism Products").

5.1. Strengths

Table 6: Strengths

STRENGTHS	LEVEL
Authenticity of the region, offer and traditional values	National
Abundance of natural beauties	National
Exotic and insufficiently explored destination	National
Variety of products and offer of adventure tourism	North and Central region
Variety of the offer/vicinity of the sea and mountains	National
Hospitality og local population	National
Traditional Montenegrin products	National
An EU candidate status – use of funds	National

- Montenegro stands out with **the authenticity of landscapes, the offer and traditional values**, and these aspects represent excellent prerequisites for the development of rural tourism. Gastronomic offer, tradition and culture make tourists even more interested in Montenegro as a destination which has a distinctive offer in rural tourism, because foreign tourists visiting rural areas primarily seek a direct contact with the local population and a traditional, authentic experience during their stay in a rural area.
- **The abundance of natural beauties** - Montenegro with 60% of forests, along with the Scandinavian countries, is one of the most forested countries in Europe. Mountains, rivers and lakes enable rural tourists to enjoy a diverse natural environment that offers a variety of recreation (active holidays, nature walks/hiking, adventure tourism and the like).
- Foreign tourists still recognize Montenegro as **an exotic and insufficiently explored destination**, and this perspective often represents the reason for the initial interest of tourists.
- **The diversity of products and the supply of adventure tourism** is a very important factor that attracts tourists, especially due to the fact that the diverse offer in this segment provides them a chance to choose and a freedom to create the content while traveling.

- **The diversity of supply/ vicinity of the sea and mountains** – the supply in rural tourism in Montenegro is so diverse that it enables them to enjoy in both rural and adventure tourism in a relatively small area, but also to experience the beach component of Montenegro tourism supply.
- **Hospitality of local inhabitants** represents an important advantage for Montenegro, since hospitality is of special importance in rural areas, where tourists strive for direct contact with the local population.
- **Traditional Montenegrin products** - traditional, autochthonous Montenegrin products have not been sufficiently branded so far in the context of international trade, but it is intensively being worked on to make them a brand in the domestic trade. For full recognition it is necessary to achieve uniformity of quality and a volume of production, and this is only possible by merging smaller producers and their joint presentation on the market. A special challenge is the uniformity of the standard, which relates especially to the products such as: Montenegrin lamb and smoked meat products (prosciutto, sausages, smoked ham, bacon, "kaštradina"); cheese ("Njeguski", seaside, cheese in leaves from Kolasin, from Pljevlja, from Kuci); beer kaymak (a creamy dairy product) from a skin container; honey (wormwood, meadow, forest, maritime); fish (smoked carp, smoked trout, smoked scum, but also fresh fish from lake and sea); herbs and forest fruits (raspberries, blackberries, blueberries, currants); various vegetables in a protected area (tomatoes, lettuce, cucumbers); potato (from Kolasin, from Krnovo, from Gusinje and other); Montenegrin wine from the rest of the vineyards outside the Cemovsko Polje and brandy/snaps (from different areas); citrus, olives and olive oil. So far, four products have been protected: "Njeguski prosciutto", "Pljevaljski sir" (cheese from Pljevlja), "Montenegrin beef ham" and "Montenegrin stelja" (smoked mutton).
- **EU candidate status – use of funds** – acquiring the status of EU candidate country, Montenegro has an access to available new funds from the Instrument for Pre-accession Assistance (IPA) for areas such as regional development, human resources development, agriculture and rural development.

5.2. Weaknesses

Table 7: Weaknesses

WEAKNESSES	LEVEL
Undeveloped population's awareness about the significance of doing rural tourism	National
Presence of grey economy	National
Insufficiently developed road infrastructure	North and central region
The rest of infrastructure undeveloped	North and central region
Depopulation of rural areas	North and central region
Mild sanctions for inadequate behaviour to the environment	National
A lack in know-how and skills for doing rural tourism	Agritourism
A weak connection of rural economy/agriculture and tourism	National
Local population uninformed about the incentive measures	North and central region
A lack of institutionalized support to the population to apply for the incentives and to register their households	National
Absence of systematic incentives for beginners in rural tourism	Agritourism
Inadequate promotion of tourism supply of Montenegro in the field of rural tourism	Agritourism, nature related products, products related to rural cultural heritage
A lack of the initiative for the improvement and networking of the supply at the local level	Agritourism, nature related products, products related to rural cultural heritage
A small number of rural households in Montenegro adapted to foreign tourists' demand	Agritourism
Inadequate system for providing information and support to tourists	National
The absence of cooperation between public and private sector	National
Huge differences in service quality in rural tourism	North and central region
Insufficient engagement of the local population in terms of preserving rural authenticity and tradition	National
A lack of database with compiled contact information about rural households in all regions of Montenegro	Agritourism
Undeveloped cultural tourism as a form of tourism complementary to rural tourism	North and central region
Inadequate tourism infrastructure	Agritourism, nature related products, products related to rural cultural heritage
Insufficient knowledge of the procedures relevant to rural tourism	Agritourism, nature related products, products related to rural cultural heritage

- Undeveloped population's awareness about the significance of dealing with rural tourism** (*insufficiently developed awareness of the local population about the significance of rural tourism development, as well as its advantages, i.e. a lack of populations' interest in dealing with this type of tourism*)

Participants in the focus group for the development of rural tourism point out that it is necessary to animate the existing agricultural husbandries for dealing with rural tourism, as well as to provide subsidies from the local and state level in order to motivate them to do this type of tourism. Regarding this, additional education of the population on the possibilities of rural tourism is also necessary. In this sense, it is necessary to introduce fieldwork of local authorities' representatives who will inform the population about the possibilities, subsidies, calls for support.
- The presence of a grey economy** (*unregistered accommodation capacities and a high percentage of grey economy that also cause the presence of unfair competition*)

Accommodation service providers do not register themselves due to complicated procedures, administrative procedures and prices. Also, there is a problem of unresolved ownership structure of certain rural houses and obtaining building permits.

It is pointed out that it is necessary to simplify the administrative procedures for registering households. In order to increase the number of registered rural households, as well as to improve the

development of rural tourism, local authorities should provide incentive measures through, for example, lending to those entities that want to deal with rural tourism and through shortening the duration of the registration process. Also, there is a misunderstanding of the difference between the terms ethno-village, rural household, agricultural husbandry, katun, which also provide both accommodation and food services, as the needs and conditions for these individual categories are very different. A clear differentiation of these terms would also help local authorities to define more clearly the end users of the local authorities' support.

- **Inaccessibility of the terrain, i.e. insufficiently developed road infrastructure** (katuns, certain ethno-villages) often creates significant problems for travel agencies in terms of organizing transportation of tourists to these destinations. Problems that often occur in the north of Montenegro refer to irregular cleaning and maintenance of the roads, especially in the period when there are still snow piles on the mountains that represent obstacles for the unhindered movement of tourists, i.e. for the organization of the tour. Logistic problems when organizing trips to remote rural destinations are also reflected in the lack of support systems and assistance to visitors, so travel agencies often have to hire and use their own staff and resources to overcome these barriers. The big problem that all foreign tourists point out is the lack of toilets and changing cabins at the final rafting point.
- **Undeveloped other infrastructure** – a major problem is infrastructure (water, electricity, utility/communal infrastructure) that is still underdeveloped, but where intensive investments have been noticeable in recent years in order to improve the infrastructure as a prerequisite for tourism development in general with a special attention to the northern region. Additionally, there is a problem of inadequate waste management – wild landfills to which tourists usually make remarks. Infrastructure problems (electricity supply system, telecommunication system-range) and problems regarding maintenance of ecological balance. Most villages do not have Internet, so their ability to get informed is very limited. Infrastructure problems are particularly present in the northern region, where it is especially necessary to continuously work on the improvement of roads and road signs.
- **Depopulation of villages** – In central and especially in the northern region, the problem is the departure of the population from the village to cities/towns, while it is considered that highlighting the advantages of rural and rural tourism can be a way of keeping the population within their rural households. In order to overcome this problem, it is necessary to make additional efforts in order to encourage young people to stay in the countryside, and this can be achieved by providing timely institutional support in the form of child support allowances and grants. Encouraging rural development stimulates the development of rural tourism as well as social development. The high migration rate of the population from the village to the cities/towns, especially among the younger population, is one of the main weaknesses in rural tourism, since it directly leads to insufficient human resource readiness in the rural tourism sector.
- **Mild sanctions for inadequate behaviour towards the environment** – This implies that for activities that directly lead to the destruction of nature and environmental pollution (for example, illegal logging, forest arson, etc.) the adequate sanctions have not been implemented which would prevent this type of behaviour, so it has become a common practice in rural areas that directly endangers natural potentials for the development of rural tourism.
- **A lack of knowledge and skills for doing rural tourism** – inadequate HR readiness in the rural tourism sector, which is largely a consequence of the high migration rate of the population from the village to the cities/towns, especially among the younger population.

The local population is not sufficiently educated about preparing projects, business plans, product development and promotion. The population rarely speaks English and there is a lack of skills related to marketing, project preparation and communication.

- **A weak connection of rural economy/agriculture and tourism** – there is an insufficient connection between these industries. Accommodation facilities do not cooperate sufficiently with the facilities that provide food and beverage services, and yet, they do not cooperate well with domestic food and raw material manufacturers. The disparity between the existing agricultural production and rural tourism also represents one of the major shortcomings that leads to major problems in creating a supply in rural tourism, since the supply providers are moving away more and more from practicing agriculture and they focus on tourism, which leads to a lack of agricultural production in rural households. The agriculture is the basis for creating a supply in rural tourism, not only because of local organic food, but also because of the experience that this type of production provides to foreign tourists. Systemic problems are identified at the local and national level, and they are primarily reflected in the lack of initiatives at the local community level, i.e. in the absence of marketing and information to service providers in rural tourism. The initiative must come from the very stakeholders in this field.
- **The local population is uninformed about the incentive measures** – inadequate communication between the local population and the institutions in charge of dealing with tourism.
- **A lack of support to the population to apply for incentives and register their households** – complicated procedures and documentation that the population needs to fulfill, with insufficient knowledge and support in the registration process.
- **A lack of systematic incentives for beginners in rural tourism** that would reflect in providing a certain grace period during which these supply providers would be allowed to function smoothly at the initial stage of development. Therefore, it is necessary to define an integrated institutional support system that would create the conditions for faster and more efficient development of the supply in rural tourism in Montenegro.
- **Inadequate promotion of Montenegro's tourism supply in the field of rural tourism** also represents one of the barriers for achieving competitiveness on the European market, so it is necessary that the LTOs and NTO intensify the joint cooperation in the field of promotion of attractions, tours and individual products within this type of tourism.
- **A lack of the initiative to improve supply and networking at the local level** (as an indirect consequence of a small number of young people involved in rural tourism and insufficient education of the population), especially between travel agencies and other supply providers. This causes problems in creating a supply in rural tourism that would meet the criteria and expectations of foreign tourists seeking high level of hygiene, authentic and traditional accommodation facilities and landscapes, integrated tourism and agricultural offer, organic products and a supply that meets ecological standards in every respect. What is encouraging are the initiatives for the formation of Local Action Groups (LAGs) that can contribute to resolving this problem. In relation to this, the initiative was launched by the households themselves in order to form an association of households active in rural tourism, and which should be formed by the end of 2018. This can be significant for various activities in this sector.

- **A small number of rural households in Montenegro that are adapted to the requirements of foreign visitors** – Although some agencies are very familiar with almost all providers of rural tourism, they often come in a situation that they can not send tourists to certain rural households because they would not meet the criteria of foreign tourists, and thus it creates negative implications regarding the efficiency of cooperation between these two lines of participants in the field of rural tourism in Montenegro. It is necessary to create conditions for achieving a sufficient level of the supply quality, so travel agencies could cooperate more intensively with a higher number of providers.
- **Inadequate system of informing and providing services to tourists** while traveling through Montenegro - The tourist information system has not yet reached the level of development that could be competitive on the international market. Foreign tourists expect a system of information that would enable them to organize unhindered and facilitated logistical details during the journey, so this systemic problem needs to be solved in order to meet the criteria and requirements of foreign tourists, i.e. to improve the supply in rural tourism in Montenegro in relation to the developed rural destinations in Europe.
- **Huge differences in the quality of service in rural tourism** – Problems reflected in the incomplete fulfillment of foreign tourist expectations are often related to traditional hospitality and the authentic service they receive in rural households, which is missing in large and small hotels. Namely, it is necessary to work on the education of people (and not only in rural households) in order to improve the service in other types of accommodation capacities, and in order to create an impression that is close to the one that tourists receive while staying in households, i.e. in order to raise the level of hospitality in these capacities since it is precisely what foreign tourists appreciate and expect within the offer in rural tourism.
- **Insufficient cooperation between public and private sector** – An insufficient level of integration/cooperation between providers, NTO, LTOs and travel agencies. Achieving a higher level of cooperation in this aspect is of great importance for further development of the supply in rural tourism in Montenegro, as this would enable efficient cooperation between the suppliers and other participants in the field of rural tourism. A significant problem is identified in the insufficient engagement of the local population in term of preserving the authenticity of the village and tradition, and exactly this aspect of the supply is what is widely spread in European destinations and it is necessary to follow this example.
- **A lack of a database with compiled contact information about rural households in all regions of Montenegro** – It is a big problem for travel agencies when organizing tours, especially for those travel agencies that are still in the initial stage of development and that need to get acquainted with all supply providers in rural tourism. Creating this database would be of considerable assistance not only to travel agencies, but would also greatly facilitate the business to the supply providers of rural tourism as well, in a way that their offer would be more prominent and become more recognizable on the market, and consequently the conditions for their cooperation and networking would be further improved. Cooperation and exchange of information between ministries and local authorities is of great importance in this case.
- **Undeveloped cultural tourism as a form of tourism complementary to rural tourism** – Cultural and historical heritage has proven to be an integral part of rural tourism in Europe, and rural tourism products such as various tours obligatory contain the elements of the heritage offer.

- **Inadequate tourism infrastructure** – Inadequate mapping and marking of mountain trails, cycling trails, a lack of specialized store for cycling and mountaineering equipment, as well as their servicing, inadequate signalization for tourism attractions. The problem that has been recognized in the central region refers to insufficiently developed supply, which, in geographical terms, creates a zone serving as a transiting one when organizing tours to rural destinations (the areas of Niksic and Savnik).
- **Insufficient knowledge of the procedures relevant to rural tourism** - It refers to the wide ignorance of the procedures relevant to rural tourism, in particular the registration procedures in municipalities. Besides this, the problem are also different interpretations of the procedures, the fact that the procedures have not been adjusted to the situation in the field, as well as the impossibility of katuns to engage in providing services in tourism due to non-adapted regulations.

5.3. Opportunities

Table 8: Opportunities

OPPORTUNITIES	LEVEL
Decision policy of Montenegrin Government for tourism development in the rural areas of Montenegro and diversification of the tourism offer	National
An increasing international demand for nature-oriented tourism	National
An increasing international demand for new (unexploited) tourism destinations	National
Connection with foreign rural tourism destinations via theme arrangements	Agritourism, Products related to nature activities, Products related to rural cultural heritage
Planned and already open tourism resorts (Lustica Bay, Porto Montenegro, Porto Novi)	National
Better utilization of EU funds and interregional resources	National
Formation of LAGs	National
Visitors' demands for the offer of authentic home-made products	Agritourism, Products related to nature activities, Products related to rural cultural heritage
Visitors' demands for organic food and spring water	Agritourism, Products related to nature activities,
Saturation with traditional destinations	National
Strengthening the awareness of rural communities that the development of their areas depends mobilization of local resources and diversification of activities	National
IPARD II	National

- **An increasing international demand for nature-oriented tourism** - Foreign tourists are increasingly looking for preserved nature and opportunities for spending active holidays in nature (hiking, adventure tourism), which provides an opportunity to the rural part of Montenegro, which abounds with natural beauties and diverse offer for active holidays in nature.
- **An increasing international demand for new (unexploited) tourism destinations** – Global and regional trends suggest that more and more tourists are looking for new, unexplored and destinations that have not been affected by mass tourism yet. This is a great opportunity for Montenegro, having in mind that it still has insufficiently established rural tourism destinations.

Although Montenegro has not achieved a level of development that would be competitive on the European market yet, such a status gives it a competitive advantage in terms of defining the offer in rural tourism that can provide tourists with a genuine rural experience and an opportunity for increasingly demanding "digital detox", i.e. rest from computers and similar devices. Therefore, there is a great potential in terms of taking advantage of the natural environment that offers tourists the possibility of staying in less developed and more peaceful areas, which is exactly in accordance with the requirements and expectations of foreign tourists.

- **Connecting with foreign rural tourism destinations through via thematisation** – Montenegro has a geographically favorable position in terms that it is possible to achieve significant cooperation with the countries of the region in the field of rural tourism and these circumstances are of great importance for the future business of travel agencies, especially in terms of creating an integrated offer. The experience of Europe, however, shows that regional projects of this type can be sustainable only if they pay attention to what tourists really want and how they “consume” such products. It is extremely important that the thematization is done due to the attractiveness of such products.
- **Better utilization of EU funds and interregional cooperation** – provides a chance to improve the offer of rural areas and a significant transfer of best practice scenarios with the countries in the region. In order to increase the use of EU funds, it is necessary above all to inform the population better about the existing funds, as well as the training on writing project applications, finding project partners. This is especially important in the context of the preparation of applications for IPARD funds that have available funds for the field of rural tourism.
- **Forming Local Action Groups (LAGs)**, i.e. implementation of the LEADER approach. LEADER represents an innovative approach within the EU rural development policy. The abbreviation means 'Links between the Actions for the Development of Rural Economy' (originally in French), i.e. a method for mobilizing and achieving rural development in local rural communities, rather than the measure package that is to be implemented.⁴¹
- **Visitors' demands for the offer of authentic home-made products** – Under the influence of these demands, it is possible to establish the system of networking of agricultural producers and the placement of their products on the market in order to provide all-year supply from the suppliers with their products.
- **Visitors' demands for organic food and spring water** – Montenegro has a great potential for producing organic/ecological food, and it is of special importance in rural tourism because rural tourists prefer rural households offering organic food and clean spring water.
- **Saturation with traditional destinations** – There are more and more tourists visiting seaside who want to visit also rural destinations located in the hinterland.
- **Strengthening the awareness of rural communities that the development of their areas** depends on the mobilization of local resources and the diversification of activities. This also implies the creation of a stronger team spirit that directly results from the activities aimed at preserving local traditions, and the activities in this sense need to be undertaken in order to work additionally on removing obstacles in terms of accomplishing cooperation with the offer providers or networking.

⁴¹Source: Leader Approach— General Instructions, European Committee 2006, ISBN 92-79-02044-7.

- **IPARD II** – The program of support to agriculture and the development of rural areas for the 2014-2020 programming period will contribute to the strengthening of agricultural production which products are an important input in rural tourism offer.

Also, there may be a significant shift in the range and quality of the tourism offer itself in the rural areas of Montenegro, but it should be kept in mind that many small bidders will not be able to apply to these funds, due to conditions dictated by IPARD. On the other hand, the majority of rural tourism participants are just small bidders, and this is one of the few sectors that can help them diversify their revenues. In this sense, it is very important to envisage the support measures besides the IPARD program which will focus precisely on the small bidders.

5.4. Threats

Table 9: Threats

THREATS	LEVEL
Further depopulation of rural areas	National
A tendency of mass tourism development	National
A slow process of necessary infrastructure reconstruction due to high costs	North region
Insufficiently developed capacities for the preparation and realization of EU projects	National
Increasing environmental pollution	National
Conflicts between development and protection	National
Incontrollable entrance of visitors into protected areas	National
Conflicts between initiatives and projects of sustainable rural tourism and investment projects in other economy sectors	National
A lower possibility of applying low-carbon tourism	National
Static and a lack of capacities of local authorities	National
A lack in a proactive approach to rural tourism development	National

- **Further depopulation of rural areas** - The lack of young people's interest in staying in rural areas could jeopardize the development of rural tourism, because, as noted, the outflow of young people also reduces the competencies and skills needed to provide quality services to tourists and a search for new trends in this area.
- **A tendency towards the development of mass tourism** represents one of the main threats in the development of rural tourism in Montenegro, especially when considering that the balance in terms of maintaining an authentic image and tradition in certain rural destinations has already begun to be disturbed precisely due to the increasing movement towards the development of mass tourism. The problem that occurs at the national level among the offer providers in rural tourism is related to the fact that they most often want to develop at a high speed and do not deal with the aspects of the offer they already have, but within this accelerated development they turn to mass tourism and thus they fail to meet the foreign tourists' expectations and standards who come to Montenegro for rural tourism.
- **A slow process of necessary infrastructure construction due to high costs** – Infrastructure development is one of the key elements of the rural supply. However, the extremely high costs of its development (roads, landfills, telecommunications) can slow down this urgent precondition for the development of rural tourism.

- **Insufficiently developed capacities for the preparation and realization of EU projects** – Rural households are primarily lacking in qualified staff to deal with preparation of EU projects, development of project ideas, but also the realization of projects themselves. This represents a major obstacle in obtaining additional funding and exchange of experience and best practice scenarios with foreign partners that would contribute to the improvement of rural offer.
- **Increasing environmental pollution** – One of the threats concerns with the increase in the number of visitors who can bring negative effects, and another threat relates to the need for educating the local communities to cope with these problems. The problem that exists even without the development of tourism is the fact that rural areas are often not covered by utility/communal services, so the locals find solutions on their own. Tourists visiting rural areas are far more aware of this problem.
- **Conflicts between development and protection** – Tourism development involves the use of space, which is a particular problem when it comes to protected areas.
- **Incontrollable entrance of visitors into protected areas** which endangers fundamental natural resources.
- **Conflicts between initiatives and projects of sustainable rural tourism and investment projects in other sectors of the economy.** In rural areas there may be an interest emerging in other sectors, whereby space is a resource that is also needed in tourism. The conflict originates from the fact that the space needed for the development of tourism can be occupied by facilities that serve to some other activity. Another problem is that the activities that are not compatible with the development of tourism can be developed in that area.
- **A lower possibility of applying the principles of low-carbon tourism** - Apart from being one of the main factors of economic growth, infrastructure development and attracting investment in the country, the tourism sector in Montenegro has a large share in the emission of harmful gases due to its connections with other sectors. Therefore, the promotion of low-carbon tourism in Montenegro is of great importance, given the status of an ecological state. Certainly, some forms of tourism related to nature activities (cycling, mountaineering, rafting) in this sense give their contribution and strengthen the attractiveness and competitiveness of rural tourism based on preserved natural resources, which further contributes to the improvement of the tourist offer, quality of services and protection of biodiversity. However, due to relatively poor accessibility of destinations in the inner land, or insufficient development of not only the traffic infrastructure, but also the traffic system, the rural destinations, not only in Montenegro, but also in other countries, will not be able to introduce the principles of low-carbon tourism to a large extent. The only area for applying this principle relates to stimulating the placement of local agricultural products to tourists, either through hospitality facilities, or through local markets, which eliminates the need for their transportation to other locations.
- **Static and a lack of capacity of local authorities** – The support to rural communities in the field of tourism development involves fieldwork, i.e. a public sector initiative to support entrepreneurs at least in the initial phases of dealing with this sector of tourism, which considers the existence of the necessary HR capacities provided at the local level.
- **A lack of proactive approach to rural tourism development** – LTOs are recognized as key initiators of promotional and information activities related to rural tourism at the local level. A key challenge in this context lies in the lack of resources and financial capacities to adequately respond to the tasks in the field of rural tourism promotion.

VI PROGRAM DEVELOPMENT

6.1. Defining goals of rural tourism development

The overall objective of the rural tourism development in Montenegro derives from the unique objectives of the Montenegrin rural development policy for the period 2015-2020 set by SARD 2015-2020, and these are:

- Encouraging sustainable, high-quality production through the development of a competitive and innovative agricultural-food production sector that is able to withstand the pressure of competition on the domestic and EU market and to meet EU standards and market requirements;
- Achieving sustainable management of natural resources and diminishing the effects of climate changes through the management of forest and water resources as well as the introduction of agricultural production that protects the environment and diminishes the impact on climate;
- Achieving an equal territorial development of rural areas by stimulating diversification of economic activities, creating new jobs and social inclusion and improving living conditions in rural areas.

The strategic goal of the STD by 2020 has also been taken into consideration and this means that by applying the principles and goals of sustainable development for Montenegro, the position of a globally high-quality tourist destination is to be created in order to achieve an increase in the number of jobs and living standards, and that tourism becomes a stable and reliable source of income. Also, the Measures and Goals outlined in this document are also considered.

Starting from the standpoint that rural space and attractions should not be considered as a resource for tourism development, but thinking that the correct standpoint is that tourism is a stimulator of the development of rural areas and communities, *the strategic objective of rural tourism development is directed towards a sustainable development of a diversified and authentic rural tourism offer that will create the foundation for improvement of the living standard of the population in the rural area and will cease the depopulation of rural areas.* It derives a set of specific, operational goals for rural tourism development in Montenegro. Those are:

1. Development of the system of rural tourism experience and the supply integration.

The achievement of this goal is important because it is necessary to establish an integrated value chain in rural tourism throughout the whole territory of Montenegro. Many identified shortfalls of the supply are actually the consequence of the fact that the product is not integrated.

2. Development of tourists' awareness and knowledge about the rural tourism offer in Montenegro.

This goal relates to the positioning of rural tourism on the market, taking into consideration the brand and positioning of Montenegro as a destination. There is an intention to raise the awareness of tourists that Montenegro is an exceptional destination for various forms of tourism activities in the rural environment. This also implies that new technologies are to be introduced more intensively in the marketing and sales system of rural tourism products.

3. Training and activating rural communities, entrepreneurs and companies to improve the value of rural products through active participation in sustainable development management of their destinations.

The success in the development of rural tourism requires the participation of all stakeholders in planning and creation of a tourism product. Individuals, entrepreneurs, small and medium enterprises dealing with rural tourism must possess necessary knowledge to take on their role in the management process. Therefore, this goal is extremely important. Further elaboration of measures and activities on the implementation of these goals is given in the part of this document entitled *Proposal and Prioritization of Measures and Activities for the Development of Rural Tourism.*

6.2 Defining priority products

In the context of the existing natural and organizational conditions, as well as the visitors' interest, it can undoubtedly be determined that Montenegro has the capacity for the development of a complex network of these products, whereof some of them have already advanced in market commercialization. Many of these products have not yet been developed as separate products but they exist in a form of activities. Most of the products within the nature activities have already been recognized on the market. Eco-tourism is growing, reflected in the growing trend of katuns and ethno-villages development in the north of the country or the activities (such as bird watching in the south). Some activities, such as horse riding or sports fishing and hunting, are not separate products, but they represent additional activities to other products. Freshwater fishing has a development opportunity as an additional offer to the current tourist offer (e.g. in the form of sports fishing) with a significant potential for catching, processing and selling of fish from Skadar Lake. Fishing tourism on Skadar Lake and hunting tourism on the lake and in the mountain hinterland under the jurisdiction of Public Company "Rumija" are significant opportunities for the development of these areas and introduction to the official tourist offer. On the rivers Tara (Kolasin) and Lim (Plav with Andrijevisa, which will host the European fly fishing championship in 2019) there is a great potential for the development of sports fishing as a complementary offer to rural and mountain tourism.

The products that are currently in the phase of significant commercialization should represent a development stance for the development of an integrated supply of rural tourism in Montenegro. For this reason, product prioritization was conducted based on these facts. In accordance with the results of thorough interviews with key stakeholders from the private, public and civil sectors, as well as visitor surveys, PRTD 2019-2021 recommendation is that Montenegro should focus on several key products to which particular attention should be paid.

Agritourism and staying in rural households, from the aspect of the market value, do not represent a priority, but from the aspect of realization of the basic objective of rural tourism development it is extremely important to support this product. This product is especially significant because many tourists (a group of nature activity seekers) use rural households for accommodation, food and the like.

Therefore, as leading products, i.e. stimulators of the overall rural tourism development the following have been recognized:

Table 10: Priority products of rural tourism in Montenegro

PRIORITY PRODUCTS OF RURAL TOURISM IN MONTENEGRO			
PRODUCTS GROUP		INDIVIDUAL PRODUCTS	
1	Agritourism	1.1	Accommodation in an agricultural husbandry
		1.2	Accommodation or a visit to an agricultural husbandry with indirect contact (serving husbandry's products for a meal)
		1.3	Accommodation or a visit to an agricultural husbandry with direct contact in a form of demonstration of agricultural activities
		1.4	Accommodation or a visit to an agricultural husbandry through participation in activities with the hosts
2	Tourism based on nature activities	2.1	cycling / mountain cycling
		2.2	hiking / mountaineering
		2.3	Eco-tourism
		2.4	Adventure activities / extreme sports (canyoning, paragliding, alpinism, rafting)
3	Other products related to rural cultural heritage	3.1	Wine tourism, gastronomic tourism and products tasting
		3.2	Visits to historical sites and local museums
		3.3	Theme routes related to cultural and historical heritage

Here one should bear in mind that certain agricultural husbandries can choose exclusively for catering services without accommodation, i.e. that they are focused on daily visits, in which case they may be degustation centres, depending on whether they will provide service of serving – tasting their own agricultural products (e.g. wine, honey, olive oil), i.e. cold dishes and drinks, in other words, restaurants, if they provide the services of hot meals. Also, husbandries can also opt for other tourism services (workshops, ethnographic collections, sports recreation).

In terms of accommodation, they can opt for more alternatives (rooms, houses, bed and breakfast accommodation, katuns). In addition, entrepreneurs and small businesses can develop as ethno-villages, camps and other, which needs to be regulated by new regulations.

The above-mentioned product categorization does not in any way mean the neglect of business opportunities provided by other products. On the contrary, priorities signify those products around which an integral offer should be built, because the experience shows that tourists want a combination of several products, which implies the development of an integrated offer. Other products, in situations where a market interest is spotted, should certainly be supported. In all this, one should not neglect the fact that many of the products that are not shown here as priorities are in fact already integrated in a certain way in the mentioned priority products. Thus, in the group of agritourism products there are also rural husbandries with certified organic food, rural husbandries specialized for children and others.

6.3 A proposal and prioritization of the measures and activities for the rural tourism development

Based on the previous analysis of different development programs and strategies it has been concluded that one part of the measures and priorities has not been implemented in practice. Regarding this, the focus will be on the realistic number of concrete measures in order to enable a higher level of implementation of the proposed activities in the next three years. The following table presents operational goals, priority areas for achieving goals and measures for their implementation.

Table 11: Goals, priorities and measures

GOALS, PRIORITIES AND MEASURE		
OPERATIONAL GOAL 1: DEVELOPMENT OF THE SYSTEM OF RURAL TOURISM EXPERIENCE AND THE SUPPLY INTEGRATION		
Priority 1.1: PRESERVATION OF AUTHENTICITY AND COMFORT IMPROVEMENT	Measure 1.1.1	DEVELOPMENT OF A SUPPORT PLAN TO PRESERVATION OF OLD CRAFTS AND HANDICRAFT AND TRADITIONAL STYLE OF LIFE/WORK – It is necessary to establish a support program in cooperation with the Ministry of Culture and provide incentives for the population dealing with old crafts and handicraft, which would contribute to preserving the tradition and enriching the offer of rural households. One of the existing proposals is to integrate crafts as well through the MIDAS Public Invitation "Diversification of a Husbandry and Business Development". Other activities that are a part of the traditional style of life and work (gathering hay, horseback riding, collecting forest fruits, distillation of brandy, picking fruit, cow milking, cheese making, preparing traditional meals, fishing on a lake or sea, raising on katun, mowing, picking, religious customs, ritual costumes) should be preserved and encouraged through support, training and promotion.
	Measure 1.1.2	THE PROGRAM OF RURAL AREA AND AMBIENT ARRANGEMENT – Maintaining the tradition and authenticity in rural areas and among the local population represents the basis for the development of rural tourism, so it is necessary to invest additional efforts to preserve this specific offer segment that attracts tourists. For example, arranging squares and other public areas along with maintaining the authenticity of the rural architecture style. During this process, it is especially important to pay attention to the use of traditional building materials, preserving the natural environment, the arrangement, i.e. decoration of the households in accordance with the traditional style that is authentic to the specific region, which would, with respect to the authentic architectural style, contribute to the attractiveness of the village.
	Measure 1.1.3	SUPPORT TO PRESERVATION OF TRADITIONAL RURAL HOUSES AND ENTAILING FACILITIES - There is an increasing number of cases when traditional rural houses are demolished, and the houses that do not fit the authentic rural environment are built instead. In order to prevent this, it is necessary to establish a program of financial support for the adaptation and restoration of such rural houses.
	Measure 1.1.4	SUPPORT TO COMFORT IMPROVEMENT (support for pools, mini-spas, toilets/bathrooms, etc)
	Measure 1.1.5	INTRODUCTION OF REGIONALLY AND LOCALLY SPECIFIC ELEMENTS OF THE OFFER – The introduction of typical breakfast („Durmitor breakfast” or „Skadar breakfast”). This type of breakfast would contain

		local products from the exact surrounding. In this way, a market for local agricultural producers would be ensured.
<p>Priority 1.2: INTEGRATED DEVELOPMENT AND PRODUCT INNOVATION</p>	<p>Measure 1.2.1</p>	<p>SUPPORT PROGRAMS TO AN INTEGRATED AND INNOVATIVE OFFER - A priority in the support grant should be provided to supply providers who are a part of a wider integrated offer in rural tourism or if such an offer is in progress. This means the existence of other elements of supply (culture, activity) that are attractive to tourists or the facility is on an already existing route. This also prevents the fact that an agricultural husbandry or an entrepreneur enters an unprofitable business.</p>
	<p>Measure 1.2.2</p>	<p>DEVELOPMENT OF ROAD INFRASTRUCTURE, TRAFFIC SIGNALING AND RESOLVING THE PROBLEM OF WASTE AND WASTE WATER - These are crucial issues and problems of the general Montenegro development, so this issue should be solved in synchronization with other relevant ministries. This is important exactly because of better supply integration. In addition, villages with several active households in tourism should be a priority for utility communal companies in terms of their attachment to the network of locations from which organized waste disposal is organized.</p>
	<p>Measure 1.2.3</p>	<p>INTRODUCING AND MAINTAINING FREE WIRELESS INTERNET FOR HOUSEHOLDS AND KATUNS DEALING WITH RURAL TOURISM –Signal availability is a common problem. Households themselves, but also ethno-villages and others should have their own wireless Internet. This Measure is of particular importance as it is the basis for the measure 2.1.5.</p>
	<p>Measure 1.2.4</p>	<p>INTRODUCING A QUALITY MARK IN AGRITOURISM – A system of the existing categorization of facilities is a necessary condition for determining the minimum technical requirements for facilities where services are provided to tourists, but in order to have a stronger impression on the quality of service for visitors, a special quality system for households should be developed with special marks (a typical flower, a plant or something else).</p>
	<p>Measure 1.2.5</p>	<p>ORGANIZATION OF VISITS (TOURS) OF TRAVEL AGENCIES TO RURAL TOURISM OFFER PROVIDERS IN PURPOSE OF ADVISING THEM ABOUT THE OFFER IMPROVEMENT – Until the management system for rural tourism development has not been established, it is necessary to organize a meeting of tour operators with rural tourism service providers, especially agritourism, in order to indicate on the spot the necessary improvements or product modifications with a purpose of their inclusion in the offer of the tour organizers. Such activities in the north have already been done.</p>

OPERATIONAL GOAL 2: RAISING TOURISTS' AWARENESS AND KNOWLEDGE ABOUT THE RURAL TOURISM OFFER IN MONTENEGRO		
Priority 2.1: POSITIONING OF RURAL TOURISM WITHIN MONTENEGRO BRAND	Measure 2.1.1	ORGANIZATION OF TOURS FOR TRAVEL AGENCIES TO GET TO KNOW/ GET INFORMED ABOUT RURAL TOURISM OFFER – Tours that are organized to make travel agencies familiar with the tourism offer of the destination are not new in Montenegro. Now it is necessary to focus these activities on the offer in rural tourism.
	Measure 2.1.2	DEVELOPMENT OF MARKETING COMMUNICATIONS INDICATING A DISTINCTIVE RURAL CHARACTER OF MONTENEGRO – The research has shown how tourists see Montenegro in this regard, therefore, it is necessary to develop and issue adequate marketing messages through traditional and new promotional channels in order to better present rural tourism. The development of an adequate logo, slogans and other elements are part of this measure.
	Measure 2.1.3	TO FIND AND ACTIVATE OTHER COMMUNICATION CHANNELS FOR PROMOTION OF RURAL TOURISM PRODUCTS – Via journals dealing with the activities in the nature (e.g. <i>Outside Magazine, Trek & Mountain, Sidetracked, The Great Outdoors, Outdoor Magazin, Mountainbike Magazin</i> etc.); organization of <i>Iron Man</i> competition etc.
	Measure 2.1.4	THE CAMPAIGN #MONTENEGRORURAL (A WORKING TITLE) – To launch a campaign for the engagement of bloggers and authors dealing with social media marketing in rural areas of Montenegro so they would promote the rural areas under a unique hashtag.
Priority 2.2: DIGITALIZATION OF RURAL PRODUCTS PROMOTION AND SALES	Measure 2.2.1	DEVELOPMENT OF A MOBILE APPLICATION (ANDROID, iOS) – The application would be online and offline, and would consider general information about rural products in the widest sense of the word, with additional modules that include more details: detailed theme maps and routes (by product type – biking, canyoning, etc), guide contacts, restaurants with prices and contacts, overnight facilities with contacts, etc. The application would be linked to social networks and there would be a possibility of online registration, restaurant reservations, etc.
	Measure 2.2.2	DIGITALIZED VISITORS CENTRES – relate to centres located in inhabited areas from which visitors start off with the tours (cyclists, pedestrians), and where there are no employees, but all information is provided via interactive screens.
	Measure 2.2.3	DEVELOPMENT OF RURAL TOURISM PORTAL WITH A MODULE OF CENTRAL RURAL ACCOMMODATION BOOKING – In developed European countries this channel of sales proved to be crucial, especially for agritourism. Booking is of a commercial nature, which means that it must provide a profit to the owner. Experience shows that those public-sector-owned booking modules are not efficient, but this type of functionality is achieved only by those which are a private initiative. Therefore, it is necessary to find a way to find through a public call a booking system operator in rural tourism, who would be given financial support in advance in order to reduce the risk characteristic for the initial phase of the booking system development. It is necessary to see how it is possible to integrate the existing initiative in the north of Montenegro. Also, the system would consider that the information and inquiries to non-digitized households are automatically delivered via SMS.

OPERATIONAL GOAL 3: TRAINING AND ACTIVATING RURAL COMMUNITIES, ENTREPRENEURS AND COMPANIES TO IMPROVE THE VALUE OF RURAL PRODUCTS THROUGH ACTIVE PARTICIPATION IN SUSTAINABLE DEVELOPMENT MANAGEMENT OF THEIR DESTINATIONS

<p>Priority 3.1: STIMULATION OF THE INTEGRATED AND ACTIVELY PARTICIPATING MANAGEMENT OF RURAL TOURISM DEVELOPMENT</p>	<p>Measure 3.1.1</p>	<p>FORMATION OF A PERMANENT WORKING GROUP FOR RURAL TOURISM (WGRT) – The role of this working group relates to the strategic coordination of all activities in the development of rural tourism at the national level. Details are given in the "A Model of Management of Rural Tourism Development".</p>
	<p>Measure 3.1.2</p>	<p>CREATION OF SERVICE CENTRES FOR RURAL TOURISM SUPPORT – There would be several roles for the service centre. The first refers to regular information on projects and support programs. This means that potential users are informed each time new information appears (email, SMS). Another role would be to support administrative procedures related to registration of husbandries. The third role would be support in writing of project applications, while the fourth would be assistance in business development (pricing, promotion). Service centres should be located at the regional level.</p>
	<p>Measure 3.1.3</p>	<p>FORMATION OF REGIONAL WORKING GROUPS FOR RURAL TOURISM (RWGRT) – The role of this working group relates to the coordination of the activities in the development of rural tourism at the regional level.</p>
	<p>Measure 3.1.4</p>	<p>INCLUDING ASSOCIATIONS AND CLUSTERS OF RURAL TOURISM, AND LATER ON, OF LOCAL ACTION GROUPS IN THE MANAGEMENT SYSTEM OF RURAL TOURISM DEVELOPMENT - The fact is that an initiative was launched in Montenegro to establish LAGs (in Niksicka Zupa) also with participation of representatives from the field of tourism. Given that LAGs should play an important role in this domain, it is necessary to work with them timely in order for them to understand the tourism system and be efficient in supporting the development of rural tourism. An association of rural households that will be formed at the national level can play an important role in this, and preparations for this process are in progress.</p>
<p>Priority 3.2: REINFORCEMENT OF SUSTAINABILITY OF RURAL ENTREPRENEURSHIP</p>	<p>Measure 3.2.1</p>	<p>DEVELOPMENT OF A MENTORING SYSTEM FOR HOUSEHOLDS AND ENTREPRENEURS – Experience has shown that it is not only the lack of information on education sessions, but also the inability of entrepreneurs and members of households to go to education sessions at remote locations. Therefore, direct field work is required. The problem that relates directly to rural households is insufficient level of independence in the development of the rural tourism offer, so it is necessary to work on strengthening their capacities through various trainings, thus bringing the offer providers gradually into the position to independently achieve the efficient development of the offer. Therefore, trainings are an integral aspect of the activities that need to be undertaken in order to achieve a higher level of rural tourism development in Montenegro. However, while education sessions for the public sector and large companies can be organized at different locations, work with small offer providers such as households can only be organized on the field.</p>
	<p>Measure 3.2.2</p>	<p>DEVELOPMENT OF A SYSTEM COLLECTING MANAGEMENT INFORMATION ABOUT MONTENEGRO RURAL TOURISM – Many of the information concerning service providers in rural areas can be found in the Register of Tourism of Montenegro. However, in order to make management decisions it is necessary to cross information on</p>

		service providers, tourism turnover, existing routes and the results of various research. This process involves continuous market research at least every three years.
	Measure 3.2.3	PROVIDING SUPPORT AND INCENTIVES TO YOUNGER GENERATIONS TO RETURN TO COUNTRY-SIDE – It is about encouraging rural development through grants or fund for young entrepreneurs. Young people need to be opened a perspective of life and work in the countryside. This means that they need to be stimulated to return or stay in rural areas by providing support for dealing with agritourism. This also means encouraging women entrepreneurship, because the experience in Montenegro has shown that women are the backbone of services in agritourism.
	Measure 3.2.4	DEVELOPMENT OF A MORE EFFICIENT REGISTRATION SYSTEM FOR SMALL ACCOMMODATION CAPACITIES WITHIN RURAL TOURISM – The problem arises because some municipalities charge registration fees, where the fee for these services is twenty times higher than the registration fee itself. It is, therefore, necessary to make this system simpler and more efficient. This should certainly apply onto the taxation and registration system of tourist residential fees.
	Measure 3.2.5	ORGANIZATION OF TRAINING SESSIONS – It is necessary to establish the needs for competencies and skills of rural entrepreneurs and to prepare programs of several-year trainings.

6.4 A proposal of the management system

In the current situation, despite the lack of an adequate system for managing the development of rural tourism in Montenegro, this type of tourism is still developing independently, stimulated by increased market interest with the help of the existing incentive system and the support of some regional organizations. Nevertheless, the complexity of the necessary activities to be undertaken in order to initiate the integrated development of rural tourism in Montenegro implies the need for these activities to be undertaken by an organization that will take responsibility in this sense not only to implement the measures envisaged in PRD 2019-2021, but also to conduct other activities for which the need arises on the basis of various changes and developments in the internal and external environment, and which is indicated by the monitoring and evaluation process. The nature of the envisaged measures is such that it is necessary to ensure the linking of various participants of rural tourism from the public, private and civil sectors. After all, this linking represents a prerequisite via an integrated approach to structure rural tourism experience in an attractive way and accessible to potential visitors. An integrated approach considers an inevitable blend of tourism, agriculture, nature and culture, because a successful rural tourism product is built on these foundations. It is necessary to deal with the development of competitiveness of this area in a professional and effective way. This means defining the process of managing the development of rural tourism. The facts that are significant for identifying, i.e. choosing the appropriate management model can be sublimated as follows:

1. LTOs are mostly focused on the marketing activities of their administrative areas, but despite the existence of annual marketing plans, there are no significant advances in destination marketing, and especially not in the domain of destination management. On the other hand, this is not a feature of LTOs alone. Insufficiently developed capacities in this sense represent a long-standing problem of the entire system of local destination marketing in the region (in Montenegro and neighbouring countries), caused by an inadequate human resources structure, often with insufficient knowledge and experience in marketing and management, more than modest financial resources, insufficient knowledge of budgeting techniques.

Therefore, this segment should be given special attention in the future within the activities that LTOs conduct in order to take an active position in creating a value chain in rural tourism.

An additional aggravating circumstance is the unequal power of individual LTOs arising from the economic, i.e. market power of the very few destinations, and which is related to the volume and strength of the tourism business in individual cities/municipalities (for example, destinations in the coastal region have higher budgets than those in the central and the northern region).

2. Some elements of the management of the rural tourism development and networking, which are directly or indirectly related to this type of tourism, already exist. For example, RDA BKP implements broader activities in the field of rural development, especially rural tourism. Responding to the growing tourism market related to nature activities, RDA BKP has greatly contributed to the animation of households to engage in providing tourism services, and through several regional projects, among other things, it significantly contributed to the construction of tourism infrastructure and setting the foundations for adventure activities (mapping and marking of trails and other). Innovation and entrepreneurship centre Tehnopolis from Niksic initiated the creation of the cluster "Agritourism", the cluster of tourism "Montenegro" and the female cluster of handicraft "Riznica" (Treasury). It should also not be forgotten the formation of other clusters related to tourism – a cluster of wine and a cluster of olive oil, as well as linking cheese producers and honey producers. Also, it is particularly important that the project of establishing local action groups (LAG "Župa") is started and it is expected that this process will continue.
3. So far, there have been measures to support the development of rural tourism at the national level, whether these are the MSDT support measures, where applicants in the field of rural tourism could also apply equally for funding, whether these are the MARD support measures specifically intended for the offer improvement in rural areas. This set of incentives through PRTD 2019-2021 needs to be aligned with other measures in a systematic way and establish a system for managing the development of rural tourism.
4. There is no universal model for rural tourism management. The practice of Western European countries is diverse with great regional differences within countries. But in all cases where a successful development of rural tourism can be noted, the key to success was the formation of networks and the cooperation of various participants from the public, private and civil sectors. However, in addition to this, the key success factors are related to the proximity of large agglomerations, whereby rural tourism was primarily stimulated by domestic tourist demand (examples of Great Britain, Italy, France, Germany, Austria), often, especially at a later stage of development, in combination with the vicinity of the coastal destinations. During the course of time, with the change of visitor requests in the direction of a greater diversity of tourism experience while staying at sea, all of these created a new demand (Spain, Italy, southern France, Croatia – Istria).⁴² The main role in support providing to local tourism development in EU countries was played by the regional authorities. At the local level, in some cases, a significant role has been played by the LEADER approach.
5. It is important to emphasize that the existence of institutions that manage the rural tourism development and provide support is necessary, but the institutions can not help if there are no in parallel entrepreneurship spirit on the one hand and the tourists' interest on the other hand, while in the areas where tourism is clearly underdeveloped leadership is also necessary.

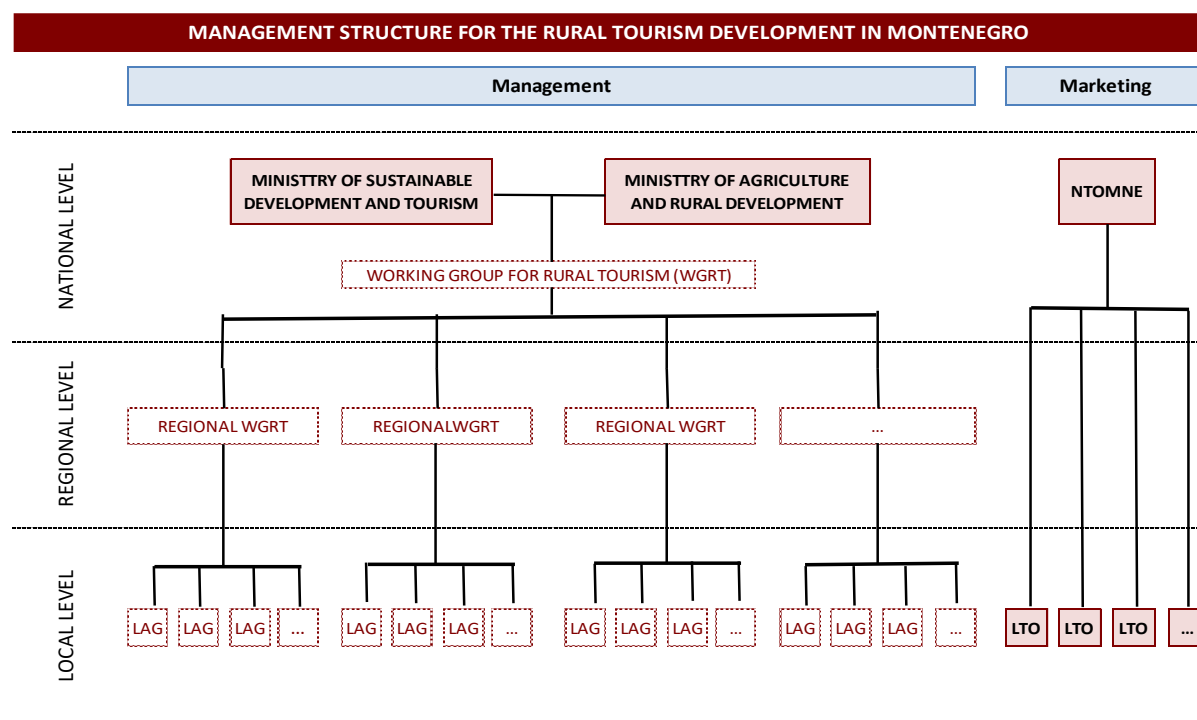
⁴² Urban agglomeration represents a wider area of the city or a group of settlements that form a single area.

6. The existing rural tourism scene in Montenegro, in terms of development, marketing and sales, does not have the necessary synergy which is achieved through a wider integration of the participants. There are important national-level institutions that run the development policy (MSDT and MARD), and in the domain of marketing it is NTO. Furthermore, the fact of the emergence and development of a range of clusters that directly or indirectly relate to rural tourism is encouraging, which indicates that there is a strong desire for associating in purpose of further development or solving mutual problems. On the other hand, the rural tourism sector in Montenegro is still characterized by insufficient networking and coordination.

7. In order for the new management system to be effective, it must provide the following:
 - Full financial, administrative and political support of the Government of Montenegro and local governing entities;
 - Influence on decisions and resolutions of the institutions and entities in charge;
 - Authority to initiate changes and receive support;
 - Full support from the private sector;
 - A capacity to promote the integration of tourism and rural economy (primarily agriculture), i.e. to develop an entrepreneurial and innovative aspect of the offer;
 - Competent and professional staff (which mostly needs to be trained).

Based on the afore-mentioned facts, a model of rural tourism management in Montenegro can be shown as in Figure 2.

Figure 2. A model rural tourism management in Montenegro



National level

The key national stakeholders are the ministries in charge (MSDT and MARD) supported by the activities of national tourism marketing conducted by NTO. Strategic activities are planned, coordinated and further directed via Working Group for Rural Tourism (WGRT), which represents a permanent entity. Besides the representatives of MSDT, MARD and NTO, representatives of MC, representatives of regional development agencies, a representative of National Parks of Montenegro, representatives of civil sector organizations that focus on rural development or development of rural tourism, a representative of the Montenegro Chamber of Commerce, a representative of Montenegrin Tourist Association from the agencies involved in the organization of this type of tourism trip in Montenegro, the leaders of rural tourism development for whom the ministries in charge consider they should be the members of the group, as well as the representatives of the rural tourism associations of national character, representatives of non-governmental organizations dealing with the issues of rural tourism should all be a part of this group. Due to the efficiency, the number of permanent members of the Working Group should not exceed 25 persons.

Regional level

On the example of Western Europe, the local development of rural tourism was institutionally most supported by regional authorities. Strategic activities at the regional level are planned and elaborated within the RWGRT. The members of this working group are representatives of larger clusters of significance for the development of rural tourism, representatives of local authorities, representatives of rural accommodation associations, as well as representatives of the civil sector. In the future, there should be also representatives of local action groups included. The number of members should be at most 25. The experiences of neighbouring countries indicate that regional organization of tourism marketing is not efficient unless clear funding sources and professional (trained) staff are provided. Considering the factual situation, the function of marketing of regional rural tourism products should be responsibility of NTO.

Local level

At the local level there are currently LTOs and one local action group in the process of establishment which includes several municipalities. The model envisages that LAGs play an important role in the future of rural tourism (although their role is much wider). These are the points where the interests of all participants in the field of rural development and especially of rural tourism can be reconciled and harmonized at the local level.

Particularly important is their role in gathering the civil sector initiatives, which has proven to be very active in the areas of interest for the development of tourism in rural areas in recent years. Through this form of organization, clusters in the field of rural development and agritourism can clearly articulate and more easily conduct their activities. LAGs are able to concentrate on local issues and seek the right solutions in the interaction of representatives of the public, private and civil sectors. However, there is no need to wait for the establishment of LAGs, but in the present situation, municipal or inter-municipal rural development councils should be formed as starting-points of the LAGs, primarily in order to accelerate the process of solving problems and using development opportunities, as well as connecting different participants for the purpose of forming wider support to the rural tourism development.

Local accommodation and hospitality providers, clusters and associations of agricultural producers, various sports, mountaineering and fishing associations, as well as local tourism organizations find their place here. The model envisages the interaction and harmonization of all three levels, while the operational development of products is dealt with by the representatives of local authorities from the secretariat(s) dealing with rural development, marketing is dealt with by NTO and partially by LTOs in the domain of visitors information.

6.5 Monitoring and evaluation

The Action Plan presents the means of verification, i.e. indicators of operational goals, as well as of all activities. It is a set of checkpoints and performance indicators, which in fact serve to monitor the activities in accordance with the established dynamics as well as for the final evaluation of the execution of the planned activities. The role of monitoring and evaluation represents the responsibility of the institution in charge.

In the case of PRTD 2019-2021, the responsible monitoring institution is MSDT. Within the monitoring system, the necessary data for monitoring needs will be collected by all relevant entities and institutions listed in the Action Plan as partners. These data are then directed to the Working Group for Rural Tourism. The Working Group for Rural Tourism (whose establishment is envisaged for the first quarter of 2019), prepares an overview of the accomplished activities, prepares proposals and suggestions for possible corrective actions and delivers that internal report to MSDT for six months. MSDT prepares the Annual Report on the execution of the Action Plan and submits it to the General Secretariat of the Government. The report is based on the realization of the activities envisaged by the Action Plan of this Program. Monitoring considers continuous following of the realization of goals and activities in accordance with the indicators envisaged.

Upon the expiration of the time frame within which the Program has been adopted, MSDT prepares the final report and submits it to the General Secretariat for the opinion.

Evaluation is conducted ex-post, i.e. at the end of the Program's implementation. The evaluation should be conducted by an independent entity of MSDT, i.e. Directorate of the Development of a Tourism Destination and Tourism Infrastructure.

VII PLAN OF ACTIVITIES FOR THREE-YEAR PERIOD

ACTION PLAN FOR RURAL TOURISM DEVELOPMENT 2019-2021												
OPERATIONAL GOAL 1: DEVELOPMENT OF THE SYSTEM OF RURAL TOURISM EXPERIENCE AND THE SUPPLY INTEGRATION												
										Start value	Target value	
Performance indicator 1	Approved funds for preservation of the authentic architecture and ambient in min. 3 villages by 2020.										0	3
Performance indicator 2	Approved funds for adaptation and restoration of rural facilities meant for providing tourism services along with preservation of the traditional style for min. 6 users by 2020.										0	6
Performance indicator 3	Organised min. 2 TAs' visits (tours) to rural tourism offer providers by 2020 (1 tour a year) in purpose of advising them about the offer improvement.										0	6
Priorities	Measure	Activities	Responsibility	Partners	Financing source	Deadline (quarter/year)		Indicator	Estimation in EUR			
Priority 1.1: Preservation of authenticity and comfort improvement	1.1.1 Development of a support plan to preservation of old crafts and handicraft	1.1.1.1 To create a database on old crafts and handicraft.	MSDT	MARD, ME, MC, WGRT – after foundation, Municipalities/Los	Budget of Montenegro	I-II	2019	The database completed	10.000 EUR (also includes the activities 1.1.2.1 and 1.2.1.1.)			
		1.1.1.2 To include crafts and handicraft in public invitations to the support to rural tourism development	MSDT, MARD	ME, MC, NTO, WGRT		II	2019 - 2021	6 old crafts and handicrafts included in the support program to rural tourism development	Subsequent estimation			
		1.1.1.3 Arranging workshops /round tables in order TAs to meet the offer of old crafts and handicraft (so they include them in their offer) to meet the service providers with tourists' needs	MSDT	NTO, MTA, ATAMNE Municipalities/LTOs		II	2020	min. 3 workshops/round tables held	3.000 EUR			
		1.1.1.4 Monitoring of realization of the initiative for including the crafts	MSDT	NTO, MTA, ATAMNE		IV	2020 - 2021	Minimum 2 TAs included the crafts and handicraft into	Financial resources are not necessary			

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



				workshops into the package arrangements						the offer of their arrangements	
1.1.2	The program of the rural area and ambient arrangement	1.1.2.1	To create a database of the list of villages preserving a traditional architectural style	MSDT	MC, Municipalities MARD, ME	Budget of Montenegro	I - II	2019	The database completed	The cost included within the activity 1.1.1.1	
		1.1.2.2	To make a list of villages according to the No. of preserved facilities constructed in a traditional architectural style and according to the number of tourism service providers	MSDT	LTOs, RWGRTs		III	2019	The list made and ranked according to the priorities	Financial resources are not necessary	
		1.1.2.3	To define support programs for village and rural ambient arrangement	MSDT	MSDT, MARD, RWGRTs, municipalities		II	2020	Programs adopted	Subsequent estimation	
		1.1.2.4	To announce public invitations for the support programs for village and rural ambient arrangement	MSDT, MARD	MARD, MC,		I	2021	The public invitation announced	Subsequent estimation after the program defining	
1.1.3	Support to preservation of traditional rural houses and entailing facilities	1.1.3.1	To define criteria for adaptation and restoration of facilities in accordance with a traditional architectural style	MSDT, MARD	MSDT, MC, municipalities	Budget of Montenegro, IPARD II	I - II	2020	Criteria adopted	Subsequent estimation	
		1.1.3.2	To define the support program for adaptation and restoration of rural facilities meant for	MSDT, MARD	MC, RWGRTs, municipalities		III-IV	2020	The support program for adaptation and restoration of rural facilities defined and adopted	Subsequent estimation	

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



			providing tourism services							
		1.1.3.3	To announce public invitation for the support program for adaptation and restoration of rural facilities meant for providing tourism services	MSDT, MARD	MC, RWGRTs		I	2021	The public invitation announced	30.000 EUR/year
1.1.4	Support to the comfort improvement	1.1.4.1	To define criteria for the public invitation for tourist comfort increase (mini saunas, pools)	MSDT	WGRT, RRA	Budget of Montenegro	I	2020	Criteria adopted	Financial resources are not necessary
		1.1.4.2	To announce public invitation for the support program to comfort increase	MSDT			II	2020 - 2021	No. of public invitations (2)	30.000EUR/year
1.1.5	Introduction of a regionally and locally specific element of the offer	1.1.5.1	To conduct inventory of typical agricultural products according to regions (harmonize that with MARD)	MSDT	MARD	Budget of Montenegro, Interregional cooperation programs IPA (Montenegro -Serbia),	I	2019	The inventory conducted	5000 EUR also includes the activity 1.1.5.2
		1.1.5.2	To research production capacities and supply chains of typical agricultural products in order to provide the supply continuity	MSDT	MARD, local associations/ clusters	CEI, RCC	II-III	2019	The list of products suitable for inclusion in the offer made	The cost included within the activity 1.1.5.1
		1.1.5.3	Negotiations with larger hospitality service providers about the inclusion of typical agricult. products in the offer	MSDT	MARD, local associations		IV	2019 - 2021	Minimum 7 Letters of Cooperation signed (2019: 1; 2020: 3; 2021: 3)	Financial resources are not necessary

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



			1.1.5.4	Promotional activities for inclusion of typical agricult. products in the tourism offer (for which the agreements have been signed)	MSDT	MARD, NTO, local associations		II	2020 - 2021	The number of products in the offer is minimum 15	5.000 EUR/year
Priority 1.2: Integrated development and product innovation	1.2.1	Support Programs to the integrated and innovative offer	1.2.1.1	Creation of database and a map within rural tourism by municipalities and villages – accommodation, culture, activities, theme routes, crafts (workshops), handicraft	MSDT	LTOs, local associations/ clusters, national parks, mountaineering associations	Budget of Montenegro, RCC	I-II	2019	The database and the map completed	The cost included within the activity 1.1.1.1
			1.2.1.2	To define criteria for support providing to rural house-holds and entrepreneurs (a) whose idea can contribute to the offer of the area and (b) who innovate their existing offer	MSDT	WGRT		II	2019	The criteria of the support programs for the offer strengthening adopted	Financial resources are not necessary
			1.2.1.3	To devise a support program for strengthening the integrated offer	MSDT	WGRT		III	2019	The support program for the offer strengthening adopted	Financial resources are not necessary
			1.2.1.4	To announce a public invitation for the support program for strengthening the integrated offer	MSDT	WGRT		III-IV	2019 - 2021	A number of public invitations (3)	40.000 EUR/year
			1.2.1.5	To define special criteria for sanitation, adaptation and	MSDT	MC, MARD, Historical Institute of		I	2020	Criteria adopted	Financial resources are not necessary

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



				valorization of katuns		Montenegro, WGRT					
			1.2.1.6	To define a katun support program	MSDT, MARD	WGRT		II	2020	The support program for katuns adopted	Financial resources are not necessary
			1.2.1.7	To announce a public invitation for katuns	MSDT, MARD			II	2020 - 2021	A number of public invitations (2)	17.500 EUR/year
	1.2.2	Development of the road infrastructure, traffic signalization and solving the problem of waste and waste water	1.2.2.1	To determine critical infrastructure. and communal service shortfalls in rural areas con-ducting hospitality activity within rural tourism	MSDT	MARD, Ministry of Transport and Maritime Affairs (MTMA), WGRT, municipalitie s	Budget of Montenegro, Interregional cooperation program IPA	I-II	2020	The list completed	Financial resources are not necessary
			1.2.2.2	To create priority lists for the interventions, using the elaborated map of the supply within rural tourism, according to the number of touristsically active agricultural husbandries	MSDT	MARD, municipalitie s		III-IV	2020	The priority lists completed	Financial resources are not necessary
			1.2.2.3	To define programs of the improvement of the traffic infrastructure and signaling	MSDT	MSDT, MARD,		I	2020	The programs adopted	Financial resources are not necessary
			1.2.2.4	To define programs of resolving the waste and the waste water issues	MSDT	MSDT, MARD, municipalitie s		I	2020	The programs adopted	Financial resources are not necessary
			1.2.2.5	Realization of the program of resolving infrastructure and	MSDT	MSDT, MARD, municipalitie s		II	2020 - 2021	A number of projects realized according to the programs (an indicator may be	Subsequent estimation

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



				communal issues with monitoring						determined by the end of Q1 2020)	
1.2.3	Introduction and maintenance the free wireless internet for the households dealing with rural tourism	1.2.3.1	Using the database and the map of the offer within rural tourism, to locate villages with more households providing tourism services	MSDT	Local associations, LTOs, WGRT, RWGRTs, municipalities	Corporate Social Responsibility programs within the budget of mobile operators	II	2020	The list defined	Financial resources are not necessary	
		1.2.3.2	Negotiations with mobile operators to include the activity into CSR program (equipping)	MSDT	ME, mobile operators, municipalities		III-IV	2020	3 Letters of Cooperation signed	Financial resources are not necessary	
		1.2.3.3	To select in cooperation with mobile operators the locations for pilot projects	MSDT	ME, mobile operators, municipalities		I	2021	The number of pilot project selected	Financial resources are not necessary	
		1.2.3.4	Realization of the pilot projects	MSDT	RWGRT, LTO		II	2021	A number of households having free internet	Financial resources are not necessary	
	1.2.4	Introduction of a quality mark in rural tourism	1.2.4.1	To define criteria for classification of facilities, quality evaluation and the awards of the mark	MSDT	WGRT, MARD	Budget of Montenegro	I-IV	2020	Elements and criteria of the evaluation adopted	Financial resources are not necessary
			1.2.4.2	Popularization of the idea via presentations to the offer providers	MSDT	LTO, MARD, RWGRT		I	2021	The quality mark presented onto 3 round tables	3.000 EUR
			1.2.4.3	To adopt the Rulebook on Classification of facilities, Quality Evaluation and the Award of the Mark	MSDT	MARD, WGRT		II	2021	The rulebook adopted	Financial resources are not necessary
			1.2.4.4	Activities of awarding the quality mark	MSDT	MSDT, WGRT		IV	2021	10 quality marks awarded	2.000 EUR

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



	1.2.5	Organizing TAs' visits (tours) to rural tourism offer providers in purpose of advising them about the offer improvement	1.2.5.1	To make a list of TAs having an offer within rural tourism in Montenegro	MSDT	NTO, MTA, ATACG, MSDT, NASDT	Budget of Montenegro	IV	2019	TA list made	Financial resources are not necessary
			1.2.5.2	To identify TA interested to assist to service providers in rural tourism with their advice about improving the content and the offer quality	MSDT	MTA, ATACG, MSDT		I	2020	The list of interested TAs made	Financial resources are not necessary
			1.2.5.3	To make a list of interested service providers and make a plan of tours	MSDT	MTA, ATACG,		I	2020	The tours plan made	Financial resources are not necessary
			1.2.5.4	To organize tours for TAs	NTO	MSDT, MTA		II	2020	The tours conducted	1.500 EUR
			1.2.5.5	To monitor activities on improvement of the services of rural tourism service providers	MSDT	NTO, WGRT, MTA, LTO		III	2020	The report on improvement of service providers' in rural tourism	Financial resources are not necessary

OPERATIONAL GOAL 2: RAISING TOURISTS' AWARENESS AND KNOWLEDGE ABOUT THE RURAL TOURISM OFFER IN MONTENEGRO

Performance indicator										Start value	Target value
Performance indicator 1	"The Ambassador Program" completed and launched.									0	1
Performance indicator 2	A developed integrated system of digital marketing and sales – 1 mobile application (for Android and iOS) and 1 portal of rural tourism with a central booking module by the end of 2020 and 3 digitalized visitors centres by 2021 open.									0	1 application, 1 portal and 3 digitalized centres
Priorities	Measure	Activities	Responsibility	Partners	Financing source	Deadline (quarter/year)		Indicator	Estimation in EUR		
Priority 2.1: To position rural tourism within Montenegro brand	2.1.1 To organize tours for TAs to get to know/get informed about the rural tourism offer	2.1.1.1 To make a list of TAs wanting tours to get to know the rural tourism offer	MSDT	NTO, MTA, ATAMNE, MSDT	Budget of Montenegro	I	2020	The list of interested TAs made	Financial resources are not necessary		
		2.1.1.2 To make a list of interested service providers and make a tour plan	MSDT	MTA, ATAMNE,		I	2020	The tour plan made	Financial resources are not necessary		
		2.1.1.3 To organize tours	NTO	MSDT, MTA		II	2020	Tours conducted	5.000EUR		
	2.1.2 Development of marketing communications indicating a specific rural character of Montenegro	2.1.2.1 To select themes/ to develop messages indicating a specific rural character of Montenegro	NTO	MSDT, WGRT,	Budget of Montenegro, INTERREG MED	IV	2019	The creative draft made (a document giving a clear task and framework to the creative agency)	Financial resources are not necessary		
		2.1.2.2 To engage a professional creative agency	NTO			I	2020	The agency selected via tender	10.000 EUR		
		2.1.2.3 To develop messages and visual content	NTO	MSDT, WGRT		I-II	2020	The messages and visual content not adopted	Financial resources are not necessary		
		2.1.2.4 To place them via communication channels	NTO	MSDT		IV	2020 - 2021	No. and duration of messages	15.000 EUR/year		
	2.1.3 To find and activate other channels of communication for	2.1.3.1 To make an overview of relevant journals covering rural tourism, especially nature activities	NTO	MSDT, WGRT	Budget of Montenegro	I-II	2019	The list of journals made	Financial resources are not necessary		

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



promotion of rural tourism products	2.1.3.2	To select a list of target journals/magazines	NTO	MSDT, WGRT	III	2019	The list of targeted journals made	Financial resources are not necessary
	2.1.3.3	To contact journalists and to arrange the visit	NTO	MSDT, WGRT	III	2019	Contacts made, with the interested ones the arrival terms agreed	Financial resources are not necessary
	2.1.3.4	To contact potential partners-sponsors of transport and accommodation (Montenegro Airlines, accommodation providers), to select partners	NTO	MSDT	III	2019	Agreements signed	Financial resources are not necessary
	2.1.3.5	To organize visits of journalists to MNE	NTO		II	2020	5 journalists have visited Montenegro	7.500 EUR
	2.1.3.6	Follow the results – the articles and news coverage published	NTO	MSDT, WGRT	III	2020 - 2021	No. of published articles and news coverage	Financial resources are not necessary
	2.1.3.7	To investigate who are the current visitors writing positively on social networks about the experience in rural Montenegro	NTO	MSDT, WGRT	I	2019	The clear list made	1.500 EUR
	2.1.3.8	To select the most influential fans of Montenegro (No. of followers, likes), which could be the “ambassadors” of rural tourism of Montenegro	NTO	MSDT, WGRT	I	2019	The final list made	Financial resources are not necessary
	2.1.3.9	To form “Ambassadors Program” of Montenegro rural tourism on social networks and invite them to be members	NTO	MSDT, WGRT	IV	2019	The Ambassadors Program made, the members known	Financial resources are not necessary
	2.1.3.10	To launch a program for members’ stay in Montenegro	NTO		II	2020 – 2021	6 program members have	4.500 EUR/year

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



									stayed in MNW (3 per year)		
		2.1.3.11	Monitoring of program's results	NTO	MSDT, WGRT		III	2020-2021	No. of posts, likes	Financial resources are not necessary	
	2.1.4	The campaign "#Montenegro-Rural"	2.1.4.1	Set goals and topics of the campaign	NTO	MSDT, WGRT	Budget of Montenegro	IV	2019	The goals and topics defined	Financial resources are not necessary
			2.1.4.2	To make a wider selection of bloggers and authors, send invitations; after a reply, to define the final, narrow selection	NTO	MSDT, WGRT		IV	2019	The list of bloggers and authors made	Financial resources are not necessary
			2.1.4.3	To contact potential partners-sponsor of transport and accommodation (Montenegro Airlines, accommodation providers), to select partners.	NTO	MSDT		IV	2019	Agreements signed	Financial resources are not necessary
			2.1.4.4	To define the content of the campaign micro-website	NTO	MSDT, WGRT		I	2020	The content of campaign microsites defined	Financial resources are not necessary
			2.1.4.5	To engage a professional IT expert (web-developer)	NTO	MSDT, WGRT		II	2020	IT expert (web-developer) selected via tender	3.000 EUR
			2.1.4.6	To launch a micro-website and connect it with other web-pages using the hashtag #MontenegroRural	NTO	MSDT, WGRT		IV	2020	The micro-website in operation	500 EUR/year maintenance
			2.1.4.7	To organize visits of bloggers; to follow the work, give support and coordinate the bloggers during the stay	NTO	MSDT, WGRT		II-III	2021	3 bloggers have visited Montenegro	4.500 EUR/year
			2.1.4.8	To measure campaign's results	NTO			II - IV	2021	9 blogs posted – 3 blogs a year per each blogger (to continue next year)	3.000 EUR

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



Priority 2.2: Digitalization of the rural products promotion and sales	2.2.1	Development of a mobile application (Android and iOS)	2.2.1.1	Set goals and framework of the mobile application content	NTO	MSDT, WGRT	Budget of Montenegro, Transnational Danube program, INTERREG MED, INTERREG ADRION	IV	2019	The goals and content of mobile application defined	Financial resources are not necessary
			2.2.1.2	To develop a database and animation of service providers	NTO	MSDT, WGRT, RWGRT,		III-IV	2019	The database of service providers created (the basic database was collected within the activity 1.1.1.1)	2.000 EUR
			2.2.1.3	To define functional characteristics required and the user interface characteristics	NTO	MSDT, WGRT		I	2020	Functional characteristics and user interface characteristics defined	Financial resources are not necessary
			2.2.1.4	To announce a tender and selection of IT (design, development and maintenance)	NTO			II	2020	IT via tender selected. Maintenance per year	9.000 EUR – app design and development 5.000 EUR maintenance/year
			2.2.1.5	To launch the mobile application	NTO			I	2021	The application available on Google Play and Apple App Store.	200 EUR/year
	2.2.2	Digitalized visitors centres	2.2.2.1	To create a list of suitable locations, according to existing facilities capacities, in populated areas, on the entrance points and crossroads of rural tourists	MSDT	LTO, WGRT	Budget of Montenegro, Transnational Danube program, INTERREG MED, INTERREG ADRION	I	2020	The locations selected	Financial resources are not necessary
			2.2.2.2	Selection of locations for pilot projects	MSDT	LTO, WGRT		II	2020	Pilot projects locations selected	Financial resources are not necessary
			2.2.2.3	To define the content of digital settings, as well as operations	MSDT	LTO, WGRT		II-III	2020	The content and operations of digital settings defined	Financial resources are not necessary
			2.2.2.4	To announce tender and selection of contractors	MSDT			I	2021	The contractor selected	1.000 EUR – connecting the system

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



											Purchase of touch screens 15.000 (5.000 /pcs)
			2.2.2.5	To release digital visitors centres in operation	MSDT	LTO		III-IV	2021	The digital visitors centres open	2.000 EUR /year maintenance
	2.2.3	Development of a rural tourism portal with a module of rural accommodation central booking	2.2.3.1	To define goals, framework and a support model for representatives of private sector or other organizations toward the development of the portal and booking system	MSDT and NTO	MSDT, WGRT	Budget of Montenegro, Interregional cooperation programs IPA, INTERREGI ADRION, INTERREG MED	IV	2019	The goals, framework and the support model defined	Financial resources are not necessary
			2.2.3.2	Realization of the procedure toward the implementation of the support model defined.	MSDT and NTO	MSDT, WGRT		I	2019	The procedure conducted, a public invitation announced	Financial resources are not necessary
			2.2.3.3	Monitoring of the project implementation	MSDT and NTO			II	2020	The committee of the project supervision appointed	Financial resources are not necessary

OPERATIONAL GOAL 3: TRAINING AND ACTIVATING RURAL COMMUNITIES, ENTREPRENEURS AND COMPANIES TO IMPROVE THE VALUE OF RURAL PRODUCTS THROUGH ACTIVE PARTICIPATION IN SUSTAINABLE DEVELOPMENT MANAGEMENT OF THEIR DESTINATIONS

Performance indicator		Start value	Target value
Performance indicator 1	A system of collecting management information formed by 2020	0	1
Performance indicator 2	6 training sessions for rural tourism service providers conducted (2 by a region) by 2020	0	6
Performance indicator 3	First 9 mentors (3 mentors–coaches and 6 local mentors) trained by 2020	0	9

Priorities	Measure	Activities	Responsibility	Partners	Financing source	Deadline (quarter/year)	Indicator	Estimation in EUR
Priority 3.1: To stimulate integrated and actively participating development of rural tourism management	3.1.1 To form a permanent Working Group for Rural Tourism (WGRT)	3.1.1.1 To form Working Group	MSDT	MARD, MC, MTA	-	I 2019	The Working Group formed	Financial resources are not necessary
		3.1.1.2 To prepare a draft of the rulebook and procedures	MSDT	MARD, ME, MC, NTO		II 2019	The rulebook draft completed	Financial resources are not necessary
		3.1.1.3 To organize the founders' meeting	MSDT	MARD, MC, MTA		II 2019	The first meeting held and the rulebook adopted	Financial resources are not necessary
		3.1.1.4 Regular meetings	WGRT			IV 2019 - 2021	No. of the meetings held (12)	Financial resources are not necessary
	3.1.2 To form service centres for rural tourism support	3.1.2.1 To define activities of the service centres for the support in rural tourism	MSDT	MARD, RGRR	Budget of Montenegro, Interregional cooperation program IPA	IV 2019	The centre activities defined	Financial resources are not necessary
		3.1.2.2 The training of the staff	MSDT	MARD, RGRR		II 2020	The training completed	Subsequent estimation
		3.1.2.3 Foundation of the centres	MSDT	MARD, RGRR, municipalities		II 2020	The centres founded	Subsequent estimation
	3.1.3 To form Regional Working Groups for Rural Tourism (RWGRT)	3.1.3.1 To form a membership list of RWGRTs	MSDT	MARD, RGRR, RDA	-	IV 2019	The list made	Financial resources are not necessary
		3.1.3.2 To prepare a draft of the rulebook and procedures	MSDT	MARD, RGRR, RDA		I 2020	The draft of the rulebook completed	Financial resources are not necessary
		3.1.3.3 To organize a founders' meeting	MSDT			II 2020	The first meeting held	Financial resources are not necessary

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



			3.1.3.4	Regular meetings	RWGRT			IV	2020 - 2021	8 meetings held	Financial resources are not necessary		
	3.1.4	To include associations and clusters of rural tourism, and later on, local action groups, in the management system of rural tourism development.	3.1.4.1	To form a list of associations and clusters doing business in rural tourism at local and regional level (Rural Parliament database)	MSDT	MARD, RDA	-	IV	2019	The list made	Financial resources are not necessary		
			3.1.4.2	To contact associations and ask them to choose representatives for RWGRTs according to municipalities	MSDT			IV	2019	Representatives selected	Financial resources are not necessary		
			3.1.4.3	To include representatives in RWGRTs	MSDT			II	2020	representatives participate in the work of RWGRT	Financial resources are not necessary		
Priority	3.2		Reinforcing sustainability of rural entrepreneurship	3.2.1	Development of a mentoring system for households and entrepreneurs	3.2.1.1	To determine issues/ activities for which households and entrepreneurs need support "on the field".	MSDT	MARD, WGRT	Budget of Montenegro, COSME, USA Embassy in Podgorica, Interregional cooperation programs IPA	III	2019	Competencies, procedures and the like, necessary for the assistance to rural households in tourism, defined.
		3.2.1.2		To train mentors within RDA (the program of "coach training")		MSDT	MARD, educational institutions	I-II	2020		At least 3 mentors-coaches trained	2.000 EUR	
		3.2.1.3		To train mentors at municipal level		MSDT	MARD, educational institutions	IV	2020		At least 6 local mentors trained	2.000 EUR	
		3.2.1.4		The start of mentoring		MSDT		I	2021		The mentoring system in function	Financial resources are not necessary	
		3.2.2		Development of a system for collecting management information about Montenegro rural tourism	3.2.2.1	To define necessary management information for the conduct of rural tourism policy	MSDT	NTO, WGRT	Budget of Montenegro	I-II	2019	A set of management information defined	Financial resources are not necessary
		3.2.2.2			To organize a system collecting data on tourism turnover	MSDT	MONSTAT, NTO	III-IV		2019	The system agreed	Subsequent estimation	

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



			3.2.2.3	To define systematic market research	MSDT	NTO, WGRT		I	2020	The research content and flow defined	Financial resources are not necessary
			3.2.2.4	To initiate market research (every two years)	MSDT	NTO		II	2020	The research conducted	12.000 EUR/year
			3.2.2.5	To initiate collection of statistical data	MONSTAT			I	2020	The system of data collection in function	Subsequent estimation
	3.2.3	Providing support and incentives to younger generations to return to the country-side	3.2.3.1	To define criteria for the fund award to young applicants	MSDT	WGRT	Budget of Montenegro, UNDP	I	2019	Criteria adopted	Financial resources are not necessary
			3.2.3.2	To define criteria for the fund award to women applicants	MSDT	WGRT		I-II	2019	Criteria adopted	Financial resources are not necessary
			3.2.3.3	To define criteria for the fund award to young married couples' applicants	MSDT	WGRT		I-II	2020	Criteria adopted	Financial resources are not necessary
			3.2.3.4	To define criteria for the fund award to highly educated young applicants	MSDT	WGRT		I-II	2021	Criteria adopted	Financial resources are not necessary
	3.2.4	Developing a more efficient registration system for small accommodation capacities within rural tourism	3.2.4.1	To set clear and detailed registration procedures	MSDT	WGRT, RWGRT	-	IV	2019	The procedure completed	Financial resources are not necessary
			3.2.4.2	To agree with local authorities: (a) the application of procedures and the administration in charge, as well as (b) a max. amount of fees and taxes	MSDT	WGRT, RWGRT		IV	2019	The agreement accomplished	Financial resources are not necessary
			3.2.4.4	Elaboration of the registration manual (instructions)	MSDT			IV	2019	The manual published	Financial resources are not necessary
			3.2.4.4	The commence of the decision application of registration and fees	MSDT	municipalities, WGRT, RWGRT		I	2020	The new registration system in operation	Financial resources are not necessary
	3.2.5.	Organization of training sessions	3.2.5.1	To conduct the evaluation on necessary competencies and	MSDT	WGRT, RWGRT	Budget of Montenegro, UNDP	I	2019	The evaluation completed	Financial resources are not necessary

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



			skills of rural entrepreneurs							
			3.2.5.2 To do several-year program of necessary training	MSDT	WGRT, RWGRT		II	2019	Several-year program of necessary training completed	Financial resources are not necessary
			3.2.5.3 A tender for contractors and their selection	MSDT	WGRT, RWGRT		III	2019	Training contractors selected	Financial resources are not necessary
			3.2.5.4 The commence of training program realization	MSDT			IV	2019 - 2021	9 training programs (min. 3 programs a year)	7.000 EUR/year
Total estimation of financial resources necessary for realization of PRTD 2019-2021									432.200 EUR	

Note: In two cases, the envisaged activities for different measures are harmonized. The activity 1.1.1.1 is at the same time the activity 1.2.1.1 where it is about the activities that are to be implemented simultaneously (i.e. the first represents a part of the other activity), but due to the logical sequence of activities, they are presented in two places, within different Measures. The second case relates to the activities 2.1.3.4 and 2.1.4.3. It is about the activities to be done simultaneously.

VIII APPENDICES

APPENDIX 1: THE OVERVIEW OF STRATEGIC DOCUMENTS

1.1. Montenegro Tourism Master Plan

In 2001, the Government of Montenegro adopted the Montenegro Tourism Master Plan. Taking into consideration the intensive changes and trends in the tourism sector, this document has been a subject of revision and amendments every 5 years, so the current version of this document applies to the strategic framework by 2020. The Master Plan was created through the cooperation of foreign experts, domestic institutions from the state and local level, foreign institutions involved in the development of Montenegrin tourism, as well as civil and private sectors.

The Montenegro Tourism Master Plan by 2020 aims at creating a sustainable, high quality and diverse tourism product, whereby the offer should be based on the natural and cultural wealth of Montenegro. The Master Plan recognized the need for defining regional concepts and products, aimed at diversifying the "total product of Montenegro". Plans and strategic measures are divided into three categories that relate to the period of their implementation: short-term, mid-term and long-term, with an aim of their effective implementation. Finally, through the implementation of the proposed measures and the implementation of strategic goals in the field of tourism, this master plan focuses on creating new jobs and raising the standard of living, i.e. contributing to the sustained economic progress of Montenegro.

1.2 National Strategy of Sustainable Development by 2030 (NSSD)

The National Strategy of Sustainable Development by 2030 (NSSD) came into force in July 2016. NSSD offers the concept of long-term development of Montenegro based on: human, social, natural and economic resources. The development of rural tourism is incorporated through the presented concept of tourism and agriculture development. Namely, in the part of the NSSD related to the Action Plan until 2030, social stability and poverty reduction are reflected in the stimulation of the development of entrepreneurship and self-employment, i.e. the development of new and flexible forms of employment of young people, such as social entrepreneurship, start-up, **rural tourism**, urban gardening, green jobs, creative industries, ICT services and online sales. In the context of the state of natural resources, the NSSD includes a quality program for the development of rural areas in the priorities for the implementation of the measures, among other things.

The NSSD notes that in addition to investments in rural infrastructure, a significant matter is the creation of new jobs that do not arise as a result of primary agricultural production. This section highlights tourism in rural areas, taking into consideration the natural and cultural-historical characteristics of Montenegro and the potential for rural tourism development. On the other hand, it was pointed out that there is no efficient support for diversifying the economy through the development of rural areas and the application of clean and efficient technologies (development of green and blue economy). Within the framework of sustainable coastal resource management and incentives for the blue economy, the NSSD stresses the need to preserve rural areas through sustainable rural development and the production of food and wine. One of the priorities points to an increase of investments in the village development through strengthening of family husbandries that need to increase employment and keep the population in the countryside, with a special emphasis on the younger population.

1.3 Strategy for Agriculture and Rural Areas Development 2015-2020 (SARD)

Strategy for Agriculture and Rural Areas Development 2015-2020 (SARD) was adopted in June 2015 by the Ministry of Agriculture and Rural Development. The development of rural tourism in Montenegro relies heavily on the development of agriculture and the creation of better conditions and a framework for the progress of agricultural production. In order to achieve the primary goals for the development of agriculture, among which the most important is the development of rural tourism: strengthening the competitiveness of food producers,

improving the living standard of rural population and overall rural development, while preserving traditional values, it is necessary to provide agricultural producers with the opportunity through education to gain access to national funds and pre-accession funds for rural development (IPARD) and thus improve their status and business.

SARD states that the link between agriculture and tourism is multilateral. Agriculture and rural development are recognized as the main factors for the development of green economy in Montenegro with a focus on creating an integrated agricultural and tourism product that would contribute to reduction of import dependency, so in this context, three groups of rural development measures are defined, one of which relates to diversification of economic activities in rural areas, reconstruction and development of villages and construction of rural infrastructure.

In order to achieve these general objectives in terms of the development of Montenegro's economy and the offer diversification, it is necessary to achieve the goals set for individual rural regions. Namely, in order to achieve the diversification of the rural economy, it is necessary to invest in the opening of new enterprises, craft shops, improvement of accommodation capacities for the development of rural tourism and development of entrepreneurship. Also, such development depends largely on investments in the improvement of rural infrastructure, which will further increase the offer attractiveness in rural areas, improve the living standard and reduce regional disparity.

The core of the tourism supply development in rural areas is not the creation of completely new capacities and contents, but in the integrated revitalized use of valorized and protected potentials and tourism products, along with the program of branding rural tourist destinations. In accordance with the above, the basis of rural tourism in Montenegro is recognized in the use of already existing resources through the presentation of tourism offer and products that arise through interaction of agricultural production, tradition, traditional gastronomy and tourism services all in a sustainable manner.

The Program for Agriculture and Rural Areas Development of Montenegro within IPARD II 2014-2020 (IPARD II program) was adopted by the European Committee on July 20, 2015, and by the Government of Montenegro on September 10, 2015.

The objectives of the Program relate to the improvement of the employment opportunities in rural areas of Montenegro, as well as the to the main problems and challenges of these areas, i.e. to the measures and activities that increase the attractiveness of rural areas as places of work and life and reduce the differences between urban and rural areas. In this context, one of the key measure of the program is *diversification of husbandries and business development*.

1.4 Strategy of Tourism Development in Montenegro by 2020 (STD)

The Strategy of Tourism Development in Montenegro by 2020 (STD) was adopted in 2008 by Ministry of Tourism and Environment Protection, i.e. presently MSDT.

Through the elaboration of Montenegro STD Montenegro, a vision of the development of Montenegrin tourism has been defined, which should be based on the concept of "Wild Beauty". In this regard, the strategic objective of tourism development in Montenegro has been defined by 2020: "By applying the principles and goals of sustainable development, Montenegro will create a strong position of a global, high quality tourism destination; for the population of Montenegro tourism will provide enough jobs and a growth of living standard, and the state will achieve revenues in a stable and reliable way."⁴³ Accomplishing the overall goal there is a number of operational goals and measures defined that include the development of rural tourism in Montenegro. In relation to this, for the creation of a tourism destination with an offer throughout the whole year the necessity of creating

⁴³Strategy of Tourism Development in Montenegro by 2020.

a diversified tourism offer has been recognized, which among other things includes the development of rural tourism with a special focus on the development of tourism products, such as active tourism on the mountain, agritourism and wildlife camping. Furthermore, for the promotion of Montenegro as a unique product the necessity of regional linking and the promotion of regional clusters has been recognized, which includes the development of the rural area. Therefore, the development of rural, sports and nature-oriented tourism has been recognized as a basic potential for the creation of clusters which development needs to be done. A cluster Skadar Lake - Cetinje, a cluster Bjelasica and Komovi Prokletije-Plav Rozaje, as well as a cluster Durmitor-Sinjajevina Zabljak-Pluzine-Savnik should focus on the development of nature tourism, sports tourism, as well as rural and cultural tourism. As with the previously presented strategies, this strategy has also recognized the link between the tourism and agriculture sectors, and in particular the development of agritourism, as an important factor in future development.

Priority activities related to the development of rural tourism have been defined for the development and improvement of specific tourism products, such as the regulation of the legal framework in the field of active holidays, the definition of standards for "wilderness camping" and camps in the countryside, the setting of guidelines for the development of eco-tourism and attracting investments in rural tourism through the definition of incentive measures in terms of reducing migration from villages to towns.

The Tourism Reform Agenda 2013 provides an overview of the current situation in Montenegrin tourism and defines a set of measures and activities in terms of enhancing and promoting the tourism offer. Additionally, the Agenda contains an Action Plan for the preparation of the summer tourism season with proposals for overcoming the constraining factors in terms of planned tourism development.

The Strategy of Tourism Development is basically grounded on the Master Plan of Tourism of Montenegro by 2020, which was adopted in 2001, so the Strategy represents its innovated version. The STD has taken over strategic recommendations of the Master Plan with certain alterations to sequence of events during the time elapsed between the adoptions of these documents.

The activities of the Action Plan are directed in two courses: the creation of the necessary infrastructure requirements for the smooth season running and overcoming the problems that were present in the previous season and improvement of the tourism offer. The Agenda recognizes that, in terms of the planned and accomplished goals, additional engagement at all levels is required in order to increase further the level of overall tourism offer quality and the entailing infrastructure.

One of the main challenges in tourism is the insufficient supply and tourism product that is not sufficiently diversified, as well as high seasonality. Other forms of tourism have not been sufficiently developed, such as nature-based tourism, rural tourism and cultural tourism. A clear overview of planned and implemented projects that directly or indirectly influence the development of rural tourism is given in the Appendix 1.

1.5 Strategy of Regional Development of Montenegro for the period 2014-2020 (SRD)

A strategic objective of the Strategy of Regional Development for the period 2014-2020 (SRD) refers to the achievement of a more balanced social and economic development of all units of local authorities and regions based on competitiveness, innovation and employment, which can be achieved through further improvement of priority development areas of Montenegro: i) traffic and other public infrastructure; ii) agriculture and rural development; iii) energy; iv) environmental protection; v) competitiveness and innovation; vi) industry vii) tourism and culture viii) education, employment and social policies. In this regard, special attention in the implementation of the SRD MNE should be paid to the improvement of strategic development branches, especially for the northern region.

SWOT analysis at the national level shows that there are significant and insufficiently used natural resources and advantages that represent the potential for the growth, if they are to be adequately managed. This group includes primary sectors (agriculture, forestry), and the development of the food processing industry, wood

processing industry, development of tourism in coastal and mountain areas, as well as in rural and urban areas, energy potentials based on renewable sources.

Through SRD, the potential for rural tourism development in all regions has been recognized, emphasizing the significance of the rural tourism development in the northern region, primarily due to the abundance of natural resources available for the development of winter and eco-tourism, for the production of eco-food and food with protected geographical origin. In this sense, the development of the tourism infrastructure of the northern region is focused on the development of rural and eco-tourism, excursion and cultural tourism, as well as mountain and sports-recreational tourism, while health tourism is in the developmental phase. Additionally, the project of revitalization of katuns, tourism ethno-villages, agricultural katuns, the development of agricultural production and possibilities of diversification of activities in agricultural husbandries are also of a great importance.

The main strategic objective of the development of the northern region refers to "increasing competitiveness, accelerated and sustainable development of the northern region". The analysis of the strategic plans of local authorities units (LAU) in the northern region shows that the development goals relate mostly to the sustainable development and stimulation of economic growth.

Priorities in terms of achieving these goals of LAUs mostly relate to: the improvement of transport infrastructure, energy development, agriculture and rural development, preservation of the environment, stimulation of the private sector development and creating conditions for raising competitiveness, the tourism development, the development of human and institutional capacities.

Therefore, most of priority areas refer to the sustainable development of the northern region, then to a smart growth (*through a creation of conditions for raising competitiveness, development of rural and eco-tourism, excursion and cultural tourism, as well as mountain and sports-recreational tourism and health tourism*) and to the development of human resources, i.e. to an inclusive growth.

The strategic objective for the development of the central region is defined as "achieving sustainable economic growth and development and accelerating the increase of competitiveness". Regarding the strategic frameworks defined at the local level, the key development goals in the central region relate to stimulation of the economic growth, the development of infrastructure and the valorization of rich cultural and historical heritage. The areas identified as the priority ones for achieving these goals, defined by the LAUs in the central region, relate to the development of entrepreneurship and the valorization of available knowledge and competitiveness, the development of tourism, agriculture and food industry, the improvement of environmental protection, the development of necessary institutional capacities.

"A sustainable economic growth and the increase of competitiveness of the region based on the development of tourism and complementary sectors" is defined as a strategic objective of the development of the coastal region. In relation to this strategic objective, the key developmental goals defined by the LAUs relate to the development of communal and new road infrastructure, the development of tourism and the valorization of cultural and historical heritage. Priority areas defined for achieving these developmental goals are: further accelerated development of tourism, the development of coastal navigation, stimulation of the development of competitive entrepreneurship, the development of agriculture and processing of agricultural products, better valorization of marine potentials, the development of necessary institutional capacities.

In addition to the aforementioned, the Ministry of Sustainable Development and Tourism (MSDT) has brought a set of strategic documents, as well as the information in which, through recommendations in a direct or indirect way, the significance of rural tourism development in Montenegro has been recognized, whereof the most important are: "Information on the State of the Environment in Montenegro for 2013", "Sustainable Development Criteria and Tables of Indicators" (for determining the effects of CDM projects), "Operational Program for the Component Regional Development 2013-2014" and "Strategic Environmental Impact Assessment for the Operational Regional Development Program for IPA Component III".

Sustainable development of rural tourism considers implementation of the following recommendations contained in the previously presented documents:

- A significant number of husbandries in rural areas (which make up the majority in the total number of husbandries in Montenegro) possesses small sufaces of agricultural land (73% of husbandries have a land area of up to 2ha). These husbandries are exposed to a high income risk due to the increasing competition in the market, reduced employment opportunities and the generation of external income and devastation of rural areas. For the future economic development of rural areas, besides investments in rural infrastructure, it is also essential to create conditions for opening new jobs that are not necessarily related to the primary agricultural production, where rural tourism has the primary place. This is because a significant part of the rural areas of Montenegro has favorable natural and cultural and historical conditions for the development of rural tourism (ethno-villages, hiking, cycling, gastronomic tourism). The potential for new employment lies in the opportunities of placing special food products with labels of origin, geographical indications and the labels "Traditional Specialties Guaranteed" in hospitality and tourism.
- The population in rural areas lacks an effective support for the purpose of diversification of the economy and the development of economic activities that respect the principles of sustainability.
- In the context of the green economy and sustainable development principles, a great opportunity is reflected in the further development of nature-based tourism, especially in less developed northern and rural areas, as well as in the development of eco-tourism (e.g. in the Boka Kotorska area).
- Waste collection is provided mainly in centres – urban units of local authorities, while waste in rural areas (villages and small settlements) is mostly not collected, and most often disposed of in unarranged dumps.
- It is necessary to invest more in rural infrastructure (primarily, road infrastructure), water supply, health facilities and electricity supply.
- It is necessary to improve the quality and availability of water supply and wastewater infrastructure, providing water supply and wastewater treatment services in accordance with EU practices and policies both in urban and rural areas by establishing efficient water and wastewater management systems.
- According to the Strategic Environmental Impact Assessment, one of the chances for the development is reflected in a better waste management, which will contribute to the reduction of air pollution. Development and modernization of the railroad on Corridor 4 Bar-Vrbnica will reduce the levels of air pollution along the corridor, and most likely also reduce the volume of car traffic. Improving this type of infrastructure will lead to a better quality of ambient air in urban and rural areas.

APPENDIX 2: OVERVIEW OF THE STATUS OF MEASURES AND PROJECTS OF RURAL TOURISM SIGNIFICANCE

Measure	Project	Deadline	Status (ongoing */ finished ✓ / not finished x)
Development of new and improvement of the existing accommodation capacities	To define a model of construction for the „eco loge” pilot projects for the areas of Bjelasica and Komovi (public-private partnership and the like) and to assign the management of it via tender to some of the reputable companies.	2013	X
	To define the concept of “Montenegrin hotel”, “Montenegrin rural household” (orig. „crnogorsko seosko domaćinstvo”) (via tender)	2013	X
	To introduce a Program of incentive measures for the improvement of quality and category of the existing accommodation capacities	2013/2014	✓
	To introduce a Program of incentive measures for the improvement of service quality in private accommodation, the priority is the north of Montenegro	2013/2014	X
	To introduce a Program of incentive measures for the improvement of the rural households’ arrangement in accordance with the guidelines for the development of a „Montenegrin rural household “	2013/2014	*
	To introduce a Program of incentive measures for the development of accommodation capacities in rural areas through revitalization of the abandoned rural units and putting them in operation	2013/2014	X
	To introduce a Program of incentive measures for the development of an accommodation capacity „Montenegrin hotel“	2013/2014	X
	To provide reasonable credit lines for the enrichment of the tourism offer (e.g. aqua parks, golf courses, swimming pools, theme parks, venues, events, traditional products and the like)	2014	X
Put the existing capacities in operation	The analysis of the issue of inactive hotel capacities and a possibility of their activation, especially the hotels in north and defining proposals	2013	X
Connecting tourism offers of the seaside and the north by panoramic roads	Elaboration of promotional maps with panoramic roads	II quarter	*
	Signing a Letter of Cooperation on arrangement and maintenance of panoramic roads with municipalities	II quarter	X
	The arrangement of rest areas on the section of the selected panoramic route	III quarter	*
Development of rural tourism	To define the concept of a „Montenegrin rural household“ (via tender)		X
	Elaboration of a new Rulebook on minimal technical conditions, category conditions and a way of categorization of a rural household	June 2013	*
	To define hospitality as an additional activity to agriculture	June 2013	X

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO
WITH THE ACTION PLAN 2019-2021



	To reconsider possibilities of more favorable tax treatment	June 2013	✓
	To organize training sessions (through a program of incentive measures and in cooperation with sponsors) for entrepreneurs in the field of sales, promotion, language course and the like.	2014	✓
Improvement of service quality of rafting	To improve the accessing road on Brstanovica	June 2013	✓
	To bring a set of by-laws regulating the issue of rafting in terms of jurisdiction of Ministry of Transport	March 2013	✓
	To define procedures related to providing the rafting services	April 2013	✓
	To define procedures of crossing the border between border police offices of Montenegro and Bosnia and Herzegovina	April 2013	X
Creation of tourism offer for active tourists (mountaineers and mountain cyclists)	To set signalization onto 100 km of mountain trails	September 2013	✓
	Signing contracts on the arrangement and maintenance of mountain paths with Mountaineering Association of Montenegro and Montenegro Cycling Federation. The subject of these contracts is the arrangement and maintenance of the National Network of Mountain Trails in accordance with the Law on Mountain Trails	March 2013	✓
	To maintain the mountain trails in accordance with harmonized programs for 2013	July 2013	✓
	The arrangement of priority critical points in terms of safety	July 2013	✓
	To set up shelter for mountaineers and cyclists in the Municipality of Plav next to Hridsko Lake	August 2013	X
Development of sports tourism	The arrangement of the trails for hiking in snowshoes	December 2014	✓
	Elaboration of promotional tools for hiking in snowshoes (so-called "krplje")	December 2013	✓
	Elaboration of the analyses providing guidelines for the sports tourism development	2014	✓
	Realization of pilot projects	2014 and 2015	X
Development of camping tourism	To envisage locations for the construction of camps by Spatial Plans (the deadline should be in accordance with the dynamics of Spatial Plans enforcement)		X
Promotion of traditional craft products	To organize meetings between hospitality&tourism economy and craftsmen, where traditional craft products will be presented in order to increase their sales via tourism	2014	X
Improvement and further development the Montenegro Wild Beauty brand	Elaboration of marketing strategy	2015	*
Improvement of the awareness about the tourism significance among the population	To design and conduct a campaign for raising the awareness on tourism significance	2014	X

Infrastructure improvement – tourism signaling	To maintain (to repair and replace) tourism signalization on highways and regional roads	Continuously	✓
Suppressing gray economy	To intensify the inspection supervision as a priority in work on gray economy suppression	Start of the season	✓
	To establish a coordinating entity for monitoring of the tourism season and prevention of gray economy at the level of individual municipalities; the deadline: from the beginning of the season	June 2013	✓
	A continuation of the campaign „Register the accommodation“ – the deadline: during the season	Continuously during the season	*
	A more intensive control of conducting and organizing excursion/outing programs	Continuously during 2013	
	A proposal to local authorities not to condition the issuance of work permits to private accommodation providers by charging utilities		X
	A proposal to local authorities to condition a work permit applicant by requesting to deliver evidence on the VAT registration		✓
	To reconsider creating Coordination Teams of local authorities and the inspectorate in order to execute joint inspection supervision and conduct measures in purpose of suppressing the occurrence of dealers		✓
Establishing a unique electronic register of tourism turnover	A unique electronic register of tourism turnover will enable the records of tourism turnover and will have a direct influence on charging the residential fee.	The end of 2013	*
HR improvement – seasonal employments	To define priority occupations in tourism	I quarter 2013	*
	Through amendments of the Law on Tourism, a harmonization with the Law on National Vocational Qualifications should be done in the part of the training of tourist guides and tourist animators	IV quarter 2013	✓
	Trainings for vocations from tourism and hospitality industry - In 2013, the Agency conducted training sessions of unemployed persons for well-known employers and the labor market, which was one of its priority activities. Informative and motivational interviews were also conducted with candidates interested in seasonal employment in order to prepare them well for seasonal jobs.	2013	✓
	Training of trainers in the field of tourism and hospitality – In order to provide qualified staff in the field of tourism and hospitality, the Agency organized trainings for trainers in the field of hospitality and tourism in cooperation with the companies “Best” from Vienna and “Papilot” from Ljubljana. Within this project, German language courses for unemployed persons and employees in the tourism sector were also organized.	2013	*

APPENDIX 3: STRATEGIC PLANS FOR THE DEVELOPMENT OF MUNICIPALITIES AND RURAL TOURISM

Note: Municipalities of Gusinje, Petnjica, Bar and Herceg Novi do not possess strategic documents.

NORTH REGION

Strategic development plan 2012 – 2019

Due to great natural potentials, agriculture and tourism are recognised as new priority branches for the development of the municipality of Mojkovac. The western part of the municipality, including Sinjajevina, the Tara valley and the Proscanske mountains, represents a great potential for the development of rural tourism, combining accommodation in rural houses, organically-produced food, mountaineering, cycling, horseback riding, kayaking and rafting, paragliding, ski touring, watching natural beauties, birds and other animals, plants, and learning about cultural heritage, including katuns, local foods and products. Municipality of Mojkovac has potentials for the development of eco and rural tourism, as well as of various types of selective tourism, such as adrenaline, sports-recreational, health, congress, cultural, religious tourism. Within the SWOT analysis, comparative advantages for the development of tourism – winter&mountain, adventure, sports-recreational, rural tourism have been recognized as the advantages of the economic production system.

An overview of planned and conducted projects relating to rural tourism development

Project	Deadline	Status (ongoing */ finished ✓ / not finished x) / explanation
The training of adults in hospitality (waiters, cooks, chambermaids – 12 people) (project duration: 4 months)	The end of 2012	✓
Professional training for a tourist guide	2013 – 2014	✓
Biking/cycling tours	Continuously every year in summer	✓
A parade of traditional artwork (project duration: 3 months)	Mid-2013	✓
Music festival of traditional instruments is of a traditional character	The period of realization is 3 months during a year.	X
Construction of water supply for the livestock on katuns	2014 – 2016	✓
A gastronomy tour guide and a gastronomy tour	2013	X
An adventure race „Northern Challenge“	July 2012	✓
A cluster of tourism offer of Mojkovac Municipality	3 years	X
The arrangement of the excursion site “Crna Poda”	3 years	X
The arrangement of the excursion site “Debeli lug”	3 years	X
„Solar katuns – installation of solar systems for the production of energy in katuns“	2012	✓
Modernization of the road route Dobrilovina – Zabojsko Lake	4 years	✓
Road route Mojkovac (Stitarica) – Sinjajevina (Ruzica) – Zabljak (Njegovodja)	5 – 8 Years	✓ Project design documentation for construction of app. 60 km was done.
Road route: Mojkovac - Proscenske planine - Pljevlja	5 – 8 Years	X a lack of funding
Road route: Krstac – Bojna Njiva – Celinska Kosa – Vragodo	5 Years	X a lack of funding
Local road Lepenac (Grab) – Gornji Lepenac	5 - 8 years	✓
Local road Lepenac – Bojna Njiva	5 - 8 years	✓
Local road Mali Prepran – Stitarica	5 - 8 years	X a lack of funding, but a regular landfill of the road has been conducted

Local road Mojkovac – Djurove Krlje	5 - 8 years	*The project has been conducted in several stages. The laboration of project design documentation was done, and by 2018 the start of construction works has been planned.
Local road Polja – Ckara	5 - 8 years	✓
Road route Ambarine – Bjelojevici – Ugljari - Vragodo	5 years	✓
Local road Ravni – Bojna Njiva	5 - 8 years	✓
Local road Rudnica – Przista	5 - 8 years	✓
Road route Slatina – Potok – Jakovici	5 years	✓
Road route Mojkovac – Slatina	5 years	✓
Road route Mojkovac – Lubnice – Berane	5 years	✓
Construction of a watersupply pipeline in Gostilovina and Slatina	2012 – 2015	✓
„Leave No Trace“	Continuously	✓
Raising the population’s awareness about ecology	7 years	✓
Improvement of the waste management system	7 years	✓
Sustainable management of protected areas and valorization of cultural heritage and identity	7 years	✓
Balancing of local authorities’ HR needs in the process of European integrations with an emphasis on the increase of the capacity for applying to EU funds	2012 - 2014	✓
Bringing documents on conducting activities between local institutions and the civil sector	2012 – 2015	✓

Strategic development plan for Municipality of Berane 2012 – 2017

The Municipality of Berane has conditions for the development of various types of tourism. They also include those types for which there is a demand on the tourism market, such as eco-tourism in all its forms (rural, agritourism, tourism in national parks). Although Berane municipality has the conditions for the development of mountain tourism, which is the most typical and the most massive form of continental tourism, the emphasis should be placed on the development of mountain tourism in the summer period of the year. There agriculture could be a fundamental basis for the future development of tourism in this area.

The unexploited potentials of the rural area for dealing with agriculture, the richness of natural tourism motives and cultural and historical heritage represent the basis for the development of the basic strategic branches of the municipality, agriculture and tourism.

Within the framework of Strategic Priority 2: Accelerated economic development through the improvement of the business environment, which will create a positive climate for attracting direct investments, Measure 2.3 - Creation of prerequisites for valorisation of tourism potentials has been highlighted. The goal will be realized through programs of mountain, rural and sports-recreational tourism, as well as all accompanying elements. By improving the conditions on the mountain paths in cooperation with the National Tourism Organization, the non-governmental sector, the local tourist organization, we will create prerequisites for valorizing the natural potential of this region. The action plan envisaged the project "Rural Tourism Development" which will offer technical and servicing standards, several types of autochthonous architectural solutions and models of equipment that need to fit tourism standards, along with the assistance and consultation with rural husbandries, as well as those who see the future in rural tourism.

An overview of planned and conducted projects relating to rural tourism development

Project	Deadline	Status (ongoing */ finished ✓ / not finished x) / explanation
Elaboration of the Incentive Measures Plan for the Development of Agriculture	2012 - 2017	✓ Activities planned for 2017 were conducted. Agribudget for 2017 invested €60.471, 29 in the following activities: the Support to the Development of Market Production of Milk; the Program of the Cattle Breeding Improvement; the Measures of Farming Improvements; The Support to Beekeeping Development; the Support to the Increase of Production Fruit Planting; the Support to Record-Holders in Agricultural Production; the Support to General Service; the Support to Risk Management in Agriculture; Implementation of local plans, cleaning campaigns and trips for the best young ecologists.
Construction of unique tourism signalization on the municipal territory	2013	No information
Rural tourism development	2015	No information
Mountain tourism development	2017	* A continuous work of implementing promotional activities in order to improve mountain tourism, which relates to elaboration of promotional postcards, calendars, reprint flyers, improvement of the souvenir program.
Rafting development	2017	✓ The rafting club founded in Berane. From 2nd to 4th June 2017 18th International „Regatta on Lim" was held, which contributes to the promotion of tourism potentials and rafting development.
Cultural tourism development and improvement	2014	No information
Construction of a regional sanitary landfill dump and a recycling centre	12 months	* Project design documentation for construction of the recycling centre was done. A regional sanitary dump will not be developed in Berane.
Redevelopment of the water supply network in the town in order to regulate the loss of water in the network	2012-2017	X According to the LLC company “Vodovod i kanalizacija”, the activities within the mentioned project were not being conducted in 2017.
Construction of a watersupply pipeline Javorovsko vrelo – Pod grede - Johovica (Kosacki Krs) 16km long	2013-2017	X The location Javorovsko vrelo – Pod grede - Johovica (Kosacki Krs) belongs to the municipality of Petnjica.
Reactivation of the airport	2017	X A lack of funding.
Improvement of the regional road network (Berane–Jelovica–Kolasin and Berane-Trpezi-Rozaje)	2012-2017	* The first project phase related to the reconstruction of the road Berane - Lubnice was conducted. The reconstruction of the road Lubnice – Jezerine – Kolasin is ongoing, and currently the works on a tunnel drilling are being conducted.
Rekonstruction of local roads	2017	✓
Redevelopment of roads in rural and suburban areas	2017	✓ Project activities planned for 2017 were completely conducted. The total cost of works conducted for the

		redevelopment of rural and suburban roads amounts €220.426,92.
Redevelopment of bridges in rural and suburban areas	2017	√ Redevelopment of the bridge over the Manastirka River was conducted in the Local Community „Beranselo“ and cost over €5.600,00.
Establishing of protected natural resources at sites with unique natural features	2015	No information

Strategic development plan for Municipality of Andrijevica 2012 – 2017

The Municipality of Andrijevica has very favorable conditions for the development of a wide range of modern forms of tourism. Many well-preserved natural values of the mountains of Komovi, Bjelasica and Prokletije with picturesque river valleys provide opportunities for the development of various types of mountain tourism such as: sports-recreation, health, katun, hiking, hunting, fishing, etc. The tourist settlement “Eko katun” is the first project in the field of sustainable tourism and ecology, and represents the initial phase of eco-tourism development in the municipality.

Within the framework of the SWOT analysis of the economic production system, one of the recognized strengths is the potential for rural tourism development, while one of the opportunities identified in the same framework is the use of mountain katuns for tourism development. An overview of planned and implemented projects related to the development of rural tourism is as follow:

Activities	Deadline	Status (ongoing */ finished √ / not finished x) / explanation
Elaboration of a program of converting mountain facilities for tourism purposes	4 months	x
Elaboration of project design documenatation for the construction of eco-katun Rujista	6 months	√
Bringing the decision on the establishment of a tourism organization	1 month	√
Elaboration of project design documenatation for electrifying the village	4 months	√

Strategic development plan for Municipality of Pljevlja 2013 – 2018

Natural and ambient conditions, natural beauties with forests, pastures and meadows provide all opportunities for the development of rural tourism, especially in the areas along the upper stream and on the left side of the river Cehotina, from the spring to the border with the Republic of Srpska – Bosnia and Herzegovina. The part of the territory of the Municipality of Pljevlja which includes the Tara River Canyon along the right tributary of Draga lies within the borders of the National Park Durmitor, which is listed on the World Heritage List of UNESCO. The surface in the municipality of Pljevlja is 76.5 km² and requires a certain protection regime, but it also has a great potential for the development of rural tourism.

The vast space of the rural area is insufficiently covered by the tourism infrastructure, especially in the hilly and mountainous area. Through the area of the municipality, panoramic paths and trails for hiking in snowshoes have been planned and defined, which will enrich the tourism offer of the rural part of the municipality of Pljevlja. Locations that are recognized as zones suitable for the development of rural, agritourism and eco-tourism (along with other types of tourism such as religious, sports and recreational, etc.) are based on the guidelines of local and national strategies: Ljubisnja, Vrulja-Maoce, Djurdjevic Tara, Kosanica, Bobovo, Kovac Mountain, Kozica and the Kozica river valley. In all these areas, it is necessary to provide the required infrastructure and accommodation capacities, both in organized rural accommodation (in households) and in the facilities that can be built for tourism purposes (renovation of the abandoned buildings, boarding houses, mountaineering houses, ethno-villages, etc).

Ethnogastronomy represents a special part of cultural heritage that can also bring a great value to tourism. Identification of typical, traditional dishes that are prepared in a traditional way in certain parts of the municipality can lead to their valorization and inclusion in the hospitality offer. On some occasions it is possible to organize the participation of tourists in the process of preparing traditional dishes according to the principle of an open kitchen. It is necessary to conduct a more intensive integration of the formed trails into the tourism offer and to define the trails such as: a cheese trail, a honey trail and the like. The SWOT analysis identifies the potentials for the development of tourism (rural, eco, hunting, health, sports and recreational, etc.) as the strengths of the economic production system.

An overview of planned and conducted projects relating to rural tourism development:

Project	Deadline	Status (ongoing */ finished ✓ / not finished x) / explanation
Removal of illegal dumps and organized removal of solid waste to the areas outside the town	2 years	*
The arrangement of Borovicko Lake and beach	18 months	X A coal mine still excavates coal in this area
To produce the Elaborate of Protection of Geographical Origin of Pljevlja cheese	3 years	✓ In May 2017, Pljevlja cheese got a status of the cheese with protected designation of origin by Ministry of Agriculture and Rural Development, and in accordance with the Law on Quality Schemes of Agricultural and Food Products.
Foundation of purchase-distribution centres in the rural area	5 years	X
Diversification of economic activities in rural areas		*
Watersupply infrastructure of the rural area		* The construction of the watersupply pipeline Brvenica, Boljanici, Mataruge in ongoing
Foundation of a business centre and municipal business zone	3 years	*
Ethno-village Kosanica	5 years	X

Development of rural tourism	5 years	The continuous work of all mentioned entities through various measures for the offer improvement, promotion, stimulation and development of rural tourism
Improvement of tourism offer promotion	5 years	The continuous work of all mentioned entities (TO Pljevlja, Ministry of Sustainable Development and Tourism, NGO sector, Ministry of Agriculture, fishing and hunting associations, cycling and mountaineering club) through various measures for the offer improvement, promotion, stimulation and development of rural tourism
Rural development		X nominated – not approved
Public action: arrangement of observation deck		✓
Development of sustainable practices for protection, promotion and management of natural resources		X
Improvement of the tourism offer in the field of recreational tourism		X nominated – not approved

Strategic development plan for Municipality of Pluzine 2012 – 2017

The current natural resources are a realistic opportunity for a better life of citizens of the municipality of Pluzine as well as the foundation of tourism development in this area. There are more effective measures and widespread awareness missing here, as well as understanding the need for environmental protection and natural resources .

Within the economic objectives presented within the Strategic Objectives in the priority measures by sector, the first objective relates to increasing the quantity (accommodation capacities, infrastructure) and the quality (services, accommodation, infrastructure) of the tourism offer. What is stated further within this objective as a measure is to establish and apply the criteria for incentive measures within the jurisdiction of local authorities to support the establishment and operation of the tourism economy. Apart from a more favorable position in spatial planning documents, it is also stated that the local authorities will also devise an additional package of incentive measures, among which the significant measure for rural tourism are emphasized the following: an exemption from the obligation of rural agricultural and tourism households to pay local taxes; participation in resolving the communal infrastructure for the facilities with tourism contents; an exemption from tax deductions from the jurisdiction of local authorities in the first operational years of tourism capacities.

Within the objective of "creating conditions for increasing the quality/quantity of healthy food production of individual agricultural producers and cooperatives" as one of the measures the following is stated: the linking/networking of farmers/agricultural producers with the tourism economy. There is a huge potential in this area. Tourists are interested in consuming domestic food and drink. The efforts to develop tourism must create benefits for agricultural producers too and enable them to expand the market for their products. Very often farmers and tourism operators are not aware of the necessity to cooperate. The quantity and quality of products must meet the demands of the tourism sector and must be available at a given time. In this sense, better communication and cooperation between agricultural producers and tourism operators is essential.

An overview of planned and conducted projects relating to rural tourism development:

Project	Deadline	Status (ongoing */ finished ✓/ not finished x) / explanation
Modernization and re-categorization of the road Nedajno - Susica (5.5 km)	12 months	✓
Reconstruction and asphaltting the local road Bezuje - Dubrovsko (4.5 km)	8 months	X a lack of funding
Construction of the regional road Pluzine - Gacko (B&H), the part: Muratovica – a border with Gacko municipality (app. 17 km).	24 months	X a lack of funding
Partial redevelopment of the regional road Pluzine – Zabljak	8 months	X The road is under the jurisdiction of the Traffic Directorate
Reconstruction and asphaltting the local road Borikovaca – Brstanovica (6.5 km)	12 months	✓
Modernization of the local road: reconstruction and asphaltting the local road Stabna – Malo Stabanjsko jezero (3.5 km)	10 months	X a lack of funding
Construction of the macadam road next to Trnovacko Lake cca 15 km long	24 months	X a lack of funding
Tourism signalization over the municipal area	6 months	✓
The arrangement of the observation deck and trails to medieval towns of Soko-town on Scepan Field and Taban-town in Stabna	10 months	* The arrangement of the observation deck of Soko-town has been completed, but not of Taban town.
Construction and equipping of hiking trail in the settlement of Pluzine, on the course Rosulje – Gradac	12 months	X a lack of funding
Trail arrangement, construction of the rest area and the observation deck at the site Odrag in Nikovici	12 months	✓
„Sustainable Cross-border Development of Municipalities of Foca and Pluzine“		*

Strategic development plan for Municipalities of Foca and Pluzine 2015 – 2020

Pluzine Municipality, within its strategic plans, emphasized agriculture and tourism as the most important directions of the development. It is also a noteworthy trend that tourists avoid visiting commercialized places, but they tend more to visit places with preserved environment, healthy food and unspoiled nature. This is exactly the chance for development. The combination of tourism and villages represents a winning combination in the tourism offer of the municipality of Pluzine. Considering that the Municipality of Foca is geographically connected with Pluzine municipality in Montenegro, interconnection in tourism, rural development, agriculture, nature preservation and protection imposes as a mutual obligation and a condition of sustainable development. This was confirmed by the Interregional Cooperation Project, which these two local communities conducted in the period 2013 - 2015.

Most of the private sector is mainly focused on tourism activities such as rafting camps, ethno-villages, etc.

Within SWOT analysis, recognizable tourism products (rafting, National Park Sutjeska, National Park Durmitor, camps and ethno-villages, etc.) are one of the strengths recognized in this region. On the other hand, one of the

weaknesses is the insufficient level of interconnection between different sectors, especially between agriculture and tourism.

Within the Strategic Priority 2: Infrastructure Development, Strategic Objective 2.1 is highlighted. – The development of road infrastructure. The strategic objective includes projects, activities and measures related to solving the problem of road infrastructure in rural areas, both in routes urban centres - rural areas, as well as to tourism locations and to the areas where significant economic activities are conducted (e.g. to larger farms, katuns and the like).

Strategic development plan for Municipality of Bijelo Polje 2017 – 2021

The development of tourism in Bijelo Polje goes towards the development of rural and ethno-tourism, which, considering the potential of the municipality, represents a great development opportunity. In this sense, the importance of the ethno-villages already built near Tomaševu and Dobrinje should be emphasized. In Ravna Rijeka, along the Bistrica river and on the Siselske Vode in Nedakusi, at the mouth of Bistrica in the river Lim in a quiet environment far from the noise and sufficiently secluded from the close main roads, near the shopping and hospitality facilities there are favorable locations for tourism camps that can attract a significant number of visitors and make this activity economically and environmentally sustainable.

The Spatial Plan of "Bjelasica and Komovi" defines future directions for the development of mountain, summer and winter tourism in combination with agricultural production, wood processing and wind energy production.

Increasing organic production (healthy food) should be incorporated in other types of production wherever possible, as this positively reflects on the development of tourism, and thus on the creation of a higher value of agricultural production.

An overview of planned and conducted projects relating to rural tourism development:

Project	Deadline	Status (ongoing * / finished ✓ / not finished x) / explanation
Conducting Holly Cycling Race, cross-border MRT marathon	2017 – 2021	X It will not be held due to technical reasons.
Reconstruction of Zupanjac watersupply	Oct-Nov. 2017	* First phase realization and the public invitation for the second phase works are ongoing.
Finalization of watersupply construction in Zminac	2017	* First phase realization and the tender preparation for the second phase works are ongoing.
Valorization of the mountain Bjelasica as a tourism destination	5 years	* The realization of the access road Ravna Rijeka (M2) to Lalinska Kosa is ongoing with a bridge on the river Ljubovidji, about 400 meters long. The Lalinska Kosa-Jasikovac road, about 4.5 km long, was made. The works have been contracted for the road Jasikovac-Cmiljaca in the length of about 8.85 km. Currently, the section of the road from Jasikovac towards Cmiljaca that is 1040 km long is being worked on. Preparatory works for designing and constructing of the Z7/D6C elevator, 1148 m long, and ski trails S-2, 1250m long, and the trail S-1, 1653 m long, are also ongoing. The preparation of tender documents for the design of temporary facilities at the lower station of the cable elevator Z7/D6C is in progress. The elaboration of the main project design for water supply for the base settlement Cmiljaca is ongoing, and the length of the primary water pipeline is 6.1 km with the construction of a collection basin above the base settlement Cmiljaca and the headquarters in Bardov Do.

Reconstruction of low-voltage network in the village	01/01 - 31/12/2017	* There is a continuous reconstruction of low-voltage network in the village being conducted.
Asphalting urban roads and local roads	2018 - 2021	* Asphalt reconstruction is ongoing on specific spots of the local roads.

Strategic development plan for Municipality of Kolasin 2010 – 2015

The combination of sustainable development and tourism offer is the main driver of economic development in the municipality of Kolasin. The basic developmental obstacle is the seasonality in the tourism offer (winter tourism), the gray economy, the absence of associations of tourism businessmen, and the neglect of the mountains Moracke and Sinjajevina in the tourism offer.

Within the Strategic Objective 4: Organic Production, as the Specific Goal 4.1 the promotion of organic production is stated. The most important goals in the agricultural production of the municipality of Kolasin will be: increase of available agricultural land, favorable agri-ecological conditions, the interest of farmers in the application of new technological achievements in agriculture, existence of infrastructure in the countryside (water, electricity, road), existence of a large number of cattle farms, rural tourism. Furthermore, within the framework of the Strategic Objective 5: Social Development, the Specific Goal 5.5 refers to the development of human resources. One of the operational goals stated under this objective is Education of personnel in the agricultural production and rural development sector. The objective includes projects related to the development of human resources in the field of agriculture and rural development. The projects would concern the training of new and current laborforce for the work in agriculture and rural tourism and the harmonization of the current education system with the needs of the development of this sector.

Within the action plan, under the item related to sustainable tourism, it is stated that it is necessary to organize training sessions on specific tourism services (eco-tourism, rural tourism, spa, wellness tourism, etc).

Note: A new strategy in draft.

Strategic development plan for Municipality of Zabljak 2017 – 2021

In an organized production of ecological, i.e. organic food with a recognizable brand and eco-label, the Durmitor area can be attractive both for eco-tourism and the export of the household eco-products.

Priorities of the development in the context of National Park Durmitor involve tourism, including a specific offer of rural tourism and the dynamic development of agriculture oriented especially to livestock development.

The diversification of the tourism offer through the development of different types of tourism has been recognized as one of the opportunities for further development. Within Priority 1 - Improving the tourism offer and diversification, the following goals were identified:

- To define locations for the placement of mobile wooden multi-purpose facilities for tourism purposes;
- To construct mountaineering shelter and ethno-villages;
- production/sales of souvenirs.

An overview of planned and conducted projects relating to rural tourism development:

Project	Deadline	Status (ongoing * / finished ✓ / not finished x) / explanation
Relocation of a part of the road Zabljak - Tepca	2 years	* Preparatory works ongoing, a contractor introduced in the commission

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



Asphalting the road Marina valley - Radovan luka	4 years	X There are still no activities related to this project.
Adaptation of the bridge on the Tara river	3 years	* Donation provided; the elaboration of project design ongoing
Elektrification of the katun Ograde	2 years	X There are still no activities related to this project.
Reconstruction of the water supply system of Zabljak and bringing the water supply snow to the point of Savin Kuk	3 years	* A project design for the reconstruction of the town's part of the water supply system has been completed; preparation of project design documentation for the supply of overflow waters from Modro Lake for the skiing purposes is ongoing; it is expected that the advance payment will be made by the MSTD, so that works on the part for which the project was made can start;
Construction of the water supply „Krš"	4 years	* Two phases completed and a tender for the third one is ongoing;
Construction of a faecal sewage in the settlements of Tmajevac, Pecic Ograda, the settlement above the MB Hotel, and a faecal sewage from Durmitor Hotel to Ravni Zabljak	3 years	* The construction of the sewage system in the settlement Pećic Ograda and settlements above the MB Hotel was completed; the construction of a sewerage system in the part of the settlement of Tmajevac is ongoing; preparatory activities that precede the elaboration of project design documentation for sewage from the Hotel Durmitor to Ravni Zabljak are ongoing.
Construction of the second phase of the plant for waste water treatment	3 years	* Preparations are ongoing to call for the tender for the elaboration of the study for the continuance of construction of the sewerage and the second phase of the wastewater treatment plant
The arrangement of current ski resorts („Savin kuk" and „Javorovaca") and putting in operation the ski resort Stuoc	5 years	* It is expected to select the contractor for the purchase of a new cable elevator and the construction of 4 km of ski trails; the construction works on an access road 1.5 km long are ongoing, followed by the construction of a parking lot for daily visitors;
Construction of an energy-efficient facility for tourism organization with souvenir shop and exhibition area	2 years	* At the moment, the amendments of Detailed Urban Plan are being made, followed by a public debate, with an aim of defining a land plot with a purpose that will be suitable for the construction of this facility; The construction of the facility is planned by the state budget for 2018.
Defining the location for the placement of mobile wooden multi-purpose facilities for tourism	2 years	X There are still no activities related to this project.
Construction of mountain shelters and ethno-villages	2 years	* Since there is the largest interest in the sites within the National Park, an initiative has been sent to the Park to reconsider the legal possibilities.
Organization of training sessions and the formation of a team for the elaboration of the projects for EU funds	6 months	* A preliminary agreement with the Association of Montenegro Municipalities was made, since it conducts the training; preparatory activities for the team formation are ongoing;
„Valorization of Montenegrin Katuns through Sustainable	2015 - 2017	√

Development of Agriculture and Tourism – KATUN		
The Project „Sinjajevina”		* There are agreements to be held related to the establishment of a Regional Park Sinjajevina; te elaboration of the project design documents for asphaltting the road via the mountain has been completed;

Strategic development plan for Municipality of Savnik 2012 – 2017

In addition to the large natural tourism potentials (winter tourism, summer tourism, hunting tourism, agri-complementary tourism, religious tourism and their modifications), tourism as a branch in Savnik is at a very low level of development. The fundamental development obstacle is inadequate road infrastructure.

The Action Plan envisages the project "Elaboration of Detailed Urban Plan for LC Poscenje" (includes Petnjica, Pridvorica and Komarnica). The project will cover the whole territory of the LC Poscenje that will preserve the rural traditional architecture and prevent the construction of atypical facilities. It will also enable the development of tourism, livestock and agriculture without endangering the environment. There is a possibility of developing rural, mountain and extreme tourism (rafting, canyoning and alpinism), and this primarily refers to Poscenje and the region of Komarnica. There is a potential for the development of agriculture and livestock, and especially in Komarnica and a part of Petnjica.

Strategic development plan for Municipality of Rozaje 2014 – 2020

The Municipality of Rozaje is recognized through strategic documents as a tourism area where the development of agritourism, eco-tourism, excursion tourism (among other types of tourism such as ski tourism, hiking and mountaineering, mountain biking, hunting and fishing, etc.) should be supported. In order to develop the mountainous form of tourism, it is necessary to build several mountaineering shelters, eco-katuns, hiking and biking trails as well as smaller family-owned health food production companies.

Within Priority 2: Development of Priority Economic Sectors, tourism development is highlighted as Measure 2.2.
- The development of a study on rural and eco-tourism has been highlighted as an important item for achieving this goal.

Strategic development plan for Municipality of Plav 2012 – 2017

Within the strategic plan, the Municipality of Plav recognized the potential for the development of tourism and hospitality, while emphasizing the importance of developing health, rural, excursion and recreational, ecological and cultural tourism. Natural and ecological conditions in the municipality of Plav represent the basic preconditions for the development of the above mentioned forms of tourism, so, for example, the climate is a specific feature of municipality and makes certain areas particularly suitable for the development of health tourism, which can be achieved through the creation of an air spa. A strategic priority of the Municipality of Plav in terms of tourism development refers to the revitalization and the use of existing natural resources, i.e., tourism potentials, in particular the diversification of the tourism offer and the integration of various elements of the offer into a recognizable tourism product.

Natural resources (attractive tourism sites) and tourism capacities have been recognized as one of the main forces of the Municipality of Plav within the SWOT analysis, while new trends in tourism (sports, rural facilities, agritourism, health tourism, hunting tourism) and new trends in the development of healthy/organic food are some of the main opportunities in this context.

An overview of planned and conducted projects relating to rural tourism development:

Project:	Project description:
Breakthrough, reconstruction and asphaltting of local and uncategorized roads	a) Breakthrough of the roads: <ul style="list-style-type: none"> - Paljevi-Ruza - Vusanje-Ljeskova - Gropa-Visitor - Polja-Vragonos b) Redevelopment and reconstruction of the local and uncategorized roads: <ul style="list-style-type: none"> - Bajrovica Katun-Hridsko jezero - Luke-Bajrovica Katun - Prnjavor-Polja - Gornje Bogajice - Ravna Njiva c) Asphaltting of the local roads: <ul style="list-style-type: none"> - Plav - Meteriz – Glavice - Rudo polje - Magaze-Prnjavor - Bogajice-Paljevi - Krusevo-Martinovice - Vodopad Grlja-Oko skakavica - Plav-Vardiste-Budojevica
Construction and reconstruction of the sewage network and installation of wastewater treatment plants in Gusinje and Plav	The current sewage system in some parts of Plav and Gusinje needs to be reconstructed as well as including suburban settlements in the town system. There are no pumping stations and a wastewater treatment plant either in Plav or Gusinje, but the waste water from Gusinje is discharged into Lava (the tributary) of Plav Lake, and the sewage of Plav into the Lim river. Placing a wastewater treatment plant in Gusinje and on the shore of Lim would significantly contribute to preserving biodiversity through economic valorization of the area in the field of agriculture and tourism.
Elaboration of the Manual of Investment Opportunities in the Municipality of Plav	This document defines investment potentials and priorities in the implementation of specific projects in the field of municipal infrastructure, agriculture, tourism and other activities, as well as the possibility of investing according to the principle of private-public partnerships.
Development of a cluster in Municipality of Plav	Linking tourism with ecological agriculture would have a double benefit. Through eco/organic food offered on the tourism market, it would be possible to enrich the tourism offer in the sphere of gastronomy that would primarily be intended for tourists with higher payment power. While farmers would have wider opportunities for placing their goods, this would encourage the development of ecological agriculture in Plav. The local population makes the bearers of ethno-value and workforce for the activities complementary to tourism and nature protection, such as mountain agriculture, forestry, water management, clean energy production, craft processing, etc. The population should be educated, encouraged toward agritourism, folk handicraft, healthy food production, etc. Tourism should be one of the priority activities in this municipality precisely because it is able to reconcile the needs for nature preservation, the appropriate level of agricultural activities and the preservation of the cultural heritage.
Creation of a tourism map of Municipality of Plav	Plava municipality abounds with natural values and cultural events that are of potential interest to tourists. However, information about this is either poorly available or scattered among different organizations and agencies, so they are not easily available to tourists. This project would prepare a publication that would consolidate this information, so that tourists have a clear idea of what activities are offered on the territory of the municipality of Plav, and to whom and how to address to in different situations.
The arrangement of tourism sites: Hridsko and Visitorsko Lakes, Oko Skakavice, the valley of Grebaja	The Hridsko Lake is located at an altitude of 1,970m and together with the Visitor Lake (1,820 m), the Oko Skakvice and the Valley of Grebalja represents an exceptional potential and tourism attraction. As natural and tourism attractive values, all of them should be protected from irregular construction and other forms of threats, and to provide investment projects with their accessibility and full valorization. Besides this, it is also necessary to provide adequate equipment and facilities (construction and marking of quality cycling and hiking trails) in order to provide tourists with optimal conditions for enjoying the natural beauties of this region.
The arrangement of Alipaša's springs	Alipaša's Springs in Gusinje are located at the foot of Mount Vezir's Beard, the Prokletije mountain range and are located about 1.5 km from Gusinje. It is a series of about 25 springs forming the Vruja River. The springs flow of about 2.5 - 7 m ³ /s. Considering that one of the largest springs in Montenegro is relatively close to the settlement, it is a very visited place and is known as a picnic/excursion area. The project envisages the

	reconstruction of stone walls and dams, the installation of wooden bridges, the arrangement of the shore, the installation of park and utility equipment, etc.
Spatial arrangement around the Grlje waterfall with the construction of a gallery	The area around the waterfall and the canyon of Grlja in Vusanj represents a natural phenomenon of great importance for tourism valorization. Space protection is necessary because of possible unplanned construction of buildings in the immediate vicinity of this natural gem. The construction of the gallery would complement the ambient and landscape surrounding of this site.
<p>The Study on Protection, Revitalization and Valorization of Plavsko Lake</p> <p>The project also relates to other priorities and measure, since Plavsko Lake is one of the fundamental values of the municipality, since it influences biodiversity, local climate, as well as the the development of tourism, agriculture and other economy sectors .</p>	<p>The disappearance of glacier lakes is a natural process that takes hundreds and thousands of years. However, when it comes to Plavsko Lake, the last decades have seen a significantly accelerated trend in the reduction of its surface. Previous research has shown that this is a consequence of anthropogenic impacts, primarily of an inadequate discharge of waste water from households and agriculture, waste and erosion in the entire bedding area of the lake due to poor management of natural ecosystems, which is why their regulatory functions are deteriorating. As Plavsko Lake is one of the main factors for the municipal development, since it gives it authentic landscape-ambient values, it represents the basis for the tourism development, and it influences the local agriculture, as well as the hydrodynamic regime of the Lim River, so then its preservation belongs to the priority activities.</p> <p>This project aims to conduct a detailed scientific analysis of the factors that influence the disappearance of the lake and to propose a set of measures for their elimination in the near future. The study represents the starting point for the implementation of macro-project of protection, revitalization and valorization of the Plavsko Lake.</p>

SOUTH REGION

Strategic development plan for Municipality of Tivat 2012 – 2016

An unused area for further development is also rural eco-tourism, which could develop through the development of agricultural husbandries in the ambient units of Tivat municipality. There is also a lack of motivation for dealing with agriculture due to the unfavorable systemic position of agriculture. Within the framework of Priority 4: Competitive economy, attracting investments and creating a stimulating environment for further development of tourism and complementary activities, and within the framework of Measure 4.2: The development of sustainable agriculture and complementary activities on traditional bases and development of fishery and marine culture, there is the Project highlighted - Improving rural tourism through the adoption of a rural development strategy.

An overview of planned and conducted projects relating to rural tourism development:

Project:	Status (ongoing */ finished ✓ / not finished x):
Continuation of the water supply infrastructure construction, phase III	✓
Construction of the main tank project for Gradionica, Djurasevici, Djurdjevo brdo	* The project partially implemented. The tank was constructed in Gradionica.
Construction of a pipeline Djurdjevo brdo-Pod kuk	X The project implementation has not started.
Elaboration of the plan for restructuring ViK	✓
Elaboration of the plan and redevelopment of so-called „forest paths“	✓
Construction of cycling trails and check-points along the entire municipality	✓
Adopting the Strategy of Tourism Development	The ministry in charge suggested local authorities to adopt annual action plans on tourism season preparations instead of the strategy on tourism development.
Elaboration of the project of branding Tivat	✓
Replacement of the old and placement of the new tourism signaling	✓
Improving tourism products and services through their diversification	✓
Improving rural tourism through adaption of Rural Development Strategy	✓
Development of rural areas through eco-tourism and eco-agriculture	X The EU funds have not approved the funding for the implementation of this project.
Development of rural environment: development of entrepreneurship and traditional crafts – founding creative centres for craft activities	X The project implementation has not started due to poor interest.
Providing subventions, lowering the fees and taxes for certain economy branches	✓
Improvement of operations of micro-crediting fund for the loans to entrepreneurs, micro and small businesses	✓
Educating entrepreneurs on the significance of introducing the quality standard	✓
Organizing mutual participation of municipalities, entrepreneurs and investors at domestic and international economy trade fair	✓
Creating a municipal team for EU project elaboration and management	✓

Developing mechanisms of cooperation and coordination between local authorities, commercial entities and civil sector	✓
Preservation of traditional cultural heritage (folklore, traditional music instruments and the like)	✓

Strategy of rural development by 2020 for municipality of Tivat

In the rural areas of Tivat municipality, several households that provide accommodation services to tourists have been registered, but none of them is registered as a rural household, and in that sense, it cannot be said that there are households that provide hospitality services in a rural household. By adopting the Municipal Rural Development Strategy, opportunities for the development of rural tourism will be created in certain segments.

In order to achieve all that is envisaged in the vision of the Strategy for the period 2014-2020, it is necessary to define first general and then the specific strategic objective: achieving competitiveness, improving the quality of life in the rural area, creating new jobs, improving quality of the products, better promotion and awareness about rural development opportunities, promoting eco/organic production, preserving and improving rural infrastructure, protecting cultural heritage, sustainability in resource management, adapting rural policy objectives to EU standards, attracting tourists.

Improving the sustainable development of rural areas means: Providing support to rural development by improving infrastructure, Measures of support to various rural activities (agritourism, culture, education), implementing programs aimed at strengthening the capacity of regional and local institutions to support rural development and supporting local initiatives (wherever they come from), if they contribute to rural development.

Investing in economic activities in rural areas through a support to non-agricultural activities in rural areas - Rural development means agricultural activities and non-agricultural activities related to the improvement of rural life. This measure promotes the development of rural tourism, local handicrafts, traditional crafts, and the like. The role of this measure is reflected in the implementation of activities and the improvement of non-agricultural and entailing agricultural activities. This measure is of a social nature and refers to improving the living conditions of the countryside by raising the standard of living of the rural population. (p.36)

The offer of rural tourism in the municipality of Tivat should be based on staying in traditional accommodation facilities, participation in rural works, hiking, cycling, tasting of gastronomic offer from the domain of traditional products (fish, wine, prosciutto, cheese, olive oil, honey etc), education and direct participation in the preparation of the products.

A range of gastronomic venues organized in the municipality of Tivat, which are based on local food and autochthonous products, are a very good means of animating tourists to come to the rural area. Also, a significant motive for visiting the rural area are also events that promote cultural heritage, customs, folklore, old crafts, etc.

Tourism in a rural area (rural or agritourism) should come to life and become an important factor for the extension of the tourism season. Hospitality and accommodation facilities in the rural area should be modernly equipped and in equal quality with those on the seashore. Although investments in renovating the facilities are a very demanding financial venture, incentive measures must be quality and stimulating.

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



An overview of planned and conducted projects:

Project:	Status (ongoing */ finished ✓/ not finished x):
The action plan for renovation of the current ruined houses and ruins of rural houses in the purpose of providing tourism and/or hospitality services in the rural area of Tivat municipality	* An invitation to use funds for renovation of old facilities in the rural municipal area is issued every year
The action plan for equipping a hospitality, touriss or accommodation facility for the provision of providing hospitality, tourism and/or hospitality services within the rural development	* An invitation to use funds for the purpose defined in this action plan will be issued every year
The action plan for financing the purchase of equipment necessary for the production of autochthonous products, which, apart from being the core activity, will be engaged in special interest tourism in the rural area and in the creation of new brands according to which Tivat will be recognized as an agritourism destination and which will be used in providing tourism and/or hospitality services in the rural areas of the municipality of Tivat	* An invitation to use funds for the purpose defined in this action plan is issued every year
The action plan for increasing the fruit & vegetable planting that will be used in providing tourism and/or hospitality services in the rural areas of Tivat Municipality	* An invitation to use funds for the purpose defined in this action plan is issued every year
The action plan of the arrangement of a field, garden, meadow, or observation deck within a household, and in purpose of providing tourism and/or hospitality services in the rural areas of Tivat Municipality	* An invitation to use funds for the purpose defined in this action plan is issued every year
"Agro Base - AgroGeo.me, a datbase that originated from the implementation of the IPA project "Implementing the Integrated Environmental Management Plan at the local level in the Shkodra Lake Ecosystem-EMA Plan ", which the Municipality of Tivat took over from an NGO "Green Home" for free use this year. The database contains the data on agriculturers, the type of production, location, product quantity and Google map. The work on the innovation of this database, which will also include the banner of "online markets" with the data of the agricultural producers, is ongoing. The Agro-base was planned to be activated in 2015 in cooperation with the Faculty of Biotechnology. The database would be available on the website of the Municipality of Tivat, of the Tourism Organization of Tivat and of the Communal Utility Company (which manages market stands).	* The database was active only for a year. Biotechnology Institute should have innovated it in accordance with the users' comments and after that, the municipality will take over the maintenance and management of the database.
"Heritage – a Stimulator of the Development"	✓
Sustainable development of special interest tourism „Sud Sit“	✓

Strategic development plan for Municipality of Kotor 2013 – 2017

Within Priority 2 – Development of economic activities, and as Measure 4 the Development of Rural Tourism stands out. Within this Measure the following activities are emphasized:

- Elaboration of the plan for preservation and valorization of rural areas in tourism programs;
- Elaboration of incentive programs for the development of rural tourism, mountaineering, hiking and cycling, paragliding, extreme sports and organization of rural events of oleo-tourism and agritourism nature;
- Elaboration of a map with the sites of special significance for holidays and recreation: catalogues, brochures, maps for the fans of rural nature and olives.

An overview of planned and conducted projects relating to rural tourism development:

Project	Deadline	Status (ongoing */ finished ✓ / not finished x) / explanation
Elaboration of the Agriculture Development Strategy	2014	X The Municipality of Kotor has not adopted Agricultural Development Strategy nor has it started activities on its development.
Elaboration of the study on the type, range and distribution of accommodation capacities (hotels, private accommodation, camps...) in the protected zone	2013 – 2015	X The project has not been completed, and so far only the concept of a study on the development of accommodation capacities for youth hostels has been done.
Elaboration of the project on the access and visit to the sites that have not been valorized in tourism	2013 - 2015	* The TO of Kotor, together with the Secretariat of the Protection of Natural and Cultural Heritage, launched an initiative to develop a project for the approach and valorization of prehistoric drawings in Lipci. The Administration of the Protection of Cultural Property were asked for the preservation conditions. Due to unsolved ownership status, it was not possible to obtain urban technical and therefore preservation conditions. For now, this site has not been adequately valorized.
Elaboration of the concept of new cultural contents and programs in purpose of tourism	2013 - 2015	* This project is ongoing, and this season the first festival of Mediterranean music and the folklore festival will be held in Kotor.
Elaboration of the Tourism Development Strategy of Kotor Municipality	2016	X In order to start the development of the Tourism Development Strategy, it is necessary to develop prior a quality Strategic Plan of Kotor Municipality which the Tourism Development Strategy will be based on.
Elaboration of the study on preservation and valorization of rural areas in tourism programs	2013 – 2015	X This topic will also be elaborated through the future strategic plan of the municipality of Kotor and the strategy of tourism development.
Creation of incentive programs for the development of rural tourism, mountaineering, hiking, mountain biking and cycling, extreme sports, organizing rural events of oleo-tourism and agritourism nature and similar	2013-2017	* In Aug. 2017 the TO Kotor and Kotor Municipality organized the event "All to Crkvice" with the aim of reviving this beautiful part of the municipality even for a short time, and to animate the citizens and the tourists to visit this part of the Kotor hinterland. The idea is that this event becomes traditional.

Creation of a map of places of special importance for rest and recreation: catalogues, brochures, maps for lovers of rural nature and olive trees	2013 - 2017	X Preparation of promotional material is in progress. So far, TO Kotor has issued a map of hiking trails on Vrmac, and in the following period, the map of hiking trails of the Kotor hinterland is planned.
Recording, documenting, valorization and presentation of cultural and natural heritage	2013 - 2017	

Strategic development plan for Municipality of Budva 2013 – 2018

The basic economic branch of Budva will still be sustainable tourism (rural - family, eco, sports and recreational, entertainment, high, scientific, congress, nautical etc), which includes education and training, development and organization of tourism, travel agencies, enterprise, smaller hospitality facilities, so this considers a properly coordinated, gradually developed tourism development based on the (traditional) values of this area.

In the previous period, the Municipality of Budva faced important limitations within the tourism offer, and the sectors that are especially recognized as those whose improvements have to be made are transportation and communal infrastructure, i.e. the improvement of the current supply and its adjustment to the contemporary demand requirements and structural changes in it.

First of all, it is a matter of efforts and activities aimed at improving the current types of holiday and recreational, sports and recreational, nautical, business and congress, ethnological and rural tourism with a significant increase in the duration of the tourism season. In addition to this basic strategic document, there is a need for drafting strategic documents such as: Municipal Tourism Development Strategy, Municipal Rural Development Strategy, as well as the Natural Resources Management Plan. Besides this, there is a need for the creation of a unique municipal information system (based on GIS and other related technologies), as a "live" open system that would integrate all spatial-planned data.

Within the SWOT analysis, some of the weaknesses in the field of economic development are: an incomplete strategic approach to tourism development and insufficient utilization of the hinterland for the development of agriculture and tourism. In this same framework, some of the weaknesses that are recognized in the field of transport and public infrastructure are: insufficient prominence of transport and water infrastructure in rural and mountainous areas and insufficient traffic development and connections in the rural and mountainous areas. On the other hand, one of the opportunities that is recognized in economic development is the enrichment and promotion of a diverse tourism offer, especially in terms of nautical, cultural, picnic/excursion and eco-tourism, as well as connecting rural and marine tourism. Rural tourism has not been sufficiently developed, although there are good conditions in the villages on the coast and mountainous and hilly areas. Eco-tourism has exceptional potentials through organizing numerous excursions/picnics in combination with quality accommodation.

Strategic development plan for Municipality of Ulcinj 2015 – 2020

About 32 kilometers of the Adriatic coast represent the most important economic resource of this municipality. Tourism is the most important economic branch. In Ulcinj, along the beach there are also present: sports, health, rural and hunting tourism. Despite having a great perspective, other types of tourism, such as cultural, ecological and agritourism are still less developed and presented. This has the effect of limiting the season to just three months (from June to August). The municipality of Ulcinj has a tourism potential that is not valorized enough. The lack of focused orientation, i.e. the strategic framework defined and the priority areas that are to be conducted, leads to slow tourism development with limited utilization of the current resources, resulting in *ad hoc* development and implementation of the projects that do not give maximum impact. In order to define strategic guidelines and priorities of tourism development, the Municipality of Ulcinj intends to start preparing for the elaboration of the Guidelines (Strategy) for the sustainable development of tourism in the municipality of Ulcinj by 2020 (including the plan of activities with the measures for diversification and improvement of the tourism offer). The strategy will be prepared through broad participation and involvement of all stakeholders in order to provide consensus or support in later periods of implementation. The Strategy for Sustainable Tourism

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



Development must be based on these key resources and directions of tourism development: the Master Plan for the Development of the Velika Plaza beach and Ada Bojana beach, Ecological tourism on Valdanos and Solana, as well as rural tourism in the Sasko Lake.

An overview of planned and conducted projects relating to rural tourism development:

Project	Deadline	Status
		(ongoing */ finished ✓ / not finished x) / explanation
Development of Guidelines (Strategy) for sustainable development of tourism in the Municipality of Ulcinj by 2020 (including the plan of activities with the measures of diversification and improvement of the tourism offer)	12 months	X Only municipal strategic plan has been done, and the project has not.
Registration and categorization of accommodation facilities in Ulcinj municipality	12 months	* Secretariat of Economy is dealing with the categorization of accommodation facilities in accordance with the Law on Tourism and Hospitality.
Implementation of pilot projects – arrangement of private accommodation, the nuclei in settlements	36 months	X Due to a lack of funding.
Creation of conditions for the development and the promotion development of rural tourism – a model of difuse hotels – a pilot project	36 months	* Private investors have not started their investments. There are urban plans for construction of hotel complexes for rural tourism.
Construction of a tourism centre for excursion/picnic, entertainment, recreation and nature observation in Valdanos	18 months	✓ An observation deck was made in Valdanos and in Stegvas. This was financed by NTO, and the project lasted for about 3 years.
Valorization and development of cultural and historical and religious tourism	At least 48 months – a continuous process	* A project by Ministry of Culture and Public Company “Culture Centre of Ulcinj” about valorization of Svac is ongoing.
Development of navigation, nautical and excursion/picnic tourism	At least 36 months	✓ There are routes for excursion/picnic tourism (a visit to the river Bojana, Big Beach – Small Beach). The naval routes are maintained by private entrepreneurs.
Development of new forms of tourism through utilization of tourism potentials in Ulcinj municipality	At least 36 months	* Development of cultural tourism of the Old Town Svac, promoting the Old Town through Servantes’ history.
Creation and promotion of the tourism brand of Ulcinj Municipality	At least 24 months	* Montenegro's tourism potentials are expected to be re-branded based on which an initiative for the branding of Ulcinj as a tourism destination will be launched.
Improving the virtual marketing	6 months, a constant process	X
Protecting the geographical origin of products and branding	A continuous process	X In the current year, an initiative will be launched to brand the geographical origin of autochthonous agricultural products, such as: mandarin oranges, figs, watermelons, etc.

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



Creating conditions for construction of the Centre for Purchase and Placement of Agricultural Products	Permanently	* Private producers from Stoj have their own purchase of mandarin oranges. The company Voli in Svac is currently investing in the construction of purchase centres for agricultural producers.
Opening a Business Centre in Ulcinj Municipality	4 years	X The location is determined according to the General Plan.
Construction of infrastructure for the business zone and promotion and defining of the incentive measure package	5 years	X It has only been envisaged by the plan, and nothing has been done regarding the infrastructure.
Development of the cluster and promotion of cluster merging significance	4 years	X During next year, the municipality of Ulcinj will launch the project of olive-growing cluster merging.
Development of credit support programs for the development of tourism, agriculture and entrepreneurship	Permanently	V The agreements were signed with the Investment Development Fund of Montenegro.
Construction of the swimming pool Brajsa	24 months	The project is done, but ownership issues have not been completed.
Project 43: Construction and reconstruction of urban and suburban traffic routes	Regular activities	Every year reconstruction of town streets and signs is done.
Project 44: Education and raising the level of environmental awareness in the municipality	12-60 months	In 2018 a project about the education and raising the level of environmental awareness in the municipality was conducted by a NGO Ub and the municipality.
Project 55: The establishment of an office for cooperation with the civil sector in Ulcinj municipality	12-24 months	An IPA office has been opened, and it is envisaged who in the Secretariat of Social Affairs works with the civil sector in the municipality.
Establishment of the Team for registering and analyzing the situation in private households, which will also be responsible for the activities of education and distribution of brochures on the collection of residential fee, the manner of accommodation registration and penalties for non-registration of guests. - Action plan for the preparation of tourism season, 2013	March 2013	Partially done. Each year, the local tourist organization publishes brochures for the purpose of education and distribution of brochures on the collection of residential fee, the manner of accommodation registration and penalties for non-registration of guests. Brochures are available to everyone at info points of the local tourist organization.

CENTRAL REGION

Strategic development plan for the capital of Podgorica 2012 – 2017

The strategic plan has identified the potential for rural tourism development through the development of eco-tourism that can be conducted in the mountain parts of Podgorica (Verusa, Radovse, Lukavica, Prokletije). Connecting villages and katuns with the production of organic, traditional food, as well as the production of folk handicrafts in a unique hospitality supply. In relation to this, the following potentials/locations need to be valorized:

- Verusa - the potential for the development of mountain tourism, winter sports and all-year activities;
- Include the area of Zijovo and Korita in the offer in terms of mountain tourism with the obligatory development of the road infrastructure;
- Kuchka villages with their katunas represent a significant potential for the development of rural tourism and ethno-villages;
- Radovce – a mountain recreation area where it is possible to make a smaller ski resort, trim trail and other recreational contents;
- Lukavica – a katun region with a potential for hunting tourism;
- Opananica village - agri-ecological and agritourism basis for the development of rural tourism;
- Cijevna Canyon - opportunities for developing eco-tourism (as a potential monument of nature).

An overview of planned and conducted projects relating to rural tourism development:

Project	Deadline	Status (ongoing */ finished ✓/ not finished x) / explanation
Popularization, promotion and presentation of organic products	2014	The TO Podgorica has provided logistic support to the exhibition-fair event related to the promotion of organic production and local products, which was organized in the Capital under the auspices of Ministry of Agriculture.
Promotion of wine routes - „Vinskih cesti“	2013-2016	The TO Podgorica in cooperation with the Secretariat of Entrepreneurship actively participated in marketing activities on the promotion and distribution of the Wine Routes catalogue that included the offer of wine producers in the region of Podgorica.
Organizing a wine salon „Monte Wine“ (orig. Monte Vino)	2017	No information
Program „Agro Is“	2017	No information
Breeding and protection of wild game (a link with tourism)	2012-2013	No information
Construction of Hunting Lodge on Barutana with entailing contents and hunting facilities	2017	No information
The introduction of wild game into hunting grounds for the needs of hunting tourism	2017	No information
Tourism valorization of Kuchka katuns	2014	No information
Construction of hotels and motels for children in Verusa and a purposeful high standard hotel with a specialized program for healthy life (organic food and sports and recreational activities)	2017	No information
Encouraging the construction and promotion of private accommodation	2014	The TO Podgorica in coordination with the Secretariat for Entrepreneurship, formed the database of the private accommodation providers in

		the area of the capital, made promotional material and installed the link for private accommodation on the TOP's web portal.
Stimulating the development of alternative types of tourism	2014	Promotion of walking/hiking trails in the hinterland of the Capital.
Elaboration of Feasibility Study on the arrangement of Sinjca settlement along the coast of Malo Blato, Vranjina and Pohum	2015	No information
Organizing festivals, venues and competitions	2017	TOP organized and supported numerous events and venues with an emphasis on promotion of cultural and traditional values of the capital in order to affirm Podgorica as a tourism destination.

Strategic development plan for Municipality of Nikic 2014 – 2019

The development of rural tourism is one of the main goals of Niksic agriculture development, as well as the diversification of rural activities (encouraging traditional handicraft, crafts). Rural tourism, staying in a rural area, active participation in the life of a rural household, the pursuit of activities in nature, participation in national games and local product tasting are a great opportunity for the development of Niksic Municipality. Beautiful villages, homemade products and hospitality of people are important prerequisites for this offer. On the other hand, the potential for the development of this type of tourism is reflected in the integration of agriculture with tourism and the placement of traditional products almost exclusively through tourism, which significantly complements the tourism offer.

An overview of planned and conducted projects relating to rural tourism development:

Project	Deadline	Status (ongoing */ finished ✓ / not finished x) / explanation
Reconstruction of the regional road Petrovici – Vracenovici – the border with Bosnia and Herzegovina	12 months	Ongoing – the works are coming to an end
Construction and reconstruction of the road Krnja Jela-Bare Bojovica-Kapetanovo Jezero	24 months	Not finished
Conducting works on elaboration of the system of technical protection of water supply facilities	12 months	Finished
Creation of database of agricultural resources using GIS	155 days	Partially – workers trained
Diversification of economic activities in rural areas of Niksic	140 days	Continuously – education for rural tourism – study tours
Support to home-made products	210 days	Continuously – promotional & sales local and regional venues
Construction of artificial water accumulation as a support to the villages in waterless areas of the municipality.	135 days	Continuously
Strategy of Tourism Development of the Municipality of Niksic	16 months	Not finished
Promotion of tourism potentials of the Municipality of Niksic		Regular activities through the project, info brochure done, tourism signaling, participation at trade fairs
Development and improvement of special tourism products		Continuously – festivals
Valorization of tourism potential of the Municipality of Niksic		Ongoing
Connecting tourism sector with the sectors of local economy		Continuously – development of rural tourism, cultural and sports
Strengthening the capacities for utilizing available EU funds and other international funds and institutions		Continuously

BIRDWATCHING	18 months	No information
Constant education of municipal teams for elaboration and management of the EU projects and the projects of other international funds or institutions	2.5 years	Continuously

Strategic development plan for Municipality of Cetinje, Old Royal Capital 2012 – 2016

The recognizable tourism potential of the Old Royal Capital is rich historical heritage, which can be seen beside Cetinje on Njegusi and Rijeka Crnojevic. In addition to the extraordinary natural beauty, the Aqueduct of Skadar Lake is also rich in cultural and historical monuments, many of which date back from the Middle Ages. However, the tourism potential of the Old Royal Capital has so far not been sufficiently exploited. Accommodation capacities are not satisfactory for a more dynamic development of tourism, and the offer is not sufficiently diversified in terms of the current tourism resources. Therefore, it is necessary to create a more diversified tourism offer through faster development and linking of all segments in a tourism product, i.e. to develop rural, agri, mountain, cultural, pilgrimage, sports and other forms of tourism. Also, in order to attract more guests, especially those with more money, it is necessary to extend the tourism season and create a better quality offer.

Within the SWOT analysis, one of the opportunities that have been recognized within the area of economic development are new trends in tourism (religious, rural, eco-tourism, cultural).

An overview of planned and conducted projects relating to rural tourism development:

Project:	Project description
Reconstruction of local and uncategorized roads: 1. Highway Cetinje-Podgorica – Dobrsko selo (2.5km) 2. Han Masanovica-Gradjani (11.5km) 3. Lastva cevaska-Markovina (9.5km) and 4. Kuk-Krstac (4.5km).	Reconstruction of four local roads on the territory of the Old Royal Capital means modernization of parts of the road directions, thus providing a faster and more efficient connection with local communities, water supply systems and neighboring municipalities. By implementation of this project, Cetinje will improve the communal infrastructure, increase the flow of local, tourism and transit traffic, and significantly improve the conditions for the development of agricultural production, rural tourism and the return of the population to rural households.
Revitalization of one of the 14 mills in the village of Poseljani (tourism valorization)	The project includes the reconstruction of one of the mills and its equipping, which would provide potential visitors with the opportunity to get acquainted with authentic folk building and ways of doing business, and at the same time, by involving local communities, it will increase the possibility of placing autochthonous products. A good example from the region is the revitalization of watermills in the village of Brzece on Kopaonik, where visitors, besides getting to know the old method of grinding grain, can also buy flour.

Strategic development plan for Municipality of Danilovgrad 2012 – 2018

The development of tourism has been especially important in the last years, in terms of the economy branches covered. The forms of tourism that have become especially important are: religious, mountain, transit, excursion, sports, rural.

The Municipality of Danilovgrad has recognized its resources and capacities in the field of mountain and rural tourism (as well as its transit position, proximity to the sea and mountains, as well as centuries-old lighting facilities), but it has not yet managed to valorize this potential. Therefore, they drafted the Tourism Development Strategy by 2020 in order to define and create preconditions and to design a tourism offer and its interactive influence on the development of other activities, an increase of the employment and socio-economic status of the municipality population. During all these activities, the help of the NTO, MSDT and cooperation with municipal tourism organizations and travel agencies from the surrounding area are counted on.

The development of tourism in Danilovgrad municipality is in its infancy. There are conditions for the development, primarily cultural, then mountain, rural, excursion/picnic, sports and transit tourism. The monastery Ostrog, the monastery Zdrebaonik, Head of the Zeta, Studeno, Ponikvica, Vukotica and the like are the most important tourism destinations in the municipality. These include the most important archaeological sites, the Spush Fortress, Gradina and other important tourism destinations. Construction of tourism infrastructure (the road Ostrog - Zdrebaonik and other roads, construction of ethno-villages, hotels, cycling trails, camping sites etc.) are of great importance for the development of this activity. The solution for the lake in Ponikvica is also extremely important. Special attention is to be paid to eco-katuns, the reconstruction of the Lodge in Studen, the construction of hunting lodges. The development of this activity has to be completely programmatically overviewed, whilst the elaboration of a specific strategy has already started.

Within strategic priorities, the following aspects point out in relation to rural tourism:

- Incentives for agricultural products processing;
- Defining the camp site area (G. Zete, Tunjevo, Studeno, Ponikvica, Vukotica);
- Revitalization of katuns Ponikvica and Vukotica;
- Construction of hunting lodges, feeding and water points, check points and observation hunting points (p.81);
- Construction of traffic and tourism signalization;
- Development of HR in the field of agriculture and rural areas, organic agricultural production, tourism;
- Improvement of katuns Sinjajevina and Lukavica;
- Construction of roads, water supply systems and solar systems;
- Construction of ethno-villages and production of eco-food;
- Collection and planting of herbs and forest fruit;
- Revitalization of the complex „Glava Zete“;
- The pulsating elevator „Glava Zete-Ostrog“

Rural tourism with different levels of services, subtype programs (agritourism, ethnotourism, etc.) should follow the development of the village, and in this context, especially mountain – katun summer tourism may have a chance.

An incentive program for rural areas and katuns and the incentives for the processing of agricultural products includes:

- The Project of wax processing project and production of clock bases;
- Elaboration of a study on the possibilities of producing eco-food by type and volume;
- Promotion and education on organic production;
- Standardization and certification of organic agricultural production;
- Establishment of the Organic Agricultural Producers Association;
- Registration of private accommodation and incentives for construction of accommodation capacities;
- Construction of alternative energy sources (solar systems) on katuns and in rural areas;
- Detailed urban plan of the settlement "Eko city".

Strategic development plan for Municipality of Danilovgrad by 2020

As one of the priorities of further development of tourism in Danilovgrad municipality, from the aspect of sustainable development, the development of tourism in the rural area of the municipality is underlined with a special emphasis on the diverse offer to tourists in handicraft, which also enables the development of rural settlements and tourism development (agritourism, eco-tourism, ethno-villages and camps). The tourism offer providers, for further development, according to the recommendations from the development strategies, at the local and national level, have to direct their strategy to:

Raising the level, diversity and quality of the offer and products depending on the different requirements of the target groups. The offer is small (for now), but apart from the current, it is necessary to innovate and specialize the offers related to the possibilities of our destinations such as: cultural and religious tourism, nature and entertainment services in countryside, rural, excursion/picnic and mountain areas, meeting UNWTO's requirements, so called "3E" (entertainment, excitement, experience).

Instead of the classic tourism offer (transport, accommodation, food), it is necessary to offer specificity, which besides the basic content offers peace, relaxation, clean surrounding, unusual experiences and sensations, surprises, pleasure, entertainment, specialty of ambience and the like.

In order to achieve the goals and measures of the Strategy, diversification of accommodation capacities and improvement of leisure activities for recreation (family offers in the rural and mountain areas) are necessary along with their combination and improvement.

Developmental priorities (related to rural tourism) are:

- Construction of new accommodation capacities and providing conditions for the completion of the current ones and their modernization or upgrading (construction of small family boarding houses, hunting and forestry houses, arranging katuns, mountaineering houses, camps, etc.);
- Reconstruction, modernization and construction of the infrastructure (traffic and communal), with the aim to develop and exploit the available resources in the area, primarily in the production of eco-food (health, safe and certified foods), which would be offered directly to tourists. In this way, the improvement of citizens' standards is ensured and the conditions for activating rural households and the return of young people to the village ("export on the threshold") are created;
- The key feature of the tourism offer, apart from the spiritual heritage, is based on natural beauty (nature-based tourism) and activities in nature, primarily in rural areas, mountainous excursion sites and mountain katuns, or a combination of all these values;
- In all of that, rural tourism has or will have a significant share through various levels of services and programs such as: agritourism, ethno-tourism, eco-tourism, hunting and sports recreational tourism, excursion/picnic and health tourism, cultural tourism.

Rural tourism is based on the activation and motivation of rural households to invest in the development of tourism in the rural area (agri-tourism, ethno-tourism). The tourism offer of this type (especially to foreign tourists) can be very attractive, most often as an integral part of the total tourism offer of the rural, bottom-mountainous, katun and mountain areas. The sustainability of this type of supply is related to tourists-nature lovers, while preserving natural resources and the environment.

Within the development zones, the areas that stand out as priority zones in the tourism development area (especially concerning rural tourism) in the municipality of Danilovgrad are: The complex of buildings on the Head of the Zeta (tourism, recreational, production); Orja Luka settlement (the space for different tourism and production programs, camping and ethno-village); Rural settlements, lower hilly-mountain belt (development of agriculture and agri-industry, rural and eco-tourism, eco-agriculture and eco-tourism); Settlements in the belt of Bjelopavlica Plains (agriculture and agri-industry, high-standard accommodation capacities, brands, etc.); Higher hill and mountain belt Vukotica, Studeno (tourism in cottages, mountain lodges and katuns, lodges, forest

houses, hunting lodges, campsites); The belt of high mountains consisting of: Ponikvica, Prekornica, Sinjavina, Lukavica, Stitovo (tourism in katuns, eco-tourism and eco-agriculture).

Within the Operational Goal 1: Providing the necessary infrastructure in order to achieve the Strategic Objective "Quality instead of Quantity", Measure 1.3 is stated: The impact on increasing the quality of the offer and standards in the current hospitality and accommodation capacities and the development of high quality accommodation capacities, and as Priority 1.3.3 is stated – The support to the private sector and households in the rural area in terms of organizing education and training session focused on the market analysis and attracting tourists.

Within the Operational Goal 5: Inclusion of the local population in the tourism economy "Internal marketing", and within the Measure 5.3 - Linking the tourism sector with other sectors of the local economy, it is stated that the production of eco-food (eco-agriculture) for consumption in hotels and local restaurants can lead to more intensive agricultural production and income increases in this area, and that this potential lays in the combination of agriculture and tourism, especially in the rural area.

APPENDIX 4: OVERVIEW OF CHARACTERISTICS OF RURAL TOURISM ARRANGEMENT OF SOME TOUR OPERATORS

PACKAGE ARRANGEMENT/ PRODUCT	ACTIVITIES	ADDITIONAL SERVICES	LOCATION	ACCOMMODATION	DURATION
Multi-activity villa holiday	hiking, kayaking, wine degustation, swimming, visit of caves, bird watching, gastronomic tours, cooking lessons	Tourists are provided with transport services, accommodation, and all meals are included in the package arrangement. In addition, the services of a qualified guide are provided 24/7, and that person is in charge of taking over the tourists at the location of their choice, and later on, also driving them back to the airport.	Skadar Lake	Tourists stay in Villa Miela which is privately owned by the owner of the agency Undiscovered Montenegro	8 days
Multi-activity holiday in the north of Montenegro	hiking, mountain biking, rafting down the canyon of Tara river, zip-line	Tourists are provided with transport services, accommodation, and all meals are included in the package arrangement. In addition, the services of a qualified guide are provided 24/7, and that person is in charge of taking over the tourists at the location of their choice, and later on, also driving them back to the airport.	Tours are organized on the north of Montenegro and on the following locations: the peak of Ogorela glava, Biogradsko jezero/Bendovac, the canyon Nevidio, the canyon of the river Tara, Durmitor/the peak Prutaš	Tourists can choose whether to stay in traditional ethno-villages or in rural households. Also, tourists are offered the possibility of choosing a luxury package of services. The following accommodation capacities are included in the offer: Apartentsi Mirovic, Nevidio eco-village, Apartments Zvono. Luxury accommodation options include: Four Points Sheraton in Kolasin, Hotel Zabljak on	There is possibility of choosing one of two programs: 1. 3-4 nights tour; 2. 7-days tour

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



				Zabljak and Apartments Zvono in Pluzine.	
Best of Montenegro Active Holiday	The first 7 nights are spent on Skadar Lake, and the activities during these days include hiking to natural springs, caves and fishery villages, swimming in the areas with waterfalls, kayaking and wine tasting. The second part of the tour includes 3-7 nights in the north of Montenegro, whereby tourists can choose the duration of this part of the holiday (3, 4 or 7 nights), and they can also make a choice in terms of accommodation, offering them the possibility of staying in traditional ethno-villages and katuns, as well as the possibility of staying in luxury hotels.	Tourists are provided with transport services, accommodation, and all meals are included in the package arrangement. In addition, the services of a qualified guide are provided 24/7, and that person is in charge of taking over the tourists at the location of their choice, and later on, also driving them back to the airport.	Rijeka Crnojevića, Žabljak Crnojevića, Virpazar, Murići, Kotor, Kolašin, Bjelasica/Ogorela glava, Biogradsko jezero, Biogradska gora/ observation deck Bendovac, the canyon Nevidio, Dragišnica (hiking from Dobri dol, along the river Komarnica to Boljske grede), the peak Prutaš, the canyon of the river Tara	Villa Miela, Apartments Mirovic, Ethno-village Nevidio, Apartments Zvono	10/11 days up to 14 days, at the tourist's choice
Montenegro/Bosnia holiday (new in the offer since 2018)	4 days activities – two hiking tours in Bosnia (Lukomir and Diva Grabovica), one hiking tour in Montenegro (NP Durmitor) and rafting down the river Tara. Besides these 4 days of activities, the program also includes 3 days of tours of Mostar and Sarajevo, the old town Pocitelj and Vrelo Bune.	Tourists are provided with transport services, accommodation, and all meals are included in the package arrangement. In addition, the services of a qualified guide are provided 24/7, and that person is in charge of taking over the tourists at the location of their choice, and later on, also driving them back to the airport.	Mostar, Vrelo Bune, Pocitelj, Diva Grabovica, Sarajevo, hiking from Umoljan to Lukomir, rafting down the river Tara, hiking to the peak Prutaš.	Boarding house Kandilj, Boarding house Umoljani, Apartments Zvono	8 days
Rivers, lakes and canyons of the North	kayaking, 4-hour private boat ride, hiking, visiting rural households, sightseeing of panoramic landscapes, rafting.	Rent-a-car services for 8 days are included in the price, transfer from and to the airport, personal and certified guide, help and support on the ground 24/7 - all communication with tourists takes place in English, insurance for excursions.	Skadar Lake, Monastery Moraca, Prokletije, Plav, Durmitor, Pivsko Lake, Bogumili, the canyon of the river	Rural households in Skadar Lake area (3 stars), accommodation in the area of Komovi, accommodation in mountain cottage in	8 days

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



			Komarnica, rafting on the river Tara	Prokletije, a rural household in Plužine	
Luxury Escape in Montenegro	sightseeing of historical, cultural and religious sites, lunch/dinner on agricultural husbandries engaged in organic production/households, hiking, a short cruise.	Rent-a-car services for 8 days are included in the price, transfer from and to the airport, personal and certified guide, help and support on the ground 24/7 - all communication with tourists takes place in English, insurance for excursions.	Herceg Novi, Monastery Ostrog, Bokokotor bay Cetinje, Skadar Lake, Monastery Beška, the island Grmožur, Montenegrin Niagara waterfalls	a tavern in Herceg Novi, a hotel or apart hotel in Kotor (Old Town), luxury accommodation in the Skadar Lake, a hotel in Kolasin or Podgorica	8 days
Deluxe Honeymoon in Montenegro	hiking, tour of cultural and historical monuments, sightseeing of wineries, waterfalls tour, fly fishing, mountaineering, jeep safari.	transfer from and to the airport, personal and certified guide, help and support on the ground 24/7 - all communication with tourists takes place in English, insurance for excursions.	Herceg Novi, Monastery Savina, Bokokotorski bay, Perast, Kotor, Gospa od Škrpjela, Vrmac, Skadar Lake, an island Grmozur, Kuchi, Manastir Moraca, Prokletije, Bjelasica, Biogradska Gora/Crna Glava	a tavern in Herceg Novi, hotel or apart hotel in Kotor (Old Town), a household near Skadar Lake, hotel in Podgorica or Kolasin, bed & breakfast wooden cottage near Andrijevisa.	12 days
Montenegro Discovery/Boating/Hiking/Winin & Dining	hiking, lake tour by boat, car or on foot, winery tour,	Rent-a-car services for 5 days are included in the price, transfer from and to the airport, personal and certified guide, help and support on the ground 24/7 - all communication with tourists takes place in English, insurance for excursions.	Virpazar, Skadar Lake		5 days
A Canyon Adventure	canyoning, hiking tour, hiking,	transfer from and to the airport, personal and certified canyoning guide, certified mountaineering guide, canyoning security	The canyon Nevidio, the canyon of the river Mrtvice, the	A cottage in the mountain, a 4-star apart. hotel in Podgorica,a	5 days

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



		equipment, help and support on the ground 24/7 - all communication with tourists takes place in English, insurance for excursions.	canyon of the river Cijevne	household near Skadar Lake.	
The Balkan Lynx Expedition	touring the terrain and setting up photo traps to spot the Balkan lynx.	The international team of flora and fauna experts visits the terrain with tourists searching for the Balkan lynx, the entire materials and devices needed for the study (photo traps, GPS devices) are provided, tickets for NP, insurance	NP Prokletije, Hajla	A katun in NP Prokletije, a hotel in Podgorica.	10 days
The most unique exciting and beautiful hikes in one unique expedition	hiking, mountaineering, wild animal watching	The expedition leader during the whole trip, transfers from and to the airport, mountain guide, compulsory insurance, tickets for the national park.	Komovi, NP Biogradska Gora, the canyon of Cijevne, Carnation – a hidden gem of NP Prokletije, Hridsko Lake, katun Vezirova brada, Kuchki kom	Traditional houses in mountains.	9 days
Call on the Forgotten Towns	hiking tour, lunch in a fishing village, sightseeing of cultural and historical monuments and landscapes	Transfer from and to the starting point.	Zabljak CrnojeviCa, Vranjina, the island Lesendro, Godinje, Murići, Ostros, Prečista Krajinska		1 day
Discover Diveristy of Ulcinj	Tour of the town, swimming, lunch, hiking tour	Accommodation in a hotel/ private accommodation at the guest's demand, transfer from and to the starting point.	Valdayos, peninsula Mendra, Ulcinj-Old Town		1 day

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



Cijevna canyon and ancient breath of Medun	hiking, lunch, sightseeing of historical monuments	Transfer from and to the starting point.	village Deljaj, Kučka korita, restaurant Stara kuća, an old fortress Medun, Memorial museum - Marko Miljanov		1 day
Fairy lake behind the mountains	mountaineering/hiking	Transfer from and to the starting point.	The village Guzevalje, the peak Treskavac, Bukumirsko Lake		1 day
Religious heritage of Podgorica	A visit of monestary, caves, hiking tour		Monastery Dajbabe, Gorica, the church "Crkva Hristovog Jevanđelja"		1 day
Conquer an ancient fortress and a meal beneath Niagara	Hiking tour, tour of cultural and historical monuments		Zabljak Crnojevica, Medun, the canyon Cijevne		
Traditional honey making in Old Royal Capital	Tour of Cetinje and cultural and historical monuments in the town		Cetinje		1 day
Gaze into the eyes of Mountains	hiking, jeep safari				1 day
Sailing in the calmer waters	cruising the lake, swimming, sightseeing of Skadar Lake, sightseeing of medieval monasteries, fishing villages		Skadar Lake, Grmožur, Virpazar		1 day
Highlands on horseback	Horseback riding		A ranch – for beginners Bukumirsko Lake – for the tourists experienced in horse back riding		1 day
Can you keep a secret?	A visit to a vinery				1 day
Hut to Hut Nordic Backcountry Ski Touring	trekking, skiing	a trained guide for skiing on the mountain, assessment of fitness during the first day of skiing, trails and routes adapted to the	Sinjajevina, Bjelasica, Komovi – a possibility of choice	Mountain cottages	5-6 days

THE PROGRAM OF RURAL TOURISM DEVELOPMENT OF MONTENEGRO

WITH THE ACTION PLAN 2019-2021



		skills of individuals, sending off the help on call, transfers from and to the airport			
Bushcraft Mountain Adventure	Quad bikes riding (off-road), survival in nature (different methods of burning fire, finding and using a fire striker, navigation), making different types of shelters, water search and water filtering, searching and identifying edible wild plants and making improvised traps, camping, barbecue	a temporary shelter, an improvised shower in the camp, whole-day barbecue in Montenegrin style (also includes vegetarian option), transfer from and to the airport	Komovi	Camp	5 days
Fly Fishing Adventure	Fly fishing	a complete fishing equipment is provided, a Mitsubishi Pajero vehicle or a similar jeep with navigation and insurance is provided (a full fuel tank is included), barbecue	The river Lim, Plavsko jezero	Rural cottages	3 days
Tara Canyon Rafting Experience Near the Big Bridge	rafting (14 km)	transport to the starting and ending point, all necessary equipment, national food after rafting (5€ per person), swimming and taking photographs in Tara	The river Tara	N/A	1 day
Međuriječki potok - Canyoning near the Coast	hiking to the canyon, canyoning	trained guides, orientation, training and assistance for all tourists, transportation to the starting point, energy food during canyoning, liability procedure	Inter-river canyon	N/A	1 day
Family canyoning at Stari Bar	Canyoning	trained guides, orientation, training and assistance for all tourists, transportation to the starting point, energy food during canyoning, liability procedure	Stari Bar	a possibility of overnight stay in rural households in coastal area	1 day
Kayak Fest on Tara River	Participation in kayak festival	A possibility of hiking – the tallest Montenegrin peaks; also the possibility of a stay in an organic farm	Tara	a possibility of overnight stay in a rural household - agricultural husbandry dealing with organic production	22 nd - 25 th Sept.

APPENDIX 5: METODOLOGY OF THE FIELD RESEARCH

In order to achieve the objectives defined by the project task, the analysis of strategic documents, the analysis of the institutional and legal framework, the analysis of global trends as well as the analysis of supply and demand in the field of rural tourism in Montenegro and the methodology for developing the Strategy for rural tourism development with the action plan by 2020 in Montenegro included the following two activities:

- Quality analysis,
- Quantitative analysis

THE QUALITY ANALYSIS

Qualitative research is a multi-dimensional approach based on the interpretation of subjective phenomena (Denzin and Lincoln, 1994). Also, qualitative research is any research that is not mediated by statistical analysis or by any other method of quantification (Strauss and Corbin, 1990).

The qualitative analysis of rural tourism in Montenegro was based on:

- Desk analysis
- Conducting in-depth interviews between three groups of (relevant) respondents:

DESK analysis

Desk research or secondary research is a process of collecting the available information from the public domain, and then using the collected data for the analysis purposes. Desk research is also a process of synthesizing, sorting, summarizing and analyzing the existing official data collected from these sources. The obtained data can be external or internal (R. Nikolid - 2011). Desk analysis has provided qualitative data analysis through the collection of the existing data and the comparison of data from different sources.

In-depth interviews

In order to obtain information about the demand and supply in rural tourism in Montenegro, the research method of in-depth interviews was used. A in-depth interview⁴⁴ is a method that involves a conversation between a moderator and an interlocutor (respondent). This technique belongs to a set of qualitative research and is usually not used as the only method, but is combined with other research methods. As the name implies, an in-depth interview as a method is used in those research studies that need to provide a deeper insight into a particular problem being examined, since it is possible for the respondent to express his or her opinion in more details without further influence of a group.

⁴⁴ A combined definition was quoted from the Paper Collection of Faculty of Economics in Zagreb, year 2, 2005, author Mr. sc. Mirko Palić (orig. Zbornik Ekonomskog fakulteta u Zagrebu, godina 3, 2005. godine, Mr. sc. Mirko Palić).

In-depth interviews aim to indicate the previous activities in this area, as well as to examine the possibility of future application of this concept in Montenegro. In this regard, for the purposes of the elaboration of the rural tourism strategy in Montenegro, the following has been conducted:

- 30 in-depth interviews with relevant representatives of the rural tourism providers;
- 5 in-depth interviews with relevant representatives of travel agencies; and
- 9 in-depth interviews with representatives of relevant institutions and organizations.

For the purpose of conducting the in-depth interviews, the introductory information on each of the defined issues was prepared and presented as well as the guidelines that were used by the moderator in order to keep the interview focused and clearly directed to the realization of the research objective.

FIELD RESEARCH

The methodology of the field research was based on a predefined methodology, on a representative sample and a defined questionnaire, where the method of direct interview (face-to-face) was used in the data collection process, covering 543 respondents-tourists over 18, in rural areas of Montenegro in three regions (north, centre and south). The research was conducted on the basis of a previously defined questionnaire. The questionnaire contained 24 questions divided into two sections: 'Visit to Montenegro' and 'Socio-Demographic Issues'.

REGION	MUNICIPALITY	N	%
South	Tivat	10	1,8%
	Bar	73	13,4%
	Herceg Novi	10	1,8%
	Total	93	17,1%
Central	Niksic	11	2,0%
	Cetinje	60	11,0%
	Total	71	13,1%
North	Andrijevisa	20	3,7%
	Pljevlja	67	12,3%
	Pluzine	41	7,6%
	Rozaje	6	1,1%
	Savnik	5	0,9%
	Zabljak	60	11,0%
	Berane	21	3,9%
	Bijelo Polje	40	7,4%
	Plav	40	7,4%
	Kolasin	59	10,9%
	Mojkovac	20	3,7%
	Total	379	69,8%
TOTAL SAMPLE		543	100%

Gender structure – The gender structure of the sample is quite equal, whereof a share of male respondents was 53%, and the one of female respondents 47% of the total sample. Regarding the age structure of the tourists interviewed, the most present are those in the age group between 26 and 35 (40.7%), while the smallest percentage was of elderly people – older than 56 (7%). Also, it is noticeable that the age group between 26 and 45 were the most present among the tourist interviewed, which makes 67.8% of the sample.

Chart 1: Gender

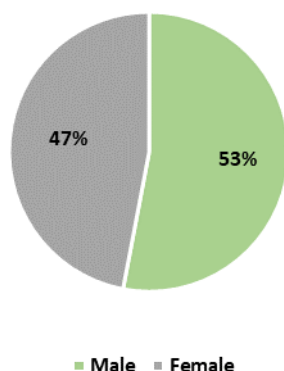
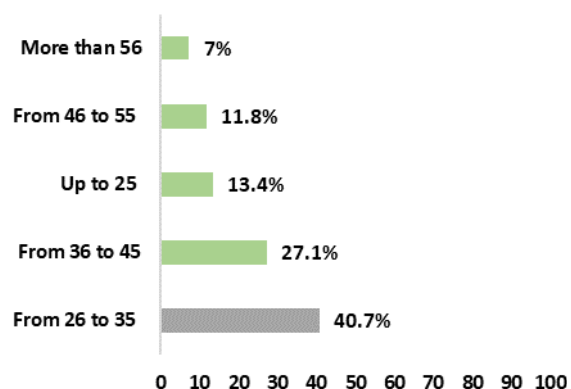
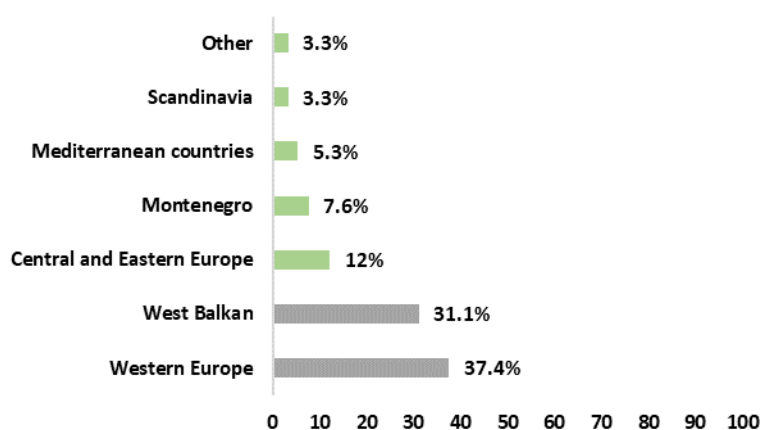


Chart 2: Age



The country of origin – The highest number of the tourists interviewed visiting rural areas of Montenegro during the summer tourism season in 2018 comes from the countries of Western Europe (37.4%), while almost the same percentage make the tourists from the countries of Western Balkans (31.1%), as well as those from Central and Eastern Europe (12%). Regarding the tourists from Montenegro, their presence in comparison with the total sample was 7.6%.

Chart 3: A country of origin of the visitors to rural areas



The level of education, employment status and a standard of living – Analyzing the structure of tourists visiting rural areas according to the level of education, it can be noticed that more than a half (60.7%) is highly educated, while 25.3% of the tourists is with a college degree. Furthermore, in the structure of the tourist that are people who are employed (84.2%), while the smallest group was retired people (3.5%). The tourists with monthly income ranging 500 - 1.000 € (28.2%) were the most numerous, along with those whose monthly income range was 1.001 - 2.000 € (26.2%). The offer providers in the area of rural tourism also indicated that they are mostly visited by Western European tourists, so they are mostly highly educated tourists with relatively high incomes.

Chart 4: Level of education degree

(From the top: Elementary school, PhD, Secondary school, Master degree, High education, Bachelor degree)

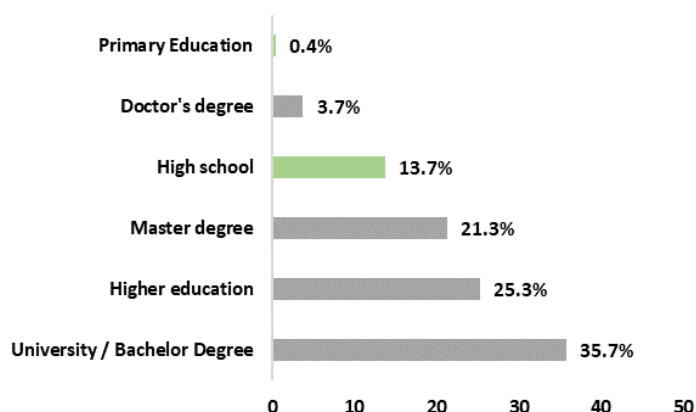


Chart 5: (un)employment status

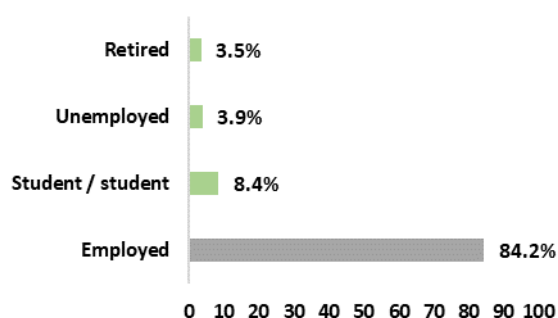
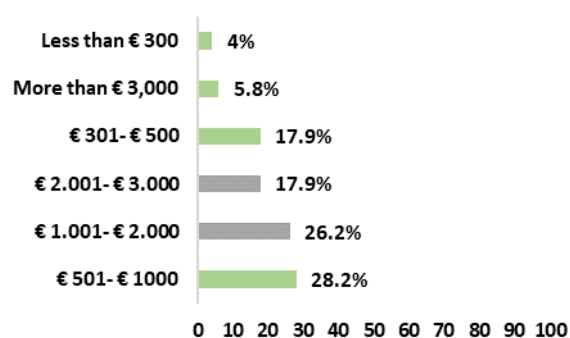
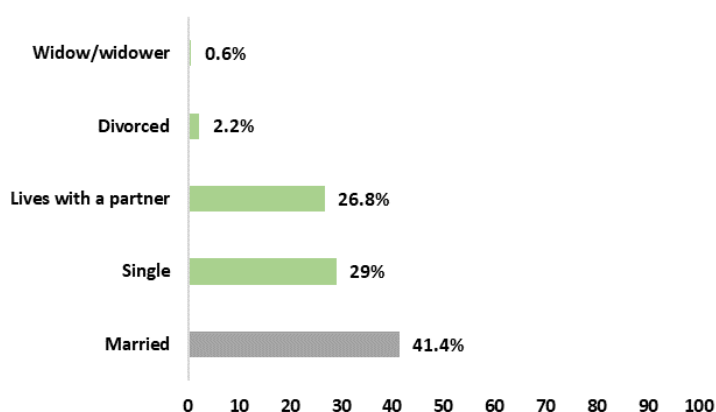


Chart 6: Average monthly net income



Marital status – The data about the structure of the tourists interviewed according to their marital status indicate the highest number of married respondents (41.4%).

Chart 7: Marital status



Travelling – More than half of the respondents had already visited some rural destination in Montenegro (54.7%). From the total sample, the highest number of tourists travelled with a partner (31,5%) or friends (30.8%), while the smallest group was travelling with a business partner (1.5%). Tour operators stated that the tourists visiting Montenegro via their agencies, most often travel in couples, i.e. with a partner or in smaller groups, while lately there has been an increasing number of families travelling together.

Chart 8: Is this your first time of visiting a rural destination in Montenegro?

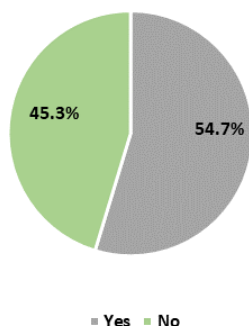
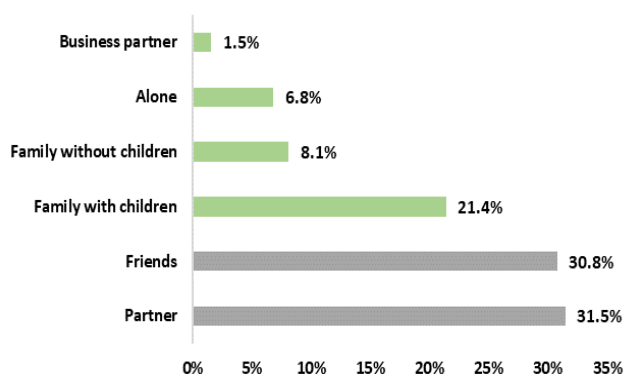
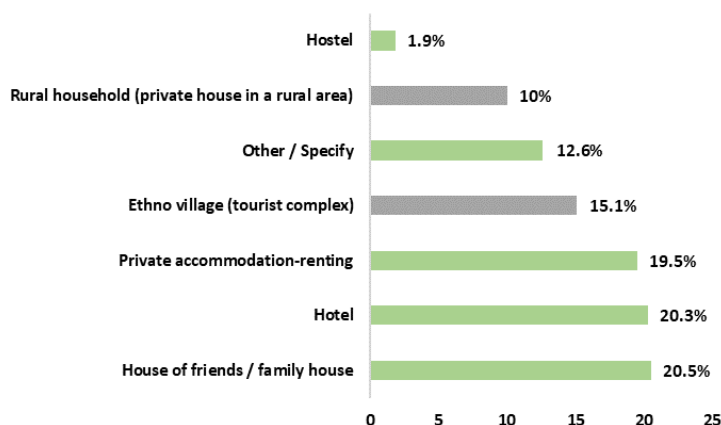


Chart 9: Accompaniment on the trip



Accommodation capacities – The type of accommodation that respondents most often chose were a friend’s/family house (20.5%) and a hotel (20.3%). However, there was a significant number of those staying in ethno-villages (15.1%), while 10% stayed in rural households. In comparison with the percentage of those tourists staying in some other type of accommodation, 36.4% stayed in a camp/tent.

Chart 10: You are currently staying in...



Means of transportation – The highest percentage of the tourist respondents using the rural tourism services came to the destination by their own arrangement (88.9%), while 11.1% of tourists used the services of a travel agency/ tour operator. A car is most commonly used vehicle (59.5%), and a significant number of tourist travelled by plane (23.5%).

Chart 11: You came to the destination...

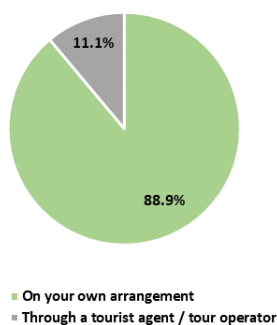
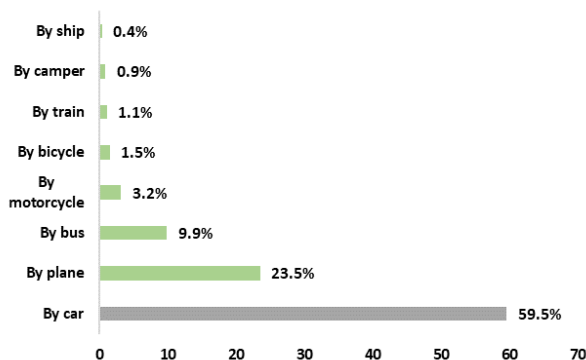


Chart 12: Which means of transportation did you travel by to Montenegro?



Number of overnights – Observing in relation to the total sample, most of the tourists came to Montenegro for a several-day visit (82.7%). The average number of overnights made by tourist respondents staying in a rural area was 4.7 overnights.

Chart 13: One-day or more-days stay

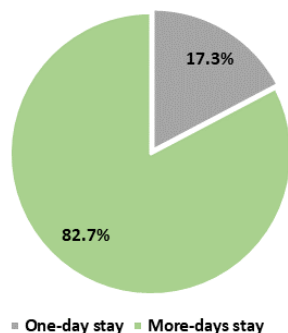
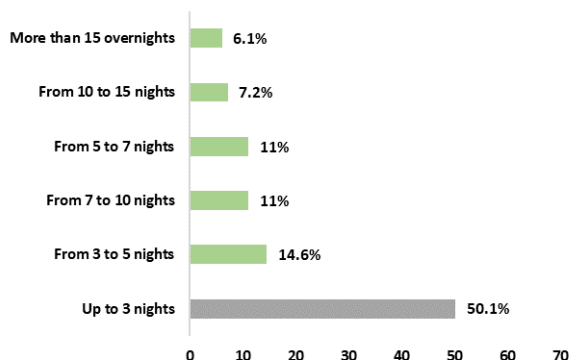


Chart 14: Number of overnights



Montenegro tours – Most of the tourists visiting rural areas also plans to visit more places during the stay in Montenegro (75.9%), so they most often plan to visit: Zabljak and Durmitor (25.8%), Budva (16.4%) and Kotor (15.1%).

Additional places that the tourists plan to visit while staying at a rural destination

Place	%	Place	No.
Zabljak/Durmitor	25,8%	Lovcen	13
Budva	16,4%	Ljubisnja	3
Kotor	5,1%	Niksic	12
Herceg Novi	5,7%	Skadarsko jezero	12
Pljevlja	5,2%	Pluzine	9
Podgorica	5%	Mojkovac	8
Bar	5%	Gusinje	8
Kolasin	5%	Berane	7
Ulcinj	4,8%	Cetinje i Rijeka Crnojevica	5
Tivat	4,6%	Komovi	4
Bjelasica /NP Biogradska gora	,5%	Savnik	3
Rijeka Tara	4,1%	Bijelo Polje	2
Plav	2,6%	Prokletije	1
Ostrog monastery	2,4%		

NOTE: Multiple answers possibility.

Tourists' expenditures during the stay in Montenegro - Analyzing the expenditures of tourists visiting rural areas, it can be estimated that the average daily spending of tourists staying in a rural area is 92.3 €. Furthermore, analyzing the expenditures of tourists by regions in Montenegro, there is a significant difference, whereof the tourists staying in the northern region had twice as low average daily spending compared to the tourists staying in the central and southern regions. The average daily spending of tourists in the northern region was 62.2 €.

The analysis of the expenditures of the tourists staying in rural households shows that they spent an average of 64.5 € daily, while on average the costs of accommodation amounted to 24.5 € per day.

Travel costs

Travel costs of tourists staying in MNE up to 15 days	Average spending €	Daily spending €
The price paid to the agency	660.1	153.9
Accommodation costs	182.7	42.6
Food and beverage costs in hospitality facilities	146.0	34.0
Sports, recreation and entertainment costs	85.9	20.0
Other costs	150.8	35.1
Total travel costs	396.1	92.3

Note: Daily money spending – the average spending per day for an average number of overnights in Montenegro (4,3).

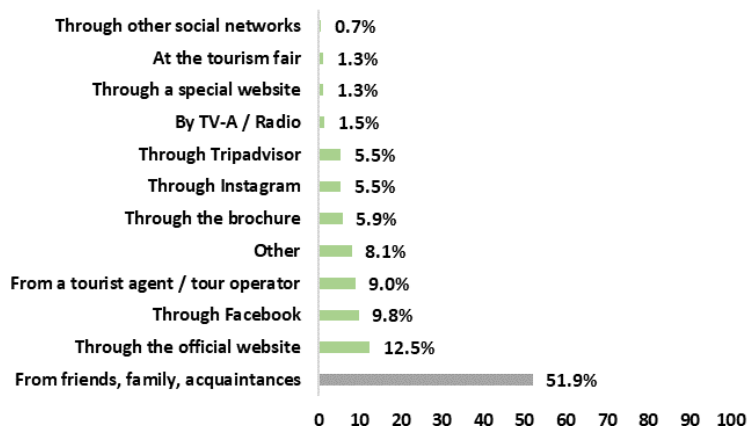
Money spending of tourist staying in rural households

Travel costs of tourists staying in MNE up to 15 days	Average spending €	Daily spending €
Accommodation costs	85.6	24.5
Food and beverage costs in hospitality facilities	73.8	21.1
Sports, recreation and entertainment costs	64.0	18.3
Other costs	145.0	41.4
Total travel costs	225.9	64.5

Note: Daily money spending – the average spending per day for an average number of overnights of tourists staying in rural households (3,5).

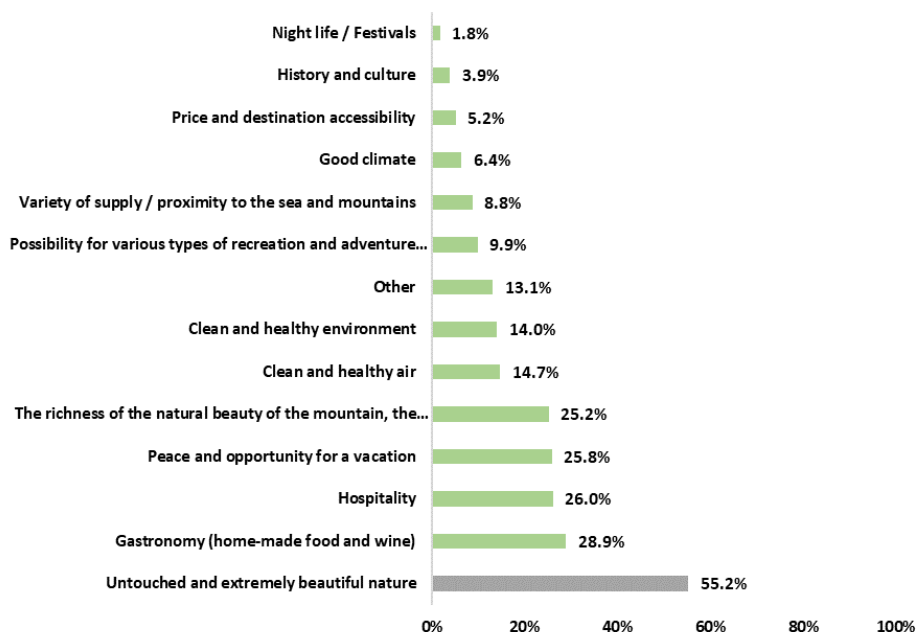
The awareness about Montenegro - During the in-depth interviews, the offer providers indicated that most of the guests came to the recommendation, which has also been shown by the results of the survey among the tourists who, in the largest number (51.9%), heard from friends, acquaintances and relatives about the destination. They also stated that their tourism offer is most often promoted through official websites and in cooperation with travel agencies, and the survey data has shown that official websites are the most frequent means of information used by respondents while arriving in Montenegro.

Chart 15: I have heard about this rural area...



The advantages of a rural area - Tourists who stayed on a several-day visit to Montenegro most often indicated the unspoilt and exceptionally beautiful nature (55.4%) as the advantage of the rural area. The gastronomy is second-rated (30.9%), while the smallest percent share are night life/festivals (2.2%) and history and culture (3.6%). During the in-depth interviews, tour operators pointed out that gastronomy, hospitality and traditional values highlighted as some of the main advantages that foreign tourists are attracted to in rural areas of Montenegro, which is in accordance with the data obtained by the field research among tourists.

Chart 16: The advantages of a rural destination in comparison to the total sample including one-day and several-day visits



Note: Multiple-answers option

Satisfaction with the visit – The data about tourists satisfaction with the visit of rural areas in Montenegro indicate that most of them (71.5%) was satisfied with the visit. In other words, regarding the rating of overall satisfaction with the visit, the average rating on the scale from 1 to 7 ⁴⁵. The probability to visit Montenegro again is very high for most of the tourist respondents, so the most frequent answers were „Most likely“ (52.2%) and „Likely“ (30.8%).

Chart 17: Overall satisfaction with the visit of the rural area

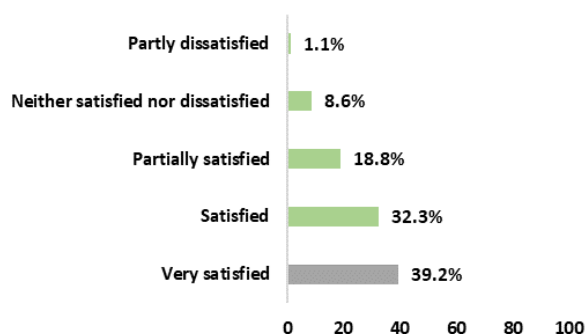
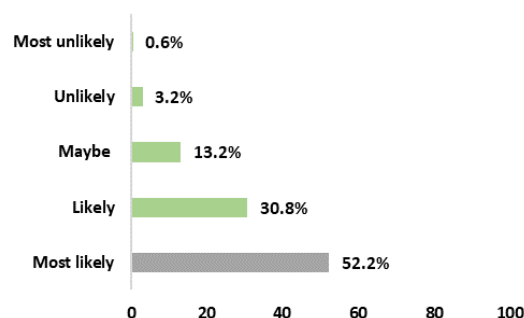


Chart 18: How likely are you going to visit this place again?

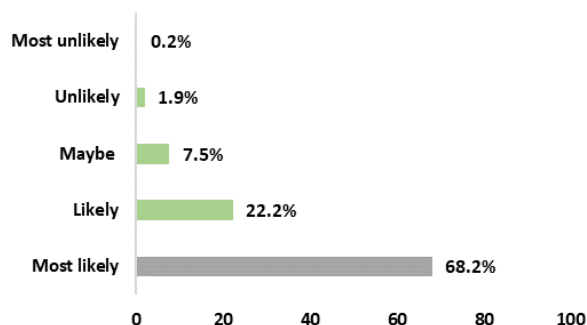


⁴⁵ On the scale 1-7, 1 means „completely unsatisfied“, while 7 means „very satisfied“.

Preporuka destinacije - Većina turista se izjasnila da će najvjerovatnije preporučiti ovu destinaciju prijatelju (68,2%), odnosno da će vjerovatno preporučiti svojim prijateljima da posjete Crnu (22,2%).

Recommendation of the destination - Most tourists have declared that they most likely will recommend this destination to a friend (68.2%), while 22.2% of tourists will recommend to their friends to visit Montenegro

Chart 19: How likely are you going to recommend a friend to visit this place?



The reason for coming to the destination - The surveyed tourists who visited the north of Montenegro gave the highest average rating for enjoying the preserved nature as the reason for coming to this destination (4.44), whereby this reason was rated by the highest average rating in the remaining two regions (4.52 in the south and 4.23 in the central region). The reason for the arrival that the tourists in the south rated as the highest is that, besides enjoying the preserved nature, they have the opportunity to taste local dishes (4.52). Tour operators said that tourists mostly come to Montenegro to enjoy peace and nature away from the urban environment, and exactly this reason for the arrival was ranked by the tourists in all regions with an average score of more than 4. Also, the offer providers emphasized that tourists come to Montenegro to enjoy an active holiday in a rural area and to have the opportunity to enjoy traditional gastronomic specialties.

Popular activities—Compared with the group of tourists who visited Montenegro for several days, the most popular activity with the highest percentage was active holiday (49.3%). The second and third most frequent activities were hiking and staying in nature (34.3%) and adventure tourism (23.1%). During the in-depth interviews, tour operators pointed out that most tourists coming to rural areas did not represent the group of tourists whose primary interest was beach tourism, but they mostly looked for activities in the nature. This is a very important fact, as it points to the growing importance of the given group of tourists.

MONITORING ENERGY