

# **Rural Tourism in Europe: Experiences, Development and Perspectives**

*Belgrade (Serbia and Montenegro)  
24 and 25 June 2002*

*Kielce (Poland)  
6 and 7 June 2003*

*Yaremcha (Ukraine)  
25 and 26 September 2003*



WORLD TOURISM ORGANIZATION

Copyright © 2004 World Tourism Organization

**Rural Tourism in Europe: Experiences, Development and Perspectives**

ISBN 92-844-0716-8

Published by the World Tourism Organization

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or by any information storage and retrieval system without permission from the World Tourism Organization.

The designations employed and the presentation of material in this publication do not imply the expression of any opinions whatsoever on the part of the Secretariat of the World Tourism Organization concerning the legal status of any country, territory, city or area or of its authorities or concerning the delimitation of its frontiers or boundaries.

## TABLE OF CONTENTS

Introduction to the Seminars Mr. Luigi Cabrini, <i>WTO Regional Representative for Europe</i> . . . . .	9
Keynote Presentation: Establishing the Principles for Sustainable Rural Tourism Mr. Peter Mac Nulty, <i>WTO Consultant and Managing Director, Tourism Development International, Ireland</i> . . . . .	13

### **Seminar on Rural Tourism in Europe: Experiences and Perspectives Belgrade (Serbia and Montenegro) 24 and 25 June 2002**

Opening Ceremony Dr. Slobodan Milosavljevic, <i>Minister of Trade, Tourism and Services of Serbia</i> Mrs. Ljubica Milojevic, <i>Director, TOS-Tourism Organisation of Serbia</i> Mr. Luigi Cabrini, <i>WTO Regional Representative for Europe</i>	
The Importance of Tourism in Serbia Dr. Slobodan Milosavljevic, <i>Minister of Trade, Tourism and Services of Serbia</i> . . . . .	21
Rural Tourism in Serbia Mrs. Ljubica Milojevic, <i>Director, TOS-Tourism Organisation of Serbia</i> . . . . .	27

### **The Experience of Western European Countries in Rural Tourism**

Farm Holidays in Austria: Quality Classification and Theming of Farms as Development and Marketing Tools Mr. Hans Embacher, <i>Federal Union for "Holiday on Farms" in Austria</i> . . . . .	33
The Project ECOSERT in the Irpinia Region, Italy: An Experience of Rural Tourism Development Mr. Lucio Trifiletti, <i>Expert, ECOSERT Project, Italy</i> . . . . .	39
Permanent Conference for Rural Tourism: A Place of Debate and Consultation for the Development of Rural Tourism Mr. Yannick Fassaert, <i>Vice-President, President of SOURCE,</i> Mrs. Patricia Corrèze-Lénée, <i>General Secretary, Permanent Conference for Rural Tourisme, France</i> . . . . .	47

### **Initiatives in Central and Eastern Europe**

ANTREC Experience in Promoting Romanian Rural Tourism: The Need for Marketing and Networking Mrs. Maria Stoian, <i>President ANTREC, Romania</i> . . . . .	53
--	----

Marketing and Promotion of Rural Tourism at National and Regional Level Mrs. Ljiljana Comic, <i>President of the "Expert Association in Eco-Rural Tourism", Serbia (*)</i>	
Development Possibilities of Rural Tourism in Montenegro Mr. Slobodan Lekovic, <i>Deputy Minister of Tourism of Montenegro (*)</i>	
The Development of Rural Tourism in Poland Mr. Slawomir Skrzydlewski, <i>Department of Tourism, Ministry of Economy, Poland (*)</i>	
Project Opportunities of the Rural Tourism in the Republic of Macedonia Mrs. Zorica Smileva, <i>Head of Tourism Department, Ministry of Economy, The Former Yugoslav Republic of Macedonia</i>	65
Agritourism, a New Challenge for Albanian Tourism Mrs. Franka Paloka, <i>Chief of Sector, Ministry of Urban Development and Tourism, Albania</i>	69
Rural Tourism in Slovenia – Development and Experiences Mr. Janez Sirse, <i>President of NTA, National Tourist Association, Slovenia</i>	73
Development of Sustainable Rural Tourism in the Czech Republic Since 90's Mr. Michal Burian, <i>Vice-Chairman, Association of Entrepreneurs in Farm Tourism, Czech Republic</i>	77
Rural Tourism: Traditional Values of Istria as a Tourism Attraction Mr. Robert Bacac, <i>Rural Tourism Manager, Istria Tourist Board, Croatia</i>	85
The Concept of Development of Rural Tourism: The Example of the Village Kostunici Mrs. Lidija Culic, <i>Director, Yutra-Tours, Serbia (*)</i>	

### Support to Rural Tourism Project

E.U. Support for Tourism Enterprises and Tourist Destinations Mr. Jan-Willen Blankert, <i>Counsellor, Delegation of European Commission, Belgrade (*)</i>	
Rural Tourism for Sustainable Human Development Mrs. Juliette Hage, <i>Deputy Resident Representative UNDP, Belgrade (*)</i>	
Government Support to Rural Tourism Projects in Italy Mr. Alessandro Foschini, <i>Director, Foreign Relations Department, General Directorate for Tourism, Ministry of Productive Activities, Italy (*)</i>	

---

(\*) *Written text not available*

## Seminar on Rural Tourism in Europe: Pathway to Sustainable Development Kielce (Poland), 6 and 7 June 2003

### Opening Ceremony

Mrs. Elzbieta Wyrwicz, *Deputy Director - Department of Tourism,  
Ministry of Economy, Labour and Social Policy*

Mr. Franciszek Wolodzko, *Marshall of the Swietokrzyskie Voivodship*

Mr. Luigi Cabrini, *WTO Regional Representative for Europe*

### Economic Justification

Economic Impact of Rural Tourism: The Benefits Arising and  
the Alleviation of Poverty. A Case Study from Ireland

Ms. Marie Keane, *Deputy CEO, Ballyhoura Development Ltd, Ireland* . . . . . 93

The Economic and Social Benefits of Rural Tourism Development in Poland

Mrs. Agnieszka Bott-Alama, *Senior Specialist,  
Department of Tourism of Poland* . . . . . 101

The Role of Rural Tourism in Spatial Development

Mrs. Luminita Panait, *Counsellor - Ministry of Tourism of Romania* . . . . . 111

The Social and Cultural Aspects of Rural Tourism

Ms. Ljubica Milojevic, *General Director of the National  
Tourism Organization of Serbia* . . . . . 115

### Strategic Planning for Rural Tourism

Understanding the Market for Rural Tourism and Customer Needs

Mr. Peter Mc Nulty, *WTO Consultant and Managing Director of TDI* . . . . . 123

Rural Tourism Development in Poland and Promotional Initiatives

Ms. Krystyna Drag, *Member of the Board of Directors- Polish  
Federation of Rural Tourism* . . . . . 127

Mr. Wieslaw Czerniec, *Member of the Board of Directors - Polish  
Federation of Rural Tourism* . . . . . 129

Rural Tourism Resource Appraisal

Mr. Paul Boerjan, *Administrator of Westtoer – Belgium*

Mr. Stefaan Gheysen, *Head of Tourist Product  
Development of Westtoer – Belgium* . . . . . 131

The Importance of Quality in Rural Tourism

Mr. Klaus Ehrlich, *President of EuroGites* . . . . . 139

## Funding Rural Tourism and Tourism Investment

The Programmes of the European Union: Initiatives in Support of Rural Tourism Ms. Joan Pearce, <i>First Counsellor – Delegation of the European Commission in Poland</i> (*)	
Government Support for Rural Tourism : The Case of the Czech Republic Ing. Jiri Hrabak, <i>Ministry for Regional Development of the Czech Republic</i> . . .	145
State Initiatives for Rural Tourism: The Case of Croatia Ms. Renata Tomljenovic, <i>Senior Adviser, Ministry of Tourism of Croatia</i> . . . . .	153
Rural Tourism in the Province of Swietokrzyskie. Funding and Financial Aspects Mrs. Agnieszka Wysocka, <i>Chairman of the Agrotourism and Rural Tourism Federation in Swietokrzyskie Province</i> . . . . .	159
Mr. Marek Kwiecien, <i>Chairman of the Agrotourism and Rural Tourism Association in Sladków Maly</i> . . . . .	161

## Seminar on Rural Tourism in Europe: Guidelines for Development Yaremcha (Ukraine), 25 and 26 September 2003

Opening Ceremony Mr. Evgeniy Samartsev, <i>Deputy Chairman of the State Tourism Administration of Ukraine</i> Mr. Bogdan Kostyuk, <i>Deputy Chairman of the Ivano-Frankovsk Regional State Administration, Ukraine</i> Mr. Luigi Cabrini, <i>WTO Regional Representative for Europe</i>	
--	--

## Organization of Rural Tourism

Organization and Self-Organization of Rural Tourism at National, Regional and Local Levels Mr. Vladimir Vasilyev, <i>President of the Rural Green Tourism Union of Ukraine</i> . . . . .	165
Organisational Structures (National/Regional/Local): The Case of the Czech Republic Mr. Jiri Hrabak, <i>Chief Specialist, Tourism Department of the Ministry for Regional Development, the Czech Republic</i> . . . . .	173
Rural Tourism as Part of the Ivano-Frankovsk Development Strategy Mr. Oleg Vasylyv, <i>Chief of the Tourism Department of the Ivano-Frankovsk Region, Ukraine</i> . . . . .	181

(\*) Written text not available

Assistance to Regional Economy in the Yaroslavl Region of the Russian Federation Ms. Yulia Platnova, <i>GTZ Rural Tourism Development Project in the Yaroslavl Region of the Russian Federation</i> . . . . .	183
--	-----

Business Support to Rural Tourism Mr. A. Orlenko, <i>Director General, Ukraine Entrepreneurship Institute (*)</i>	
--	--

**Rural Tourism Product Development**

Quality System for Developing Rural Tourism: The Case of Spain Ms. Elsa Marti, <i>WTO Consultant, Deloitte &amp; Touche - Spain</i> . . . . .	185
--	-----

Rural Tourism Product Development: The Case of Hungary Ms. Victoria Kovacs, <i>Counsellor, Ministry of Transport and Economic Affairs of Hungary</i> . . . . .	193
---	-----

Role of Associations in Rural Tourism Product Development and Promotion Ms. Valeria Klitsunova, <i>Chairman of the Board Agro- and Ecotourism Society, Belarus</i> . . . . .	195
---	-----

Rural Tourism Cluster as an Integrated Tourism Product Mr. L. Matsyuk, <i>Chairman of the Board, the Oberig Rural Tourism Cluster, the Khmelnytskyi Region, Ukraine (*)</i>	
--	--

**Marketing Rural Tourism Destinations and Products**

Rural Tourism Marketing: European Experience and Guidelines Ms. Elsa Marti, <i>WTO Consultant, Deloitte &amp; Touche - Spain</i> . . . . .	201
---	-----

The Eurasia Foundation Green Rural Tourism Development Program Ms. Inna Filippova, <i>Program Coordinator, The Eurasia Foundation</i> Ms. Dzvenyslava Novakivska, <i>Outreach and Development Coordinator, The Eurasia Foundation</i> . . . . .	205
---	-----

Classifying and Certifying Rural Tourism Establishments and Activities: Ms. Asnate Ziemele, <i>President of the Latvian Country Tourism Association, Member of the Board of EuroGites</i> . . . . .	209
--	-----

Support to Rural Tourism Development in Slovakia Provided by the Ministry of Economy (Using the Pre-accession EU Funds) Ms. Eliska Romanova, <i>Counsellor-Specialist, Tourism Department, Ministry of Economy of the Slovak Republic</i> . . . . .	211
--	-----

---

(\*) *Written text not available*

Domestic and International Promotion of Rural Tourism in Ukraine  
Mr. Viktor Bezverkhiy, *Director General, National Tourism  
Organization of Ukraine* ..... 215

Quality Standards and Training Needs in Rural Tourism:  
Mr. Peter MACNULTY, *WTO Consultant and Managing Director  
of Tourism Development International* ..... 217

**Conclusions of the Seminars**

Mr. Peter MACNULTY, *WTO Consultant and Managing Director  
of Tourism Development International* ..... 229



# Introduction to the Seminars

Mr. Luigi Cabrini  
*WTO Regional Representative for Europe*

The term rural tourism is normally used when rural culture is a key component of the product on offer. The distinguishing feature of tourism products in rural tourism is the wish to give visitors a personalized contact, a taste of the physical and human environment of the countryside and, as far as possible, allow them to participate in the activities, traditions and lifestyles of local people.

In fact a simple definition of rural tourism, like the one given before, does not cover all its aspects, but it is equally difficult to produce a more complex definition, which encompasses all its features. Adventure tourism, educational travel, sport, climbing, riding, health tourism, arts and heritage tourism are just a few examples of activities related to the concept of rural tourism.

WTO considers that there is an important potential market for rural tourism; however little research has been done to date into the size of this segment, also owing to the difficulties, outlined above, in providing its exact definition. It is estimated that three per cent of all international tourists travel for rural tourism purposes and rural tourism is estimated to be growing at an annual rate of around six per cent, well above the growth rate for all tourism.

Agri-tourism, a well-defined segment of rural tourism, which refers to tourism on the farm, and which enables farmers to diversify their activities while enhancing the value of their product, represents globally a small part of rural tourism and of agriculture. However in some European countries the percentage of the farms offering some kind of tourism accommodation is quite remarkable.

The World Tourism Organization in its publication "Tourism 2020 vision" notes that the range of products on offer to rural tourists is still relatively limited but it is expected to increase significantly in the next five to ten years. While a massive shift of tourists toward this segment is not expected, the growth of rural tourism is a clear trend.

\* \* \*

These general considerations assume a special relevance in Europe, where the transformation of rural space started already decades ago and it is further accelerated by the process of integration into the European Union. The related structural changes affect a high number of countries and have a profound social and economic impact. Rural tourism allows a diversification of components of rural economies, which would otherwise be condemned to disappear, entailing high human and economic costs. It also allows to maintain, to protect

and even to enhance our heritage and our patrimony. Rural tourism can make a valuable contribution to rural economies, and provide several potential benefits. A sustainable development of rural tourism is likely to generate: job retention and creation, farm support, landscape conservation, support to rural arts and crafts, nature conservation, environmental improvements, and enhanced role of women.

\* \* \*

An overview of the situation of tourism globally and more particularly in Europe shows a favourable environment for the development of rural tourism in this region.

Since 2001 world tourism has been characterized by a global economic downturn which affected all major economies at the same time and by a general uncertainty following a string of terrorist attacks, some of them specifically targeting tourists. Consumer's behaviour has also changed: trips are closer to home and to familiar destinations; travel is organised individually instead of going for the organized trips; cars, trains and coaches are preferred instead of planes; with regards to accommodation, apartments, country houses or similar are used instead of hotels. In the mid-term WTO identifies the following trends: increased concern for safety and security, more mature and experienced travellers, an aging population and an increased attention to the sustainable development of tourism.

The features outlined above combined with the high share of intra-regional travel will favour a continued expansion of rural tourism in Europe.

\* \* \*

The previous WTO seminar on this subject, titled "Rural tourism: a solution for employment, local development and environment" was organized in Israel back in 1996, and it was therefore considered opportune to hold new events of reflection and discussion on the theme of rural tourism. The workshop "Rural Tourism in Europe: experiences and perspectives" held in Belgrade, Serbia on 24-25 June 2002 was conceived as a forum to exchange experiences between European countries and to assess the future perspectives of rural tourism. An indicator of the success of this seminar has been the initiative taken by other countries to organize similar events.

On 6-7 June 2003 the seminar "Rural tourism in Europe: Pathway to sustainable development" was organized in Kielce, Poland, followed on 25-26 September 2003 by the seminar "Rural Tourism in Europe: guidelines for tourism development", conducted in the beautiful valley of Yaremcha, Ukraine. In the course of 2004 an event on rural tourism will take place in Romania.

The overall objectives of these events were:

- To contribute to a better understanding of rural tourism and to offer additional tools for planning and execution of initiatives
- To enhance the importance of rural tourism in the agendas of Government and international organizations
- To generate political and financial support for rural tourism development

\* \* \*

Technical visits to rural tourism sites and accommodations in the host countries provided an additional benefit for the seminar's participants.

Some 20 countries from Western, Central and Eastern Europe and several international organizations participated in the seminars, and a wide range of experiences were presented and discussed. The full programmes of the three events are enclosed in this publication as well as most presentations delivered. Only a few are missing since a written text was not provided to the Secretariat.

Introductions and key note opening presentations were delivered by WTO and by an experienced consultant contracted by the organization. However in order to streamline the publication only one introduction and one key note presentation summarizing and merging those made at each seminar are included herewith.

I wish to thank the tourism authorities and the rural tourism organizations of the host countries, Serbia and Montenegro, Poland and Ukraine, for their support and warm hospitality and to express my gratitude to all the speakers and participants who actively contributed to the success of the seminars.



# Keynote Presentation: Establishing the Principles for Sustainable Rural Tourism

Mr. Peter Mac Nulty, *WTO Consultant and Managing Director, Tourism Development International, Ireland*

## Establishing the Principles for Sustainable Rural Tourism

The following represents a synopsis of the keynote addresses made at the Rural Tourism Seminars by WTO consultant, Peter Mac Nulty, Tourism Development International

### 1. The Origins of Rural Tourism

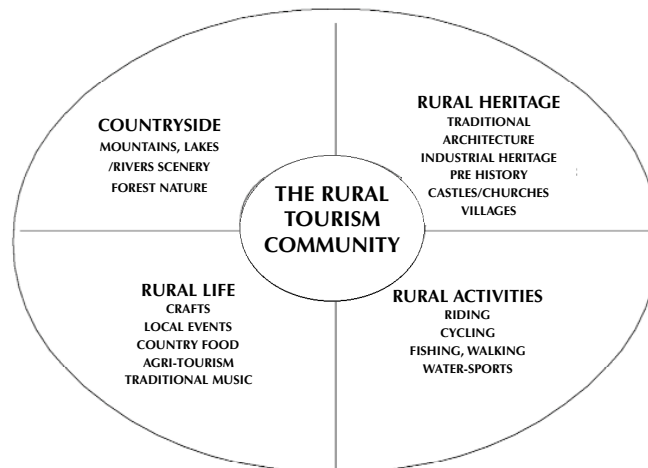
The origins of rural tourism can be traced to a number of factors and developments. These include the rapid industrialisation and urbanisation of Western societies and improvements in transportation. Increased wealth and free time have enabled visits to the countryside, where city dwellers seek a “different” type of experience.

While cities have prospered in the intervening timeframe, many rural areas have suffered as a result of the decline in traditional economic activities, and farming in particular. Therefore by capitalising on the urban populations desire for a different experience, rural communities can embrace tourism as an important force for revitalisation of their area or region.

### 2. Defining Rural Tourism

The concept of rural tourism embraces a number of constituent elements, at the heart of which lie the rural tourism community. Rural tourism is dependent on the countryside which an area has to offer, it's heritage and culture, rural activities and rural life.

#### The Rural Tourism Concept



### 3. The importance of tourism in a free market economy

Tourism can play an important role in the development of free market economies. Unlike high profile industries which are dominated by a small number of internationally recognised players (ie. oil, motor industries), the tourism industry comprises a large number of small players, many of which are family owned enterprises. As a consequence of this lack of scale and high profile participants, tourism tends to be undervalued.

Unlike other 'export' earnings, which are clearly classified in national accounts, tourism impacts on a number of sectors of the economy, a fact which is often not fully appreciated. Tourism offers a high 'added value' to a country's balance of payments. Unlike manufacturing where raw materials often have to be imported, tourism offers lower levels of leakage than other export industries.

Tourism is an important employment generator and can also help sustain jobs in the economy. In the case of rural locations, tourism is a means of promoting job opportunities to offset losses elsewhere in the economy (ie. agriculture). Apart from jobs sustained directly through tourism, visitor expenditure can also play an indirect contribution in sustaining jobs. In addition to 'direct' and 'indirect' contributions to employment, tourism expenditure also has a significant multiplier effect. For example, tourists spend their money on goods and services. Tourism businesses pay wages to their employees who, in turn, spend their money in the local economy.

Because tourists are attracted to unspoilt/undeveloped areas, tourism is an effective means of developing employment in rural and disadvantaged areas. It can boost the quality of life for the host population by sustaining the level of services which may otherwise not be viable. Employment opportunities are also likely to arise for small business/craft enterprises.

The role of government is critical in supporting the development of sustainable rural tourism. State investment (ie. visitor attractions, visitor information services, roads and signposting etc) is required 'up front' in order to create the right conditions for the private sector to invest.

### 4. The benefits and costs of rural tourism

Clearly then, tourism can bring benefits to rural communities. Left unchecked, however, inappropriate tourism can also have an adverse impact on rural areas. The potential benefits arising from rural tourism can be summarised under the following headings:-

- Economic
  - Opportunity for job creation
  - Rural tourism activity can help sustain existing businesses in a rural area
  - Contribution to local government through taxes/rates
- Social
  - Maintenance and support of local services
  - Opportunity for local community to benefit from new facilities developed for tourists (ie. museums, restaurants etc)
  - Opportunity to meet tourists (cultural exchange)
  - Revitalisation of traditions, customs and crafts
- Environmental
  - Sustainable tourism can play a vital role in helping to protect and maintain both the built environment and the natural environment

The potential costs associated with inappropriate tourism development are:

- Economic
  - Pressure on public services
  - Increase in the price of land (demand for holiday homes in scenic locations is having an adverse impact on rural communities in Ireland).
- Social
  - Breach of carrying capacities resulting in congestion and over-crowding leading to negative attitudes to tourists.
- Environmental
  - Potential for inappropriate development in terms if scale and design

## 5. Opportunities for Rural Tourism in Europe

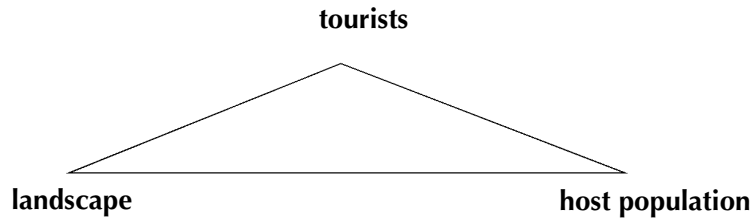
Opportunities exist for rural tourism throughout Europe. Sustainable tourism can evolve around a country's key assets. These include:

- History and Archaeology (towns, castles, monasteries etc)
- Culture (language, ethnic minorities, traditions, music and dance, crafts food etc)
- Scenery and landscapes
- Activity holidays (walking, cycling, water-based activities, hunting etc)

Mistakes can (and have) been made in seeking to develop tourism in rural areas. It is critical to ensure that tourism development planning is market-led, based on the development of indigenous products, and supported by strong environmental controls.

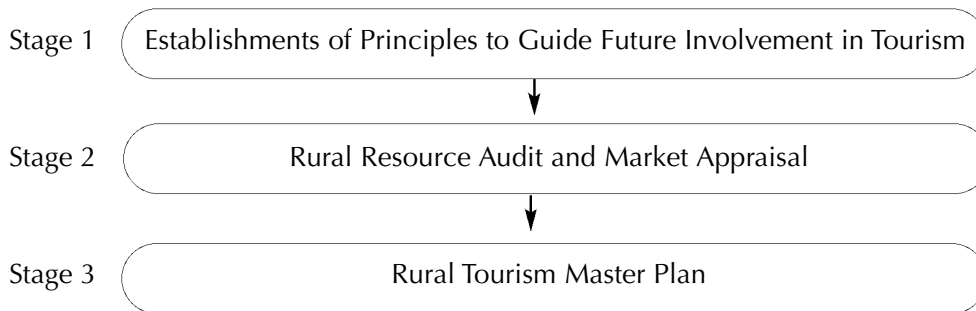
## 6. Steps in Ensuring Sustainable Rural Tourism Development

For tourism to thrive in a rural setting, a balance needs to be achieved between the host community, tourists and the landscape.



In planning for sustainable rural tourism, a three staged process is necessary. Stage 1 involves the Establishment of Principles to guide future involvement in tourism. Once these principles have been agreed, Stage 2 – Rural Resource Audit and Market Appraisal and Stage 3 – Rural Tourism Master Plan, can be prepared.

### Planning for Sustainable Rural Tourism



## 7. Key Principles Overview

By adopting a set of guiding principles for a sustainable approach to rural tourism, local communities can seek to **maximise the benefits** that can arise from rural tourism and **minimise the costs**.

Principles to guide sustainable rural tourism can be prepared under a number of headings. These principles can be summarised as follows:-

- Environmental Principles
- Social Principles
- Heritage / Cultural Principles
- Economic Principles

Once a community has agreed on the principles under each of the four headings as outlined above, the principles can form the basis of a **Charter for Sustainable Rural Tourism**. In essence, before a rural community becomes actively involved in the



development or promotion of tourism in its district, area or region, (i.e. the community) it can determine the **type** of tourism it would like to see evolve, and the **type** of visitors it would like to attract.

### 8. The 10 Commandments - Key principles to satisfy the customer

Environmental, social, heritage/cultural, and economic considerations all need to be satisfied in order to ensure that sustainable tourism is established in a given area or region. However, a further set of principles are required to satisfy the customer or visitor - these are referred to as the "Ten Commandments" and are outlined below:-

- To sleep in comfortable beds at reasonable price
- To wash in clean bathrooms
- To eat the food of the country, simple but well prepared
- To enjoy the scenery, sights and natures of the country
- To learn the history and culture of the country they are visiting
- To experience activity holiday (golfing, walking, fishing, skiing, etc.)
- To shop for crafts/souvenirs of the country and general merchandise
- To enjoy the music, dance and theatre of the country
- To travel without restrictions or fears for their safety
- To experience a "smiling and friendly" attitude from those employed in the tourism

### 9. The Master Plan Process

Having established the principles for sustainable tourism, there are two steps in the Master Planning Process:

- Step 1 - Rural Resource Audit and Market Appraisal
- Step 2 - Rural Tourism Master Plan

The first task in Step 1 involves the undertaking of an audit or inventory of all rural tourism resources in the area which have potential for development. In a parallel exercise, it is critical that a market appraisal be undertaken in order to identify potential target markets and market segments. With this information, a Unique Selling Proposition (USP) can be determined for the destination. This will be important in establishing a competitive position in the market place.

For Step 2, the Master Plan itself will be underpinned by a tourism product development programme designed to meet market needs and address the gaps identified in the Audit. Proposals relating to accommodation registration/ standards, design guidelines, environmental protection and enhancement, organisational structures, marketing, training and investment are all critical in ensuring an effective Rural Tourism Master Plan.

## 10. Case Studies

In the following case studies there was a clear failure to understand the principles for sustainable rural tourism:

### Case Study 1 - BALI

- No planning controls by the Local Authority
- No control on developments
- Over-crowding
- Creation of tourist enclaves away from local people
- Bad marketing - no research - cheap package tours from Australia

Result:

Balinese people: "We don't want or need tourism"

### Case Study 2 - KRACKOW, POLAND

Tourism Development International Study of Tourism for Polish Government (1991)

A country emerging from communism with many problems

- No understanding that tourism could be an *earner* not a cost
- No understanding of customer service - *no smiles*

Ashamed of their ethnic restaurants

*But most of all:*

- Krackow - magnificent 12 Century City - World heritage site
- No environmental awareness or pollution control by Local Authority - erosion by iron smelter 4 miles upwind

### Case Study 3 - INDIA

Tourism Development International Marketing Review prepared on behalf of Indian Government

- Losing market share - What's going wrong?
- No market research
- Promoting mass sun tourism to beaches, water-sports, skiing holidays
- Our research indicated they were ignoring their indigenous appeal of history and culture (2nd oldest civilisation)
- They had even forgotten the world's most beautiful building "The Taj Mahal"

Lesson

Market what is indigenous and unique - Don't join the 'me too' brigade

**Seminar on Rural Tourism in Europe:  
Experiences and Perspectives**

*Belgrade (Serbia and Montenegro)  
24 and 25 June 2002*



# The Importance of Tourism in Serbia

Dr. Slobodan Milosavljevic  
*Minister of Trade, Tourism and Services of Serbia*

## Republic of Serbia

### Position in Europe

- Serbia is a part of Central Europe
- Serbia is a part of South-East Europe
- Serbia is a part of Central East Europe

Serbia is on the crossroads of Europe

### In General

- Population: 9,779,000
- Total area: 88,361 km<sup>2</sup>
- Official language: Serbian
- Capital: Belgrade - approx. 2,000,000 inhabitants
- Main Activities: Industry and agriculture, more than 55% of GDP
- Foreign trade: Developed and transition countries 95%

### The Goals of the New Serbian Government

- Democratic reforms
- Market economy
- Rule of law
- Regional, Europe and World integration
- Civil society

### Present situation

- Harmonization of the laws with European standards.
- Legal reforms in all fields.
- Restoring economic stability.
- Integration into international organizations.
- Better quality standard achieved.
- Calming the political tensions in the region.

**Tourism:** One of the priorities of the future development of Serbia.

### Real Bases for Tourism Development

- Nature
- Culture
- People
- Geo-strategic position

### Tourism in figures

#### Tourism traffic and Turnover

Year	1990	2000*	2001*
Number of beds	116,462	91,687	92,490
Number of tourist in 000	3,949	2,166	2,129
Number of overnights in 000	11,647	7,668	7,195
Tourism turnover, mil USD	414	26.5	39.9

\* Kosovo Region not Included

#### Accommodation

Year	1990	2000	2001
Number of beds	116,462	91,687	92,490
Number of hotels			252
Number of motels			96
Holidays complexes			305

#### Employment

Employees 80,000 (3% of total employees in Republic)  
 (figures for 2001)

#### Structure of Providers

Total number	4,000
Food and beverage	2,500
Travel sector / others	1,500

Contribution to GDP: 2.3%  
 (figures for 2001)

## Tourism Products

- Tourism in cities.
- Wellness tourism.
- Culture tourism.
- Tourism on the Danube.
- Mountain tourism.
- Rural tourism.
- Hunting and fishing.
- Tourism events.
- Sport tourism.
- Transit tourism.
- Beograd, Novi Sad, Nis, Kragujevac.
- Beograd - capital.
- 50 museums, 25 permanent exhibition galleries, a number of international festivals, two universities
- 900 sport facilities – most of them are reconstructing and the new ones are building.
- over 7,000 beds in hotel accommodation.
- congress facilities - the Sava congress centre,.
- Belgrade fair ground - 13 exhibition halls.
- the biggest airport in this part of Europe.
- the new river port.
- discovered by Romans 2000 years ago.
- 40 developed spas tourist destinations.
- Vrnjacka banja, Sokobanja, Prolom banja, Bukovicka banja, Kanjiza, Mataruska banja and others.
- archeological cities from 7000 to 6000 B.C.
- Roman civilization remains beginning from 2nd century.
- Austrian's and Turks architecture and fortresses.
- medieval monasteries built between the 12th and 17th centuries, famous for their fresco paintings.
- monastery Studenica and Sopocani are on UNESCO list.
- modern art

## Tourism on the Danube

- 588 km navigable through Serbia.
- nautical, hunting and fishing, monasteries, forts, wine producing regions, passing through two National parks and the remains of the prehistoric civilization Vinca, Starcevo and Lepenski Vir.

## Mountain Tourism

- the well known ski centres are Kopaonik, Zlatibor, Tara, Divcibare, Zlatar, Golija on the UNESCO list.
- facilities for winter and summer tourism.
- lot of activities in open area.
- hobby and adventure.

## Rural Tourism

- the life in traditional and healthy way.
- ethno villages: Sirogojno, Kostunici.
- nature, culture and hospitality at one single place.
- More than 30 villages included in tourism.
- Kosjeric, Knic, Cacak, Valjevo, Kraljevo, Brus, the villages of Uzice region, then Prijepolje, etc.
- Kovacica, a candidate for the UNESCO list of World Cultural Heritage.

## Hunting and Fishing

- Serbia is one of the richest European hunting areas for both big and small game.
- Juzni Kucaj, Tara, Prokletije, Sara, Apatin, Deliblatska pescara, Ecka, Karadjordjevo, Jermenovci etc.
- fishing - sturgeon, trout, perch, pike, carp, sheath-fish, salmon etc.

## Tourism Events

- 645 cultural, sport, ethnical, local and international events yearly.

## Sport Tourism

- more than 60 cities offering sport facilities.
- more than 100 hotels and motels offering facilities for recreations.
- open and covered sport grounds.
- host of championships.

## Goals for 2020

- competitive tourist product.
- More than double accommodation facilities.
- increase in tourism arrivals 500%.
- tourism turnover of \$2 billion.
- 6% - 8% of total employees.
- GDP contribution of 6% - 8%.



## To Achieve these Goals

Laws, structural and quality changes:

- Legislation.
- Investments.
- International cooperation.
- Marketing and promotion.

## To Achieve These Goals

### Legislation

- New tourism law.
- Law on Spas.
- Law on Ski Grounds.
- Master plan of tourism development in process.
- Tender and auction hotel and infrastructure privatization.

### Investments

- Republic fund for development.
- Private sector.
- International assets.

### Developing human resources

- Education and training system

**International Cooperation:** WTO, Danube Tourist Commission, CEE, RDA, ETC, UFTAA.

**Marketing and Promotion:** New marketing strategy in process, New promotional campaign -"Fall in love again".

## Conclusions

- Government recognized the clear vision of Serbia tourism development.
- Ongoing processes - development of product and the quality of services.
- Positioning of the Serbian tourism mark.
- Harmonization of legislation, educational system and standards.
- Active cooperation with other countries.
- And the next feature...

...Serbia will be a Developed European Tourism Country.



# Rural Tourism in Serbia

Mrs. Ljubica Milojevic  
*Director TOS - Tourism Organization of Serbia*

## World Approach

- Significant market growth.
- Around one third of European holidaymakers prefer this type of holidays.
- Governments and local authorities in Europe demonstrate big interest in developing rural tourism.
- Significant interest shown by EU, the Council of Europe, European Parliament... And of course by the World Tourism Organization.

## Why is rural tourism so important?

- Economical goals.
- Social goals.
- Consumers habits.

## Economical goals

- Maintenance of existing jobs.
- Creating of new jobs.
- Creating additional jobs, especially for women.

## Social goals

- Keep the ancient tradition of nations.
- Explain the difference between the regions.
- Stop the migrations of the people from rural areas.

## Consumers habits

- The holidaymakers do not want an intact natural backdrop .
- They want to use nature and the landscape actively.

## Consumer preferences

- Regional identity accommodation.
- Nature food.

- Leisure activities and recreation.
- Cultural experience.
- Shopping.

### **Accommodation**

- Private homes on the farm or in the village.
- Rural hotels and settlements.
- Holiday villages.

### **Nature Food**

- Guest houses.
- Rural inns.
- Gastronomic restaurants.

### **Leisure activities**

- Open air sports and activities.
- Cycling, riding, rambling, fishing, hunting, tennis, golf, swimming, skiing.

### **Cultural activities**

- Ethno museums, traditional performances, craft, events, folklore, cultural itinerary excursions...

### **Shopping**

Local traditions and country products.

## **Rural tourism approach in Serbia**

### **Conclusions of the WTO Mission**

- Nature.
- People.
- Culture.

### **Nature**

- Significant landscape variations evident from the plains of Vojvodina to the outstanding offered by Zlatibor and Kopaonik mountains and from the unique qualities in thermals and micro-climates of spas, to the Danube River.
- Serbia offers tremendous variety in terms of landscape - natural and cultural diversity.

## People

- The Serbian people are naturally warm and friendly.
- Hospitality and friendliness is evident in rural parts of the country.
- Multi-ethnic composition of the Serbian population is also an advantage.

## Culture

- Serbia has a very rich history and culture.
- Traditions (costumes, craft manufacturing, textile).
- Music
- Medieval monasteries.
- Historical remains.

## Strengths of rural tourism development in Serbia

- Natural resources.
- Cultural heritage.
- Rural settlements.
- Local traditions.
- Warmth of the people.
- Diversity of the product.

## Weaknesses of rural tourism development in Serbia

- Unsuitable infrastructure.
- Archaic tourism product.
- Undeveloped information system in rural resorts.
- Level of service quality in farmhouses and other accommodation.
- Lack of training and experience.
- Shortage of motivation of agriculture raw ingredients producers.
- Awareness of rural communities of the economic benefits from tourism.

## But...

### The visitors can enjoy in

- Riding the horses.
- Climbing the mountains.
- Picking up medical herbs.
- Playing volleyball, basketball .
- Bathing in the rivers and lakes
- Trying a farms work.
- Learning about local handcrafts.
- Tasting local food, home made only for guests.

## The well known rural communities

- Brus, Valjevo, Gornji Milanovac, Ivanjica, Knic, Kosjeric, Kraljevo, Lucani, Mionica, Pozega, Prijepolje, Raca Kragujevacka, Sokobanja, Uzice, Cajetina, Cacak, Sabac.

## Figures on rural tourism in Serbia

Year	1990	2000
No. of villages	50	41
No of Households	800	170
No. of beds	3000	800

## In Process

- Product creation and marketing policy.
- Proposals for public policy on republic and local level.
- Encouraging private sector.
- Employment motivation .
- Motivation of available development funding by international donors institutions.

## Promotional campaign

- Thematic brochures, guides, promotional sets.
- Participation on the fairs and exhibitions.
- Study trips.
- Advertising.
- Media communication.
- Integrated reservation system.

## Future aspects – a challenge

- Development and investments targets.
- Education targets.
- Project.

## Development and investments targets

- Market Research Study.
- New objectives and policy of Government facilitate the development.
- Tax incentives and grant aid to encourage the private sector in rural tourism development.

- Direct public financial assistance to rural tourism.
- Donor organizations to assist the Serbian government in funding and in upgrading the infrastructure (UNDP, EU, EBRD etc.).

Active role of operators or semi public and public operators.

### Education targets

- The protection of natural and cultural assets.
- Implementation of Rural Training Programme for officials.
- Establish standards and guidelines for rural tourism facilities.
- Organization and marketing structure establishing standards required.

### Projects

- Pilot demonstration projects to develop supply, accommodation, attractions, activities...
- Rural tourism Master Plan for period of 10 years.
- Projects of regional and international financial support.
- Especially through activities of UNDP and other international funding institutions.

### Conclusion

*“The basic problem of rural tourism is to organize the supply side. It needs the joint activities of many partners local and public and most of them are small, weak and diverse.”*

Mr. Francesco Frangialli  
WTO Secretary General

For the country with huge potential as Serbia, rural tourism has to be identified as a challenge for successful tourism future.

The development of rural tourism in the Region and in Serbia is our mission and common interest.





# Farm Holidays in Austria: Quality Classification and Theming of Farms as Development and Marketing Tools

Mr. Hans Embacher  
*Federal Union for "Holiday on Farms" in Austria*

## Situation

Tourism and the leisure industry are vitally important to the Austrian economy and play a key role in economic growth, employment and the balance of goods and services. With foreign exchange earnings of more than € 15 billion in 2000, tourism is unquestionably one of the cornerstones of the Austrian economy. With foreign exchange earnings from tourism of app. € 1.750 per head of population (in 1999) Austria has by far the most intensive tourism amongst the Western industrialized Nations.

From the total Austrian tourist supply, some 15.500 farmers offer 170.000 tourist beds (in bedrooms or in appartements), this means that app. 8 % of all Austrian farmers offer tourist accommodation. They represent 1/5 of all tourist enterprises and 1/7 of the total Austrian supply of tourist beds. Of all farmers involved in tourism about two third are farmers in mountainous regions. Therefore farm holidays are an important economic segment in agriculture and tourism and predominantly in the economy of rural regions.

In 1988 the Austrian agricultural minister formulated the so called "eco-social way" for the Austrian agriculture in which for the farm holidays-sector as one pluri-activity for farming families one coherent strategy has been developed. In the meantime of all tourist farms some 3.400 are members of the Austrian farm holidays organization (with 44.800 tourist beds). It may be assumed that these "members" on average put more emphasis on tourism than the other farmers who rent out rooms to tourists (at least they use more marketing channels than the others). Members' research shows that the members of the organization on average have a higher load factor and achieve higher prices than the average farm holidays enterprise.

## Marketing

The marketing of the 3.400 member farms is based on five key strategies:

- Branding (logotype "Holidays on the Farm").
- Quality categorization.
- Differentiation and specialization through special offers for target groups.
- Cooperation to reduce the weaknesses of the small scale enterprises on the market.
- Internet / New media.

## Quality Categorization

To make the actual quality of Farm Holidays more transparent, a nationwide categorization system was introduced in Austria in 1993.

Apart from the evaluation of facility features, the system centered on assessing the quality of the holiday experience and the authentic farm character. The farms are surveyed by a commission (advisors, members of the Austrian Farm Holiday Association) at least every four years (new edition of the respective provincial catalogue). The farms are awarded 2, 3 or 4 flowers according to their rating.

The provider may then use the awarded flowers and the Farm Holiday logo in all the farm's advertising media. In 2000, based on the previous experiences the criteria catalogue for the categorization scheme was reviewed.

Starting situation in 2000:

- The businesses hold quality categorization in high regard; it signifies an incentive to improve the quality of their product.
- Continuous rating and systematic evaluation by guests not available (feedback).
- The criteria were partially obsolete and verification partly inadequate.

### The Aims of the Review:

- Simplifying the criteria catalogue.
- Enhancing the quality requirements through more stringent criteria.
- Differentiating Farm Holidays from other forms of tourism (authentic farm character as USP).
- Obtaining reliable categories as a result (product reliability).
- Obtaining clear and verifiable criteria.
- Guaranteeing individuality.

### Categorization Review - Changes

- Holistic consideration and evaluation of farmstead.
- Points should be awarded in three criteria groups:
  - farmstead quality
  - facility quality
  - service quality

## Classes of Criteria

### Farmstead quality

Location, accessibility, construction design, garden, exterior, farming method, waste disposal.

### Facility quality

- House: interior, lounge
  - House facilities
  - Interior decoration / furniture
  - Energy and environmental protection
  - Guest room if renting out rooms
  - Holiday apartments
- Room / holiday apartment
  - Living / sleeping quarters
  - Sanitary facilities

### Service quality

- Services:
  - Breakfast or meals if renting out rooms
  - Guest information
- Quality of holiday experience:
  - "farm " experience
  - Activity / hobby
- Lessor

This categorization scheme has triggered a leap of quality. Products have become more "transparent" for guests and this means product reliability. For lessors and guests, this has made price differentiation easier to comprehend.

Classified businesses are obliged to provide accurate information on the scope and special features of guest accommodations and this data must accurately reflect true conditions in all value assets.

The businesses pledge to review their farmsteads for possible accident sources on a regular basis (accident prevention service of the Social Insurance Institute for Farmers).

## Specialization / Farm Holiday Differentiation

specialization is another step toward the differentiation of Farm Holiday offers in Austria. In terms of a market strategy, the requirements special offers must meet are based on concrete guest wishes and needs.

What special offers are there?

- Holidays on the organic farm.
- Holidays on a health farm.
- Holidays on a baby and children's farm.
- Holidays on a farm for wheelchair users and the physically handicapped.
- Holidays on a horseback riding farm.
- Holidays on a cyclist's farm.
- Holidays on a wine farm.

This project was launched in 1996 and the criteria for this programme were reviewed in 2001.

For a positive rating, the level of compliance with compulsory criteria must be 100% and at least 50% for the target criteria. To warrant straightforwardness for a target-group specific programme, both a provincial catalogue, listing these businesses, and also a special catalogue covering all the federal provinces of Austria have been developed.

As a result of this strategy every member-farm has been categorized and some 650 (18 % of all members) fulfill the criteria for specialization.

## Effects

Some major effects in the past 10 years were:

- Considerable improvement of the product-quality: every year on average some 50-60% of all member farms have invested in their farm holidays-offer. Thus this field is a very dynamic section of the agricultural industry in Austria.
- Quality orientation amongst the landlords has increased.
- Clear, coherent strategy and strict criteria help to position the farm-holidays-product in the agricultural as well as the tourist industry.
- The image of the farm-holidays-product in the market (amongst the – actual and potential – customers) has improved.
- The very diverse holiday offer on the farms becomes more accessible. The quality and theming system facilitates decision making for the customers.
- Grading and theming both support the search for the individually ideal holiday farm on the internet.

- Ministries and other public bodies have a tool to assess quality when deciding on investments and their effects resp. when granting subsidies or when lining out strategies for subsidies.
- Overall the income from farm holidays has increased, nicht zuletzt through the system of minimum prices for each quality level.

In summary the effects of the grading and the theming strategy in Austria have been very positive. These measures have proved to be valuable tools for the development task as well as for the challenge to market the product.



# The Project ECOSERT in the Irpinia Region, Italy: An Experience of Rural Tourism Development

Mr. Lucio Trifiletti  
*Expert, ECOSERT Project, Italy*

## ECOSERT: Planning Environmentally Sustainable Tourism for Rural Areas

### Regional Environmental Sustainable Tourism Plan (RESTP)

A methodology to plan environmentally sustainable tourism (most notably ecotourism) spatially and through time, namely within a defined region or sub-region and over a time horizon of 20 years, has been prepared under the European COoperation for Sustainable Environmental Regional development through Tourism project (ECOSERT), part of the European Union Inter-Regional Co-operation programme RECITE II. The medium for achieving this is a Regional Environmental Sustainable Tourism Plan (RESTP) which has been prepared in draft form for the regions of Magnesia (in Greece), the Dee Estuary (in UK) and Avellino in Campania, (Italy). This planning activity is mainly applied to rural areas in these EU's Regions and was developed and tested between 1998 and 2002 through EU contributions and co-financing by local authorities

The RESTP methodology is developed on the premise that the wise spatial planning of ecotourism (within the context of wider tourism development) can help reduce socio-economic disparities between regions and improve environments affected by urban sprawl, incompatible land uses and/or unbalanced provision of tourism developments.

The methodology itself is directed towards an overall spatial strategy for tourism within which individual sustainable ecotourism projects can be developed and phased through time, namely in the form of action plans or projects. The method radically involves the integration of ecotourism planning with policies on land use planning, conservation, cultural heritage, transport planning and socio-economic development and introduces an innovative implementation framework, transcending spatial administrative and sectoral boundaries and involving actors who hitherto have little or no interaction in tourism planning.

Ultimately the RESTP methodology is intended to be used as a working tool at pan-European level and possibly international level, specifically in regions and/or sub-regions where sustainable tourism and specifically ecotourism is seen as a vital contribution to reducing socio-economic imbalances and improving the environment through tourism.

## ECOSERT Demonstration Projects

To test the planning and implementation of the action plans or projects which form part of the RESTP strategy, a series of demonstration projects, different in each partner region but with common aspects, were developed under ECOSERT. These encompassed the following aspects which are critical for effective tourism planning:

- development and promotion of rural, ecological and cultural tourism;
- marketing activities to attract tourists from nearby congested tourism areas;
- establishment of environmental management procedures for tourist destinations and activities;
- compilation of a common methodology for sustainable tourism planning;
- creation of new employment in alternative forms of tourism.

The regions and nature of the three demonstration projects are:

**Greece:** A cultural and leisure park of a 55 ha site at Goritsa Hill, outside the city of Volos (Magnesia).

*Theme:* Volos is a coastal city on the Gulf of Volos and is a gateway to Skiathos and other famous islands. It has some tourists but these are mostly in transit to the islands;

*The eco-cultural resources:* The Pilion mountain, several archaeological sites, attractive rural scenery, and a distinctive cuisine are all assets which have been considered in developing the RESTP strategy.

*The demonstration projects:* The resulting park will comprise landscaping works, reforestation, recovery of quarries and measures to raise environment and cultural heritage awareness. An exploitation plan has also been prepared to promote, market and integrate an Old Stream Railway linking Mount Pelion with several tourists areas including Goritsa Hill.

**United Kingdom:** Practical implementation procedures to plan the movement of visitors around the Dee Estuary area have been developed.

*Theme:* The region has suffered from a decline in traditional primary industries such as ship building, mining, steel and agriculture as well as secondary industries such as motor vehicle and chemical production. This has led to unemployment and obsolete land uses in some areas.



*The eco-cultural resources:* The region covered by the project includes Chester, the Wirral and Ellesmere Port in north west England.

*The demonstration projects:* The RESTP strategy is aimed at allowing Chester City Council to decentralize tourism attractions from Chester (the city is currently attracting some 5 million visitors per annum, causing congestion to the city and its environs). The demonstration projects aim to promote eco-tourism and devise environmentally friendly modes of tourism transport in various parts of the region.

**Italy:** The demonstration project in Avellino results in the creation of an ecological park in Conza della Campania.

*Theme:* The Avellino Province, landlocked in the Campania Region, is one of the poorest regions in Italy, and contrasts with the richer tourist areas of the coast on Cilento and around the Gulf of Naples where resorts and hotels are heavily concentrated.

*Eco-cultural resources:* natural and cultural heritage, mountains, lakes and rivers provide Avellino province with one of the most beautiful landscapes in the Campania region. Good food, gastronomy, traditional fairs and handicrafts are the main tools used to develop tourism in this area.

*The demonstration project:* The project includes landscaping, construction of hides and footpaths, provision of tourist accommodation, signage, and an information centre in Conza delle Campania.

### **Avellino RESTP plan: The project area**

As regards the Italian experience, the area for which a RESTP is planned is near to some of the most important tourist honey pots of Italian tourism: notably the archaeological site of Pompei, Capri and the Ischia islands, the Amalfi coast, the city of Naples and the Royal Palace of Caserta. The area is also very close to the Cilento National Park, the Gargano National Park and the Puglia tourism attractions, notably the itinerary of Federician Castles and the Adriatic coast.

The location of important tourism honey pots around the RESTP area is significant as these attract important tourism flows which could be tapped by complementary tourism facilities in Avellino Province. Specifically they influence main north – south flows among the coastal areas of Campania and Puglia and some weaker secondary local flows towards Avellino Province. Hence the RESTP area currently attracts very few tourists compared to those areas immediately around it. The plan identifies the possible relationship between the RESTP area and this wider catchment area, with a special regard to the existing typology of tourism, namely: eco-cultural tourism and beach tourism along the main directional flows in the honey pot areas, and religious and local tourism making up the minor directional flows in the RESTP area.

The planning of tourism facilities and activities reflect the particular strengths and opportunities of the RESTP area. Analysis of the area has therefore identified the following potential types of tourism activities: ecotourism and other types of nature tourism, and tourism related to archaeological/ historical, gastronomical and religious activities as well as Meetings, Incentive, Convention and Exhibition (MICE).

Ecotourism and nature tourism are related to the attractive countryside in the RESTP area with many parts remaining in a pristine, unpolluted condition. Also some tourism related to hunting and fishing in the woods, rivers and lakes is in evidence.

Archaeological/historical tourism is mostly related to visits to medieval towns of the RESTP area and to the development of EU funded “parchi letterari”. Gastronomy related tourism is an important type of tourism in the area. Wine production traditions, as well as traditional food production (sausages, cheese, salami, etc.) attract many visitors.

Religious tourism is related to visits to specific locations where religious events take place, notably at Montevergine. MICE activities are also increasing in the area, notably at Avellino.

Many of the different types of tourism also co-exist so that visitors to the area may undertake several different activities.

### **Avellino RESTP plan: main outputs**

It's possible to synthesize the main steps of the planning activities:

**Step 1:** Mapping of existing tourism facilities, identifying the different local tourism circuits and itineraries. The overlay of eco-cultural facilities and the different types of access meanwhile define the specific vocation for rural and sustainable tourism development.

Output: *Tourism Typologies and Definition of Specific Tourism Zones*

**Step 2:** More in-depth analysis such as the profiling of land use, environmental conditions and eco-cultural assets which influenced the RESTP strategy. The broad spatial strategy prioritizes the developments in the tourism zones in the form of action areas and projects aimed to improve the tourism facilities and overall environmental quality.

A number of other criteria were also used to select potential action areas, namely:

- the extent of value added benefits to the environment;
- the environmental sustainability of the tourism product;
- the extent to which the project promotes eco-cultural assets;
- the strategic role of the action areas with intra-regional links;
- the extent to which the project contributes to visitor redistribution in the area;
- the potential benefits to business.

**Output:** *New proposal itineraries*  
*Specific action areas and projects for each tourism zone*

**Step 3:** The methodology then analysed different layers of mapping information in the area, and involved considerable public consultation through surveys and events. This allowed action areas and projects to be integrated as part of an overall spatial strategy over the short/medium and long term. The main goals of the plan are:

- to improve tourism development.
- to enforce the existing environmental quality creating an ecological network within the RESTP area (core areas, ecological corridors, buffer zones).
- to control the landscape quality.
- create new employment.

**Output:** *RESTP plan*

Step 4: The implementation programme furthers local community involvement. It proposes public consultation procedures and a programme of meetings involving actors from the public and private sectors.

In the short term regular working meetings were planned to discuss the main strategy of the plan, notably with regards to the establishment of :

- the home stay network;
- overall strategy for sustainable tourism;
- the financial measures to improve environmental quality.

**Output:** *Round tables in each tourism zone to assess the feasibility of action areas and projects*

### **The Conza Oasis Demonstration Project**

The Conza WWF Oasis on the Conza Lake is a first priority Tourism Zone for the RESTP. It is situated in the area around the Conza , some 50 kms east of Avellino. It is planned for ecotourism and sports tourism. The aim of the project is to allow visitors to observe rare migratory birds passing through the area and to create a special ecosystem in an artificial water body.

The Action Area includes two main projects: the oasis facilities and the tourist reception centre.

For the oasis facilities the project comprises:

- creation of pedestrian paths inside the oasis;
- creation of accessibility for the handicapped;
- creation of educational itineraries inside the oasis ;
- regulation of visitor flow inside the oasis;
- improvement of landscaping in the most sensitive zones of the oasis;

For the tourist reception centre the project comprises:

- restoration of an existing house inside the oasis;
- creation of an oasis museum;

The oasis project will be the first attraction for a new tourism typology in the Avellino Provincia area. To reinforce its potential as a tourist attraction the following activities are proposed:

- guided visits in the oasis area;
- sports and recreation activities in a “filter zone” around the oasis area;
- sustainable soil use in the agricultural zones close to the oasis and near the Ofanto river.

The environmental sustainability of the oasis activities will be ensured through the application of an Environmental Management Auditing System (EMAS).

## Conclusions

The RESTP is now completed although feedback from the actors and beneficiaries including those from the local authorities and private sector will allow continued refinement and modification of the initial RESTP strategies.

The plan will take into account the social and economic impacts on local communities and the impact of tourists on environmental resources (water, solid waste, land use,...). For the former the RESTP procedures envisage meetings with the local communities to promote knowledge of sustainable tourism. For the attraction of tourists the RESTP includes a communication strategy to bring tourists to the area.

The RESTP intends to bring local sustainable activities and practices that can develop tourism in the RESTP area: in particular those promoting typical agricultural products, traditional handicrafts, restaurants with traditional food. To influence the tourism flows the RESTP plans new homestay activities, local events of interest and a publicity strategy. All these activities and products require greater consciousness among the local communities.

The RESTP plan integrates several initiatives and planning tools which contributes to and strengthens its use as a tourism spatial strategy. These include a comprehensive consultation programme, a communication strategy and marketing activities based on a solid appreciation of the region's eco-cultural potential. Already 20 publications have been produced to complement the spatial strategy of the plan and to generate and co-ordinate interest and participation among the local communities. The plan has proved itself to be a catalyst for actors and beneficiaries to share and promote a common vision of sustainable tourism over a specific area and over a long term horizon. As such it is hoped to bring important economic, social and environmental benefits to an isolated and depressed sub-region of Campania.



# Permanent Conference for Rural Tourism: A Place of Debate and Consultation for the Development of Rural Tourism

Mr. Yannick Fassaert  
*Vice-President of SOURCE*

Mrs. Patricia Corrèze-Lénéé  
*General Secretary, Permanent Conference for Rural Tourism, France*

## The Importance of Tourism in France:

Tourism plays an important role in the French economy :

- it offers the main surplus for the balance of payments
- it represents 216,000 enterprises, 2 million direct and indirect jobs and 7% of the Gross Domestic Product.

In 2000, France had an 11% share of the world market in tourism arrivals, ahead of the United States and Spain.

However, the tourism economy is not evenly distributed over the country. It is concentrated along the coast, in certain towns and in certain mountain resorts. Rural tourism, which is available in 80% of the French territory, only represented one third of overnight stays by French tourists and 20% of expenditure in 2000.

## Rural Tourism in France: Potential

By rural tourism we refer to tourism in rural areas or in the country (for the purpose of statistical data).

This concept varies in the different European countries. Some limit it to farm tourism, that is tourism practiced by farmers, and therefore define it by the product line.

The countryside is the first tourism area visited by French travellers in number of stays (37% in 2000) but the second in number of overnight stays (37% en 2000), after the coast. These figures have remained stable over recent years.

However, overnight stays in the countryside by foreign customers have doubled in just under 10 years, rising from 42 million in 1990 to 84 million in 1998. Customers from the member States of the European Union account for three quarters of rural tourism revenue. Almost 20% of Europeans prefer the countryside.

There is a clear segmentation in departures to the countryside : the proportion of short stays is greater in rural areas than in other areas – more than half the stays in 2000 were short stays (less than 4 nights). Also, the season is longer in rural areas than in others.

These advantages are partly ironed out by :

- The large proportion of non-commercial accommodation which is over-represented in rural areas : 70% of overnight stays in 2000 as against 56%, taking all areas together.
- The fact that rural tourism is not very profitable. French tourists spent an average of 20€ per night in the countryside in 1998, as against 26€ when staying on the coast or 38€ in towns and 54€ during stays in mountain areas.

In rural areas, people with the highest income levels are those who stay in commercial accommodation. For the two top monthly income brackets, from 3,000 to 3,800€ and > 3,800€, the second home only accounts for 28 to 35% of accommodation.

For 40% of stays, the individuals interviewed stated they did not practice any particular activity in rural areas. The main activities are walks and visits to monuments, sites and museums. However, there are many possibilities: trekking, riding, biking, water sports (canoeing, kayak, rafting, canyoning, ...), flying (paragliding, para-sailing, kites, hot air ballooning).

Farm tourism has great potential as a means of diversification and is arousing great interest although the number of farms offering it has remained almost unchanged (2 to 3%). One of the reasons seems to be that it is difficult to combine the farming workload with tourism activity.

## **Many Initiatives, a Challenge for Development**

Rural tourism in France is a challenge for territorial planning. It involves many different practices and has resulted from a range of initiatives taken by different agents – private suppliers on the one hand but also many public groups which are focusing increasingly on tourism to develop their territories. They use promotion and communication structures (tourism offices, departmental and regional tourism committees) which exist above all to promote their territories. The State plays an important role in the framework of inter-ministerial policies and policies drawn up with the regions.



Recent nationwide actions concerning rural tourism have included :

- tax exemptions to promote the installation of tourism residences in rural areas,
- the creation of a «nature club» within the Maison de la France as a tool to promote tourism in foreign countries,
- actions in the area of new communication technologies. For several years, the State has been providing technical and financial support through large tourism federations in order to set up and develop a national booking server for French tourism products (RESINFRANCE). The aim is to bring together local tourism facilities with a view to reducing the fragmentation of the supply.

### Supply Organized Through Networks of Professionals and Offering «Original» Products – A Report by a Professional Attached to these Networks

The commercial supply of rural tourism is characterized by a great variety of small accommodation and catering units which take different forms: *gîtes* (country hotels), guest houses and *tables d'hôtes*, farm campsites and meals, natural campsites, leisure facilities, cabins, small family-run hotels and restaurants, hostel and holiday campsites and villages, many of which offer their own labels or brands which might create confusion for customers. However, 90% of rural accommodation and catering is grouped together by large operators offering financial aid, labels, recognition and distribution and sales circuits for their members (National Federation of Gîtes de France, Logis de France, Agriculture et Tourisme, Accueil Paysan, Loisirs de France, ...).

The creation of such networks, which are encouraged by the authorities, is an attempt at organising the supply.

An example will be presented of a farmer offering tourism facilities who is a member of two networks: the National Federation of Gîtes de France (furnished accommodation and guest houses) and « Bienvenue à la ferme » (farm tourism network).

This farmer's tourism operation, set up in 1982, provides 10 jobs and offers the following : accommodation, riding, archery, kayak, discovery classes and activities for young people (including young handicapped persons).

The two networks to which he belongs are as follows :

- **The National Federation of Gîtes de France (FNGF)** brings together the accommodation establishments in the various departments owned by its members, one third of whom are farmers. It promotes the network of the 38,000 owners both nationally and internationally. The main products are the *gîtes* and guest rooms but these are current-

ly being expanded. It also provides a framework for the quality standards of the 60,000 establishments (which offer over 330,000 tourist places). For the last 2 years, it has been successfully selling its products via the Internet and has been collaborating with RESINFRANCE.

- **“Agriculture et Tourisme”** is the Chamber of Agriculture network for farm accommodation. The « Bienvenue à la Ferme » brand has over 3,000 members and covers rural hotels, riding farms, holiday farms, farm campsites, farm meals, farm products, discovery farms, teaching farms, hunting<sup>1</sup>.

These networks for rural accommodation have helped to develop new catering products, especially:

- farm inns which offer farm catering, in some cases associated with accommodation, placing the emphasis on farm produce;
- *tables d’hôtes* offering the possibility of sharing the owners’ table only for the customers of guests rooms, *gîtes* and campsites located on the farm. This means that the number of customers is limited.

## **A Forum for Debate and Partnership Amongst the Agents of Rural Tourism: The Standing Conference on Rural Tourism**

In May 2001, at the request of operators, the authorities set up the Standing Conference on Rural Tourism as a forum for dialogue that would bring together and represent the different agents involved in rural tourism.

It aims to create a new style of development and is expected to act as the representative lobby that this sector needs. Increasing social demand not only on the part of French travellers but also of foreigners for this type of tourism means that the broad supply of rural facilities needs to be promoted in order to distribute tourism flows more evenly and to improve the impact of tourism on rural areas, benefiting local territories and local inhabitants. The Standing Conference should help clarify the situation and provide specific suggestions, promoting action and collaboration.

It has 46 members, who are elected for 3-year periods as representatives of professional associations, enterprises, trade unions, expert groups and the three founding ministries (Agriculture, Tourism, and Land Planning and the Environment).

---

<sup>1</sup> The other agricultural network is the ‘Accueil Paysan’ Federation which brings together people wishing to share their knowledge on their farms and their properties. In 1999 it had 300 members offering a variety of accommodation (farm rooms, family homes, gîtes, campsites, caravan parks), catering (farm meals and rural restaurants), children’s activities and the sale of farm products.

Five working committees were set up in September 2001 to deal with five main subjects. There is also an international working group which aims to help establish a different style of development which will help promote local development in southern countries.

The five committees are as follows:

### **1. Public policies, rural tourism and territories**

This committee aims to monitor how the concerns and needs of sustainable tourism development are taken into account in public policies, to identify any obstacles and to promote the use of existing tools for tourism development.

### **2. The rural tourism economy and competitiveness**

This committee covers:

- methods for monitoring the situation and the impact of the rural tourism economy from the point of view of territories and products;
- methods for developing this economy and boosting profitability and competitiveness.

### **3. Rural tourism marketing and communication**

This committee aims to improve the accessibility of rural tourism for potential customers. It carries out promotion, communication and marketing.

### **4. Employment and training**

This committee deals with:

- various matters relating to regulations for rural tourism entrepreneurs and the adaptation of legal, fiscal and social provisions to rural employment;
- jobs in rural tourism and the adaptation of training, with a special focus on the development of open air activities;
- jobs and training for the future.

### **5. Property, cultural, environmental and social functions of rural tourism**

This committee explores the interaction between tourism and territory in the broad sense (people, activities, property, land, biodiversity). The aim is to note and promote actions and experience that assist in achieving sustainable tourism producing a real

benefit for inhabitants and territories. It aims to achieve consistency between public policies and the development of tourism based on the enhancement of local assets.

Since the creation of these committees, not all the subjects have yet been covered. Their initial meetings have led to the identification of priorities based on:

- the management of tourism development in the field, as against the multiplication of structures
- the adaptation of certain tools and public policies to the economic reality of rural tourism, the transmission of small rural hotels, the financing of tourism enterprises,
- promotion, e-tourism
- an inventory of rural tourism skills and training facilities
- improved knowledge of the rural tourism economy

Some initial guidelines and proposals are being prepared for the autumn.

# ANTREC Experience in Promoting Romanian Rural Tourism. The Need for Marketing and Networking

Mrs. Maria Stoian  
President ANTREC, Romania

## The Rural Tourism in Romania

Romania is going through a transition period through the market economy, the period in which, as the Government activities proved, the private property is developing continuously while the state property is decreasing in importance.

Starting from these considerations, the Ministry of Tourism gave special attention to the accomplishment of the legal frame dedicated to the rural tourism stimulation and development, to its harmonization with legislation of the European Union member countries.

In this respect, the Government Order No. 62 of August 1994 was initiated, concerning the establishment of facilities for the rural tourism system development in the mountain area, the Danube Delta and the Black Sea shore, that ultimately became Law No. 15 of December 27, 1994 then 187/1997.

Immediately after the collapse of Romanian industry following December 1989, certain voices had prophesied that tourism and agriculture were the two sectors able to make the country's economy recover.

Rural tourism in Romania has been a form of hospitality since ancient times. The rural tourism was practiced, even before 1990, in Romania, but not organized. First, the people living in towns and cities preferred this kind of accommodation. Before 1990 by law, it was forbidden to house foreigners and Romanians were practicing this kind of tourism choosing a hostess by random.

It was only in 1970 – 1974, however, that an effort was made to organize the sector in so – called “ holiday villages “, which became extremely popular among foreign tourists.

The new Romania, reborn just 10 years ago after a revolution, presents a dynamic showcase for the enduring splendors of its fascinating past. Visitors will find fairy-tale castles, painted monasteries, wooden churches, medieval cities, rich folk culture and a vibrant contemporary art scene.

The Romanian landscape has an unspoiled scenery. The towering Carpathian mountains, forming the frontier between the province of Transylvania and the province of Moldavia and

Wallachia to the east and south, are home to bears, deer and eagles, among other wildlife.

Add to this potent mix of attractions the Romanian people's natural warmth and charm.

Tracing their ancestry back to the Romans, the Romanians' Latin temperament is evident in their outgoing nature, love of life and generous hospitality.

Romania today is safe and accessible with convenient air access, a growing number of tour-operators.

Like in other regions of the world, in Romanian people have started to return to the countryside, once the comfort discrepancies between town and village have diminished. More and more families seek relaxation far from the noisy urban universe, practically dehumanized, or want to rediscover Nature's peace and tranquility.

What makes the choice even easier and more logical is the low budget a family would need for such a holiday.

In 1991, the Government created a separate Ministry of Tourism, which issued regulation on the establishment of rural tourism. As home-owners from various regions of the country showed an interest in renting rooms, many tourists thought of going to rural areas.

Crossing the territory from the Black Sea to Bucovina and Maramures, more than 4000 houses have the proper conditions for practicing rural tourism.

The natural and cultural heritage of Romania is well known and together with the traditional Romanian hospitality are the main assets in the development of this tourism.

Rural tourism cannot develop just anywhere. It requires plenty of natural resources.

The tourist villages, situated on the whole territory of country, offer not only the possibility of return in the middle of nature, but also multiple temptations for tourists. The distribution of Rural Tourism resources around Romania means that there are several areas which are stronger than the rest, notably in the Carpathians. (see Appendix 1)

Rural Tourism businesses has become a rapidly growing segment of the tourist industry in Romania. Tourist have been described in many ways with many definitions. Some definitions deal with distances traveled, lengths or periods of time in travel, the characteristics of their origins or modes of travel and on and on.

Most fundamentally, however, they are traveling to seek out some form of recreation acceptable to their individual, family or group's range of interests. While that range of interests may be very broad within a family (even for an individual), those that most often are useful motivants to rural tourism businesses are reasonably identifiable.

The rural tourism customer is usually seeking out one or a combination of the following near the site:

- History, heritage/nostalgia and/or historic settings
- A special opportunity/setting for relaxation and tranquility
- Outdoor and /or natural resource recreation places/activity opportunities

Merely the experience of staying in a rural tourism ( décor, foods, etc, all contribute).

While rural tourism businesses often do not employ great numbers, being able to obtain competent cooks, cleaning personnel, and exactly the right person for some jobs is very important. The image prospective customers hold in their minds of your area or the state, if they are coming from afar, can be either a real asset or an almost insurmountable barrier. Obviously, an area thought to be a “resort area can be asset. Also, historical settings, natural attractions, and so on, can help “sell” the business as a place from which to visit these features. If, however, we promote the nostalgia or history of our home/ business and the consumer’s image of the area does not accept an historic background, we have chosen the wrong image affiliation. In the western states, for example, rural tourism have been successfully promoted as ranch type homes or as mountain retreats. A sense of a good image “fit” can be of enormous value.

Importance of legislation in the promotion of ecological & rural tourism in Romania

Romania is going through a transition period through the market economy, period in which, as the government activities proved, the private property is developing continuously while the state property is decreasing in importance.

In this situation the existence of the precise juridical reglamentations, in concordance with the needs of the new economy, will assure the development of the individual property.

By these facilities, among which we only mention the exemption from income tax for ten years time of the boarding houses and authorized agrotouristic farms, the most favorable conditions are created for the rural tourism development in the mentioned areas.

A remarkable contribution in this respect has the National Association of Rural, Ecological and Cultural Tourism (ANTREC) and its branches, being well-known their efforts in this field.

As for the development strategy of the rural tourism in Romania, the Ministry of Tourism is more likely to appreciate the quality and not the quantity, as it is a known fact that the introduction in the touristic network of structures that perform bad quality services can compromise the idea of rural tourism for a long time from now.

The specialized literature and the practice denote that once a touristic product is compromised, its recovery asks extra efforts and expenditure for several years.

With a view of protecting the quality of the touristic product, the activity of the boarding houses and farmhouses has to be carried on according to the laws that regulate tourism in Romania. In this respect, the above mentioned law stipulates that, according to the quality of the services offered, the guest houses and the farmhouses are classified by the Ministry of Tourism, as to the rules it elaborated.

## **ANTREC (National Association of Rural Ecological and Cultural Tourism)**

### **Mission Statement**

ANTREC is a non – profit association that identifies, develops and promotes Rumanian rural hospitality and tourism.

### **Vision Statement**

ANTREC is recognized nationally and internationally as a leader in developing Romanian rural tourism, encouraging ecological conservation and preserving traditional Romanian culture.

ANTREC is a non-governmental, apolitical, non-profit organization, member of the European Federation of Rural Tourism -EUROGITES. (see Appendix 2).

ANTREC was set up in 1994 and it has 30 branches ( in the similar counties from a total of 41 ) almost all over Romania and ANTREC has a number of 2500 members, over 2500 guest houses and agrotouristic guest houses, summing a number of over 7500 rooms. (see some of our offers in Appendix 4).

Additionally, ANTREC provides other services to tourists, such as tours around nearby villages and towns, as well as visits to historical monuments. ANTREC also has extensive experience in organizing seminars and conferences for tourist and business groups.

ANTREC has worked with a variety of different organizations to promote rural development in Romanian regions.

Although at the beginning only a handful of people believed in the future of rural tourism, now it's quite obvious that it has become a profitable line of business. There is a real movement of the ANTREC members and potential members (houses' owners who want to be included in ANTREC National Network) and also of the tourists regarding the rural tourism.



### **Key functions of ANTREC:**

- Representation / Lobbying
- Marketing
- Quality control / Product standards
- Training
- Reservation / Information

By the Order of the Ministry of Tourism all units in rural tourism must meet certain conditions, depending on their comfort, to be homologated and classified. In Romania the accommodation in rural tourism is defined as:

- Guesthouse “ pensiune turistica ” (max. 4 flowers/daisies)
- Farmhouse “ pensiune agroturistica ” (max. 3 flowers/daisies)

In Romania, there is no difference between accommodation: self-catering - B&B (gîte – chambre d’hotes).

The Technical Commission has representatives of the Office for homologation, classification and licenses and ANTREC. In January 1996 a group of 30 members of our association graduated the courses in “ Homologation and Classification” and meantime our association participated in homologation and classification of a considerable number of the guesthouse.

From 1994 ANTREC got the membership of EUROGITÉS. For many years Romania is included in EUROGITÉS Catalogue where there are shown the most representative units in the European rural tourism network. Besides France, Germany, Belgium, Portugal, Spain and other European countries (in all 17) could be seen traditional houses from the different regions of Romania. Information could be found in EUROGITÉS site : [www.eurogites.com](http://www.eurogites.com).

### **Marketing**

ANTREC has identified three areas:

- Marketing – it will be important for ANTREC to identify target markets and design a marketing strategy appealing to these niche markets.
- Special Programs (offers) – Once they have identified their target markets, offers can be developed specifically designed to attract these groups to rural Romania.
- Website – ANTREC currently has a website which needs updating, new design, updated information presented in a easy to use format.

## Marketing Action Plan

ANTREC needs to reassess and fine tune their current marketing approach. A plan includes the following steps to analyze and strategize:

- Current Situation – What are your current markets and what products are you offering
- Marketing Objectives – What do you want to achieve, how to measure success, set timescales and deadlines.
- SWOT Analysis – What are the current strengths and weaknesses. What are the Opportunities. How can you maximize strengths and minimize weaknesses.
- Competition Analysis – Who are your competitors, what do they offer and how do they promote.
- Competitive Advantage – Focus on niche markets whose needs you understand and can satisfy. What is your unique selling point?
- Market Research – How will you conduct research, when and how often? How will you implement results.
- Target Markets
  - Collect information about current visitors.
  - Audit destination attraction and meci segments to current and potential visitors.
  - Where are potential tourists found?
  - Evaluate potential profit from each identified segment.
  - Rank tourist segments in order of profitability.
- Develop Marketing Tools – Brochures and printed materials, the Internet, Activities, direct mail, exhibitions, tourist boards.
- Monitoring Results – Procedure for monitoring, when to be done, review of marketing plans and developing a new one.

## Developing Special Programs ( offers)

Current Trends in Tourism.

- Professional People.
  - Shorter holidays.
  - Increased special interest short breaks.
  - More intensive, quality experiences.
  - Destination not to far away with good communication resources.
- Increase in aging population.
  - Active, healthy, higher disposable income.
  - Looking for exotic or interesting destinations.
  - Higher quality expectations.

- Activity Vacations.
  - Study tours – culture, music, art.
  - Sports tourism, health spas, food and drink, heritage and films.
- Eco-Tourism / Sustainable Tourism.
  - Rural guest houses.
  - Conservation projects i.e. Carpathian Large Carnivore Project.
  - Traditional rural culture/ Equestrian ecotourism.
  - Environmental tourism.
  - Flora, fauna, geology, i.e. Piatra Craiului Nat. Park, Danube Delta.

#### Investment in Tourism Events

- Basics and Cost, Convenience, Timeliness.
- Festivals and events – low cost market entry.
- Destination Tourism.
  - Public / Private investment.
  - Expanded infrastructure needs.
- Promote tourism to own citizen and businesses, retailers, travel agencies, restaurants, financial institutions, transit, lodging, police & public servants.

#### Developing Packages of Attractions and Amenities

- Factors – Destination must provide easy access to attractions by bus, boats, train and planes.
- Promotion
  - Discover hidden asset in tourism region.
  - Make the travel experience more significant and rewarding through History, culture & people.
  - Foreign Visitors:
    - " Foreigner Friendly" brochures in several languages.
    - Hassle – free currency exchanges.
    - Emphasize nationality interest, i.e. Japanese Golf and shopping.
    - Competition among destinations:
      - Best hotels, best culinary fare, most museums and theatres, best wine and drink, best chefs, best native – cultural – or ethnic fare. Carry campaign out in specialty publications.

#### Image Making

- Pictorial creations of the destination Movies, television, Music, Celebrities, i.e. Crocodile Dundee – Australia.
- Joint marketing efforts. Travel, recreational & commercial businesses.
- Welcome Centres – along major highways, high traffic tourist destinations.
- Congruence between advertising & the destination. Truth in advertising.

## Website

- Planning the Site
  - Who are your customers ?
  - What are they looking for on the site ?
  - What information do they need ?
  - Diagram the site plan and the sequence.
  - Evaluate competitors sites.
  - Establish who is in control of site: Marketing team, Technical support.
  
- Budgeting for Site
  - Establish initial budget and ongoing development costs.
  
- Register Domain Name.
  
- General Design Tips.
  - Site easy to read.
  - Easy to navigate.
  - Avoid flash animation.
  - Conventional design – left hand menu for navigation.
  - Specific instructions “click here”.
  - Easy to print.
  - Pictures of accommodations – photo gallery option.
  - Important information first ( only 10 % scroll down)
  - Home Page – strong impact, friendly, bright, very clear style, direct link. To online booking.
  - Menu on each page. Easy to return to home page.
  
- Personality of Web Site.
  - Professionalism or friendliness.
  - Include information about the people behind it.
  
- Improve the Site
  - Step I – more information, details about accommodations, prices, online booking.
  - Step II – Enhanced information, currency converter, weather forecast, links to more information about locations of guest houses.
  - Set III – Inspirational or persuasion information. Things to do in the area, History, attractions, translated versions.

### Other Suggestions:

- Media Room containing Press Releases and archived newsletters.
- Competitions and special offers.
- Frequently asked questions.
- Feedback forms.

## Delivering a Quality Experience.

### Marketing and Communication.

Visitor's experience of a destination starts before they arrive and finishes with memories and planned future visits. Communication should be about keeping in close touch with them and delivering persuasive but also accurate messages and images that don't lead to false expectations.

- Consider carefully what impression is given to visitors through promotional campaigns, and get feedback from them about their reaction.
- Use methods of communication that are able to give a detailed and accurate picture of the area, including well – prepared print, well briefed media and well –planned use of the Internet.
- Be prepared to rationalize marketing, working together on fewer campaigns of better quality.
- Pursue opportunities for making it easier for visitors to book a holiday in the destination, including central reservation services and work with operators on creating packages.
- Maintain contact with past visitors, through maintaining a database, mailings, etc.
- Always consider whether it would be more effective to promote the destination within regional or national campaigns rather than on its own.

### Networking

The scene of Romanian rural tourism is characterized by many small scale entities, limited financial resources and marketing know-how. Farm holidays are often offered as a “by – product” of other farming activities. On the other hand there is high personal and emotional involvement by the landlords and especially the landladies. The market – chances of rural tourism are – if certain conditions are given – good. There is definitely sufficient demand with interesting target groups.

With characteristics outlines above the so-called rural tourism products can only stand a fair chance on the market with effective marketing as well as with cooperation on all levels.

### Marketing for Rural Holidays in Romania: Cooperation Works

- a clear branding strategy: the 2500 members of the organization are using the logotype holidays in the countryside in clearly defined ways ( brochures, cards, stickers, etc)

- strict quality control of all members: the farmhouses are categorized by a commission with two, three or four flowers according to their standards of accommodation and service.
- cooperation between the members: this enables the members to offer a wider range of activities by pooling their work as well as the marketing budgets.
- new media/internet: The Romania internet site: [www.antrec.ro](http://www.antrec.ro) is presenting farmhouses – enterprises on the internet.

### **Marketing – Cooperation in Tourism: Tourists Seek Content and Experiences**

On the national level close contact with the Ministry of tourism is vital to be presented on the international markets. As the tourist industry is on a permanent outlook for special products, especially for forms of "sustainable tourism", there are good chances to integrate farm holidays into the National effort to promote tourism to the country.

### **Regional Cooperation: Minimizing the Weaknesses**

On the regional level the suppliers responsible for their organization can cooperate effectively with their representations on the market: joint advertising in special magazines as well as joint presentation on trade fairs and exhibitions. On this level an exchange of experiences can also be valuable. The individual enterprises can balance out the weaknesses of their small scale through effective cooperation: they can offer a programme of activities for their guests as well as work out special offers together like horse riding, fishing, etc. On this level the region responsible for the programme is the focus of cooperation.

### **Cooperation on a European Level: Setting the Scene on the Markets**

To achieve a noticeable effect on the markets the rural product should be promoted and marketed on a European level. Other tourism products like beach holiday, city breaks, skiing vacation and other are clearly positioned by the major tour operators. Marketing for rural tourism however remains mainly on a regional basis with all the resulting limiting effects. In my opinion, rural tourism projects should have much more marketing emphasis (also in terms of financial resources). In general these projects will have to seek cooperation on higher levels in order to be successful in the long run.

From a wider perspective it is not sufficient that the individual house/farm finds visitors for a few weeks in summer. It is necessary to set the scene: for the potential target groups this form of tourism has to be (made and presented) attractive. They should be proud that they have booked a holiday in the countryside.

## **Motivation is the Key to Success**

The issue of motivation is vital to effective work with farmers in this field. The suppliers (members of the organization) need to see and hear which work is necessary or has been done to channel the tourists to their farm. As often the organizations do not sell the product themselves there is no objectively measurable yardstick of success. The more important it is to inform the suppliers regularly about our work and the developments of supply and demand in order to keep the necessary energy (and budgets) for effective work and cooperation.

## **Conclusions**

In my opinion marketing and networking are two decisive issues if rural tourism wants to have a important effect on the market with the limited financial resources available and to carry out successful work in this field of business. Both issues should eventually lead to a closer European cooperation so that the valuable product "rural tourism" can optimize its chances on the tourism markets.

As I've recently found out, in the tourism industry, it is not enough to have a smile face yourself, but, more important, to make your customers smile.

I do hope that all our marketing and networking efforts will make our clients smile.





# Project Opportunities of the Rural Tourism in the Republic of Macedonia

Mrs. Zorica Smileva  
*Head of Tourism Department, Ministry of Economy,  
The Former Yugoslav Republic of Macedonia*

Dear colleagues,

I would like to welcome this Seminar on this concrete issue especially in the course of such an important contribution as developing of rural tourism.

When speaking about the Project opportunities in the Republic of Macedonia, the important issue that must be mentioned is the **strategy priorities** in the tourism development. As the first item that must be stressed is diversification of the tourism offer, which means different tourism products.

Tourism in the Republic of Macedonia is closely related to more than 30 branches. That provides beneficiaries from relationship to other complementary branches like trade, agriculture, culture etc.

The main purpose of the tourism strategy is also increasing the general tourism inflow and tourism revenue from tourism and relative industries.

The **development possibilities** in tourism can be located in:

- Establishing the tourism developing fund done by governmental decision.
- The main purpose of this fund is:
  - to provide conditions for development of rural tourism;
  - to provide tourism development in the tourism regions with development possibilities ;
  - to provide sources of money for improving the tourism services from foreign grants and services in the main tourist destinations and neighboring villages;
- The developing possibilities can be also located in the **competitive sites** like rural sites in the eastern and western part of Macedonia, such as:
  - sites with cultural and heritage tourism offer, defined as sites with well tourism possibilities;
  - the same sites enriched with tourism facilities and basic catering establishments like three main tourist destinations.
  - Ohrid and Prespa Lake and mountains with winter tourism.

- The possibilities for tourism development in the **rural sites** are to:
  - improve accommodation in the village households.
  - to improve tourism infrastructure;
  - to provide conditions for creating new tourism services like organizing festivals, music competition, etc.
- The **cultural sites** have the opportunities to develop:
  - the Project for heritage trails including the handicrafts offer, village production of healthy food, creating the routes for visiting the cultural monuments;
  - the reconstruction of monasteries accommodation;
  - to increase tourism infrastructure investments in roads, water supply and complementary offer;

**The developed tourism sites with rural possibilities are as follows:**

- **Ohrid and Prespa Lake**, offering:
  - the basic stationary offer
  - rich cultural sites and events
  - rural tourism sites in the neighboring villages;
  - all accommodation capacities are over 80% of total capacities in the country;
- **Skopje:**
  - rich with cultural heritage-neighboring villages as recreational centres;
  - cultural events and festivals are taking place very often;
  - has alternative tourism routes like caves near the artificial Lake Matka; handicraft offer etc.
- **Mountains :**
  - rural centres with winter facilities;
  - have arts and handicrafts produced only for exposition purposes;
  - they need investments for improving the winter complementary offer.

**From the active project in the tourism sector, the following can be mentioned:**

**Project for developing business centers in Kriva Palanka and Kjustendil**

This is an example for crossborder cooperation between two countries: Macedonia and Bulgaria.

Business centres are to provide :

- consultancy services;
- producing and providing tourism mediatory services to tourism and catering establishments in two towns and neighboring villages;

- providing services and documents for opening and establishing tourism enterprises.
- establishing the organizational infrastructure in this Osogovian Tourist center.
- benefits from investment in complementary branches like production of facilities for tourism industry and trade.

For potential investors, available in these centres are winter recreational possibilities in Kriva Palanka and ecotourism sites in the neighboring villages. The project is looking for investment partners for establishing information system, management system and tourism and infrastructure investment.

Specific requirements for technology inputs are expenses for funding, construction, new equipment and others. The time for developing and start functioning is 5 years.

The specific requirement for financial inputs for the total infrastructure in this region is 5,38 mil. EURO. The Program was financed in the past by CREDO PHARE. This activity can be located in the assistance with the local communities .

### **The second is the project for Tourist development of Pelister Region**

This project also is for crossborder cooperation for supporting a tourist development of the village Maloviste and promoting the countryside of ecotourism in Pelister. It consists of 4 subprograms:

- **Subprogram 1: Developing alternative tourism** consisting of:
  - tourist development and promotion of the monuments.
  - strengthening of the developing of infrastructure .
  - improving the tourist offer in the village houses.
- **Subprogram 2: Development and promotion of the local cultural tourism**
  - organizing traditional cultural activities.
  - preparation of historic album of the village cultural monuments.
  - registration of the musical traditional heritage.
- **Subprogram 3: Management of human resources**
  - quality improvement of the services in village households.
  - organizing trips in neighboring municipalities - cross border cooperation.
- **Subprogram 4: Marketing plan**
  - defining tourist target groups and analysis.
  - defining the tourist product concept.
  - promotion activities -strategy, advertisement, distribution, public relations.

At last **Promotion of the countryside ecotourism in the Pelister region** will contain:

- establishing a center for educating , training and promoting alternative tourism in the Republic of Macedonia.
- making efforts to separate funds from eco tourism and use them for nature preservation and improving the standard of the tourism facilities in the local houses.

The developing programme in Delcevo and Pehcevo region- eastern part, known as **Developing municipalities through culture** is in progress, financed by World Bank. The project will connect the different offer of the associations of the people from the cities and villages in order to enhance the production of the traditional households handicrafts.

# Agritourism, a New Challenge for Albanian Tourism

Mrs. Franka Paloka

*Chief of Sector, Ministry of Urban Development and Tourism, Albania*

## Pilot Project on the Development of Agrotourism in Lake Prespa Area

### Environment of the Pilot Project

#### Tourism Development Strategy

With a territorial surface of 28000 km<sup>2</sup>, Albania has a coastline of 316 km, with a diversity of landscapes and relief offering a wide range of possibilities for the development of different types of Tourism. The Tourism Development Strategy gives the priority to the implementation of sustainable developments, which ensure the protection of the environment, economical growth and the preservation of the identity of the community. A number of areas have the potential for the development of Agrotourism which from year to year has experienced a steady growth in the global tourism market. One of these areas having the potential to develop Agrotourism is the area of the Lake Prespa which is also the location of this pilot project.

#### The environmental context

The Prespa lakes and Lake Ohrid are considered to be the oldest lakes in Europe and the biggest water complex in the Balkans. In addition Prespa was recognized as Wet Land of international relevance by the Covenant of Ramsar, for the values of its ecosystem and species in risk of extinction.

On the 2nd of February 2002, the three countries (Albania, Greece and Macedonia) agreed to establish the first protected cross border area in the Balkans.

Representatives from four Balkan countries, in the meeting of Otosheva, drafted a common program for the protection of lake Prespa, the so-called Green Belt of the Balkans, in contribution to the network of protected areas of NATURA2000 – a program of the EU.

Financed by the Government of the Federal Republic of Germany, the project on the “Integrated protection and sustainable development of big Prespa and small Prespa lakes” was drafted.

## Interregional context

With the objective of:

- Promoting understanding of the interregional cultures.
- Creation of a positive common image in order to increase economic benefits;  
Establishment of functional mechanisms for the protection of the environment.
- Promoting the stability in the region through common efforts to develop cooperation through friendship, dialogue and understanding.

*We supported the proposal of the Greek Tourism Organization for a trilateral cooperation, Albania, Greece, Macedonia for the establishment of the Woman Association of Agrotourism.*

## Where lies Prespas potential for the development of Agrotourism

The big Prespa Area, because of its geographical position has great potential for the development of agrotourism.

Such as:

- Its key position. It is situated in the heart of three countries with different traditions, mores, and historical and spiritual heritages, which makes it three times more appealing in the eyes of the tourist.
- Its vicinity with cultural, historical, trade centers, such as Korca, Pogradeci, Ohrid, Struga, Bitola, Reseni, Kastoria, Florina etc.
- Its position near crucial corridors such as, Qafe Thane and Kapshtica.
- Its surroundings. Prespa is surrounded by the fields of Korca and Devolli, areas with a rich tradition of agricultural and dairy products.
- Its local tradition of qualitative agricultural and dairy products.
- Its interesting landscape, with its slopes and valleys, offers the possibility of developing the infrastructure necessary for different tourist activities such as, skiing, mountain climbing, flying, wandering, navigation (the Dry Mountain, the Mountain of Ivan, with a total number of 100 days covered in snow).
- Existence of a considerable folklore and ethnographic patrimony, archeology and history, such as the Church of Gradi Mountain built inside a cave, Roman remains etc.

Project objectives:

- Economic growth in the area;
- Development of tourism in the area;
- Improvement of infrastructure and development of tourism related services;
- Expanding of the market for the local products;
- Better opportunities for the training of the local population;
- Improvement of cultural facilities and activities that can be used by residents and tourists;
- Better knowledge and evaluation of the natural and cultural heritage by the community;
- Reduction of the depopulation of the area by slowing down the emigration and immigration, by generating employment and income opportunities.

### Development of the project

From the eight villages surrounding the lake Prespa, the project encompasses only those of, **Kallamas, Little Gorica, Gollomboc, Ligenasit and Zaroshka**, in which the priority will be given to the renovation of approximately 150 houses, starting with a pilot project including 20 –30 houses.

Ecotourism is a type of tourism, which is developed to increase the benefits of the local population, the area of its development, as well as to increase the protection of the environment. For the above mentioned reason the proposed development has the following important features:

- to support construction procedures that use local building material, preserve the local architecture and use the appropriate technology to minimize the environment impact of this development.
- to prevent the development of tourism as a “mono culture” paying special importance to the revitalization of the local agriculture and garden products,
- to control the local development process,

The development will use the existing structures, which will be improved and adopted to respond the needs of the tourists. It will slow down the existing tendency of the depopulation of the region.

According to the project the following steps will be undertaken:

- Establishment of Prespa Women Agrotourism Association;
- The lack of knowledge of the tourism services will be provided for **through the training of 30-selected women** from the region. This is not a problem in itself because in the present case the tourist will not be treated as a client but as a guest, based on the hospitality tradition.
- **Restoration of a number of houses in the villages** of Kallamasi, Little Gorica, Gollombocit, Ligenasit dhe Zaroshkes, faithful to the traditional architecture and use of locally used building material.
- **Improvement of the interiors to the required standards**, where appropriate new facilities can be added to the existing ones, such as swimming pools etc.
- Identification of the tourism services (food, health facilities, shops, restaurants, telecommunication etc), clean up and reparation of the public spaces, street lighting etc – and their implementation plans.
- Initiation of the **participation process** in the development plan in the village level **through the 30 women selected** and the integration in the village economy.
- Development of the **infrastructure needed for the development of tourism** (roads, water supply, sewage, telecommunication).

### Existing Infrastructure

- **Roads-** A partly paved road passes in the southwestern part of the area and reaches the Macedonian border. Through this road and a network of non paved roads are connected all the surrounding inhabited centers.
- **Water Supply** – The inhabited centers receive water from springs and private wells.
- **Sewage** - Each house has a septic hole, which is cleaned up by its user and the content, distributed in the nearby fields.
- **Energy** - Energy is supplied by the substations of the Korca region.
- **Telecommunication** – The area is deprived of local and international lines.
- **The marketing of tourism facilities**, drafting of an interregional strategy.



# Rural Tourism in Slovenia - Development and Experience

Mrs. Janez Sirse  
*President of NTA, National Tourist Association, Slovenia*

## Slovenian Tourism Strategy

Slovenian Tourism development is based on tourist clusters:

- Coast and karst
- Alps, mountains & lakes
- Spas & health resorts
- Cities
- Countryside

The main tourist product development is based on the nature, wellness, entertainment, recreation, winning & dining, education and conventions, culture, shopping.

Tourism is an important economic sector, development generator and rises quality of life.

## Rural Tourism in Slovenia today

There are 482 tourist farms in Slovenia

- 189 farms with accommodation facilities
- 190 farms for excursions only
- 103 wine cellars

These tourist farms have 2.595 beds, nearly 5% of all commercial tourist beds in Slovenia.

These tourist farms have 22.284 seats.

## Rural Tourism - a history

Tourism development on countryside, on farms started 30 years ago.

The main goals were (most of them are still valid):

- To stop depopulation from rural areas
- To increase the cultivation of the land and the forest
- To increase the employment in rural areas

- To increase the employment in rural areas
- To increase income & social security on farms
- To enrich tourism supply in Slovenia

## Rural Tourism Policy

Rural tourism policy was designed and realized by Ministry of Agriculture and Ministry of Tourism and consisted of:

- Public grants for cultivation of land, transport infrastructure, public goods & services.
- Cheaper credits for direct investments in tourist farms
- Education, training & consultancy
- Promotion and marketing

## Basics: Tourist farms

Tourism on farms is an economic activity additional to agriculture as a base

A farm that intends to develop tourism should produce enough domestic food and should employ family members only.

Tourism farm can have at most 10 rooms and 60 seats:

Tourism farms are divided according to:

- Tourist farms with accommodation
- Tourist farms for excursionists only
- Wine cellars

Tourism farms have similar classification as other accommodation facilities. There are 4 grades with an apple as a symbol.

## Legislation: Tourism farms

Tourism on farms is regulated by the laws and other acts prepared by the Ministry of Tourism:

- Minimal technical standards
- Minimal services offered to tourists and guests
- Minimal education and skills
- Official working time
- Classification of tourism farms with accommodation facilities

Ministry of Agriculture and Ministry of Health with their laws and acts affect tourist farms too.

## Education: Tourism farms

Minimal requirements of education degree and skills are set by legislator in order to work on tourist farm.

Agriculture and forestry chamber has a special section which stimulates tourism development on farms, especially in the field of trainings, product and quality development, event organization and consultancy,

Ministry of Tourism, Slovenian tourist board, business associations and others support development of tourism on farms

## Integral Tourism Development

Ministry of Agriculture has prepared an integral development policy for Slovenian countryside where tourism is only one part of the programme.

Integral development policy of Slovenian countryside consist of:

- Development of countryside and villages.
- Protection and marketing of natural and cultural resources and heritage
- Diversification of economic activities on farms
- Wine production and wine routes
- Development of authentic culture, tradition and events.

Regional development policy

## Tourism Farms Association

Tourism Farms Association was established in 1997 in order to:

- Stimulate tourism development in countryside
- Rise the quality of services on tourists farms
- Educate and train members
- Promote and market tourist farms on domestic and on foreign markets
- Represent tourist farms in business and political discussions

The Association represents 80% of all tourist farms in Slovenia

## Future Plans of Rural Tourism

Basic targets of tourist farms in Slovenia are:

- To rise the quality of tourist offer on farms
- To rise the occupancy on tourist farms to at least 70 days a year
- To widen the scope of tourist offer, products and services on farms and in surroundings
- To attract target groups: families with children, children only, activity groups (horse riding, cycling,..)
- To rise the education and skills
- To increase income from tourism on farms

## EU and Rural Tourism

Agriculture is one of the most delicate areas in EU.

Tourism development in countryside can ease the adoption of EU standards in agriculture.

Substantial funds (sappard) are available for agriculture as well as some smaller funds from phare/CBC programme.

There are other EU programmes indirectly supporting countryside development in the areas of environment protection, protection of cultural heritage, education and trainings, information technology use.

## Expected Trends in Rural Tourism in Slovenia

- A demand for holidays and short breaks in nature will increase.
- High quality and personal approach to guests will prevail
- An integral tourism offer will be developing
- The need for permanent trainings will be persistent
- Tourist farms will develop a special trade mark and will form a chain of suppliers
- Direct marketing with significant support of information technology will be in use
- Economic importance of tourism in countryside will increase

# Development of Sustainable Rural Tourism in the Czech Republic Since 90's

Mr. Michal Burian

*Vice-Chairman, Association of Entrepreneurs in Farm Tourism, Czech Republic*

## Summary

Right after the Velvet Revolution in 1989, the former communist Czechoslovakia became a target for many tourists from abroad. This boom brought around 4 billion USD yearly without any major state investment in tourism promotion. In the same period, many new non-government organizations have been established. In 1992, together with foreign partners, a pilot project in Central Europe called 'Holiday on an Organic Farm' began and the European Centre for Eco-agro Tourism (ECEAT) movement had thus started. The first project brought us a lot of experiences as we discovered that some tourists are willing to come to rural, little known areas and to relatively primitive conditions. As there were no more any centrally governed system of a certification of accommodation standards, ECEAT has developed such standards in co-operation with the Union (est. in 1997) which are now accepted by the Czech government. As until 1995 the government showed little interest in promoting rural areas, we started the "Tourism at Service of Rural Development" (TSRD) strategic long-term project. This strategy consists of three parts: "capacity" which relates to the cross-sector partnership as the first precondition of the sustainable rural development; "skills of service providers" as the second precondition; and "products" attractive to the guests as the third precondition. This strategy brings now over 4.000 guests a year (families, walkers, cyclists, nature lovers, culture lovers, etc.) to the Czech Republic as well as an acceptance of the ECEAT CZ and Union as valuable partners in tourism development by the Czech government. Our products, such as "Countryside Holidays" and the "Heritage Trails" became official promotional products of the Czech Republic.

## Introduction

Right after the Velvet Revolution in 1989, the former communist Czechoslovakia became a target for many tourists from abroad. People were curious to learn about ways of life behind the Iron Curtain. There was also a reputation of president Vaclav Havel, an intellectual, popular writer and dramatist who was often kept in prison by the communist regime. Peaceful split of the country in two parts - Czech Republic and Slovakia also helped the Czech Republic to keep an image of a safe and attractive destination. The beauty of the Prague made it one of the new musts for many international tourists. Gradually, Prague became a synonym for the Czech Republic. This boom brought around 4 billion USD per annum to the state budget (Czech Tourist Authority, 1997) practically without any significant state investment in tourism marketing and promotion.

At the same time, many new non-government organizations were established. A group of people working for a new innovative movement – an organic farming - started to investigate opportunities for creation of additional income for farmers. In 1992, together with partners from the Netherlands, Poland and Hungary, a pilot project in Central Europe called ‘Holiday on an Organic Farm’ began. Financed mostly by the Dutch government it took two years to complete. The success of this so called ‘eco-agro tourism’ concept led to a strong increase in the number of farmers, tourists and countries involved. This way the ECEAT movement and Czech rural tourism started. Since then, we collected a lot of experience on the way from centrally planned economy to active local communities in the countryside and we can share them.

## Rural tourism in Czechia after 1989

As a reaction to the centrally planned economy many norms and regulations have been cancelled in the post-communist era. There was no more any centrally governed system of a certification of accommodation standards. Responsibility for the tourism development was given to the Ministry of Economy who approached tourism mostly from an economic point of view. Their typical argument was that tourism does not need any investment when, even without it, it grows rapidly. They saw Prague as the main attraction and, as long as tourists were visiting the capital city, they were not concerned much with the tourism planning or development. This was the climate prevailing at the time of our first visit to the Ministry of Economy in 1995. That time, we started a preparation of a long-term strategic plan “Tourism at Service of Rural Development” (TSRD). With this plan we visited our Ministry of Economy. The minister, however, instantly rejected our plan arguing that such tourists are not big spenders and therefore not an attractive market segment. Instead, the Ministry preferred wealthy tourists attracted to Prague. After this meeting we decided to be completely independent while the occasion also gave us an impetus to become as successful as we could get. Thus, we proceeded independently in developing and implementing our plan. Now, we are happy to say, that this way was very efficient and led to very good co-operation and acceptance of our position by Ministries and other governmental institutions today.

This first TSRD project brought us many experiences. We learnt that there are tourists willing to come to rural, little-known areas and to relatively primitive conditions. These tourists preferred things perceived “strange” by local people, like well preserved nature, traditional customs and the ways they were taking care of the environment. They looked for a small - scale tourism far away from the noise and noisy “attractions” like night-clubs. It was very encouraging for us and we saw in this form of tourism the biggest opportunity for the tourism development in the Czech Republic. We were confident that the village people could respond effectively to the new European trends, that they would invest in learning foreign languages and encourage their children to the same, that they would investigate opportunities for creating new jobs and would take care of the environment. It all made us very optimistic, although it was clear, that the Czech Republic would never have such an infrastructure of small family farms so attractive to tourists as, for example, Austria or Poland has. Visible

success of the first ECEAT project – a large number guests in our countryside - attracted many new village people to participate in our project. Therefore ECEAT CZ decided to widen its focus from the organic farm tourism to the sustainable rural tourism. A little bit later (1997), the Union of the Czech Entrepreneurs in Rural Tourism and Agrotourism begun and both organizations very quickly found ways of co-operation.

## **Tourism at the service of rural development – a plan for the sustainable tourism development in Czechia.**

The plan, clearly identifying different needs, timing and measurable outcomes, consists of the three conceptually connected sub-projects – CAPACITY, SKILLS and PRODUCTS. We are certain that gradual implementation of all the sub-projects can help in developing new forms of tourism, with the sustainable tourism practices being suitable for areas sensitive either from an ecological and/or economical point of view and were confident in our success.

## **Capacity – a cross-sector partnership as the first precondition of the sustainable rural development.**

Thanks to the Prince of Wales Business Leaders Forum (PWBLF) we could study the theory of “three legged chair”. We accepted it and adopted it to our own needs. According to this theory our society can be divided into three sectors, which are active in the countryside and can influence tourism:

- public sector, which includes central government, local governments and all other public institutions;
- business sector which encompasses all entrepreneurial activities by individuals, co-operatives and corporations
- non-government sector represents various non-business and non-public organization

Every sector has its own needs, its own strengths and weaknesses. These we identified through a focus group organized in 1998. The strength of the public sector is in the fact that it distributes public money, creates regulatory framework and implements laws and regulations. However, it depends on the election results what makes the public sector unstable in its behavior, arrogant in dealing with its stakeholders and has a lack of responsibility for the results of its decisions. Business sector is money making machine with a strong sense for the business opportunities and used to making decision. At the same time, business sector developed “we can buy everything” mentality where money is the only goal and everything has to serve the economic purposes. At the same time, non-government organizations are independent, creative with a strong sense of public good and used to operating on a small budgets but they often lack professional attitude, sometimes are militant

and too dependent on grants and contributions. But the role of NGOs is very important. This is too dangerous for democracy to rely only on a business – public sector line.

The well-known Czech sociologist, Jirina Siklova, says that the more non-profit organizations are active in the society, the more democratic the society is. During the pre-WWII Czechoslovakia there were about 70.000 registered non-government organizations but only one, the “Folk Front”, existed in the communist era. By 1996 this number has grown again to about 30.000 registered non-government organizations in the Czech Republic. There are hardly tens or even hundreds non-government organizations in such countries like Ukraine or Belarus. This can be partly a reason why the major part of the financial support from abroad ends in private hands. In those countries there are only two sectors active - public and business.

These theories of the cross-sectorial partnership we implemented as much as possible in the “CAPACITY” part of the project. In this section, strategies for an effective and long-term partnership with the government, local authorities, non-government organization and the business sector are developed. This includes negotiation with the key partners; creation of partnership; know-how transfer and publicity. Implementation of this project resulted in the co-operation of various stakeholders at the local, national and international level and finally - into the acceptance of our approach to the sustainable tourism development and management. In the process, the Ministry accepted ECEAT CZ as an equal partner in the tourism development process.

## **SKILLS - skills of partners and service providers as the second precondition of the sustainable rural development**

There is no success without experienced and well-trained service providers. The rural tourism attracts responsible clients to often-abandoned areas or national parks. The biggest asset and often the only potential for future of these areas is their non-polluted environment, untouched, pristine nature and traditional life-style. These are preserved through a regulatory framework. It is often necessary to convince village people that not only luxury of a bathroom or clean towels makes their guests satisfied. In addition, very often entrepreneurs operating in or around national parks have a trouble understanding the purpose of regulations perceiving them as a barrier to increased profits. We try to explain to the village entrepreneurs that the more care they invest in the environment and nature protection, the more special guests they would attract and the more they can profit from the sustainable tourism practices. Therefore, the SKILLS project has been initiated under the auspices of the TSRD programme.

The SKILLS project aims at enhancing the expertise of all partners and service providers. A network of the regional representatives – advisors was created around the country where every village entrepreneur can come for an advice. To encourage use of this service the first visit is free while the subsequent visits has to be paid by the entrepreneur. The regional



representatives – advisors organize different types of training, farm inspections and educational courses. Most of the SKILLS activities are paid for by different grants or sponsors while the only user-paid services are the above mentioned advisory services and quality inspections.

### **Education for rural entrepreneurs**

We are used to work with beginners and self-made men, many of whom can create their own jobs through tourism. They often start out with a very simple campsite requiring minimal financial investment in order to increase their capital and get experience. There are many examples of successful entrepreneurs who begin with a simple campsite and now sustainable tourism makes a big share of their income. But how to start? is often asked by the local entrepreneurs. Therefore we published a book “Jedou k nám hosté” (“Guests are coming! or the guide to become a rural tourism entrepreneur”) featuring many experiences of those successful in their sustainable tourism activities. The second very popular activity under the SKILLS program is one-day seminars for beginners. Local or district governments finance these seminars and they are free for participants while lecturers (mostly experienced accommodation holders) are paid. They usually take place on Saturdays to allow as many people as possible to attend. Participants can see on an example of the “teachers” that a success is possible. The educational activities over a longer time period were also initiated but they were cancelled due to the costs involved and poor attendance by the participants. Thus, the one-day seminars proved to be the most popular.

### **Accommodation standards**

As already pointed out, there are no more any centrally regulated standards of accommodation. Therefore ECEAT CZ, together with Union, has developed its own certification system ensuring that tourism benefits to the preservation of nature and the environment and to the socio-economic conditions of local communities. Over time, the concept was broadened so that, besides accommodation on farms and in the countryside, it also includes accommodation associated with nature parks, environmental non-government organization and sustainable communities. There are two levels of the certification in the Czech Republic. Rural accommodation has to fulfil usual standards for rooms, equipment and space. Only afterwards, the accommodation establishments can obtain an extra, additional ECEAT certificate=award either for contribution to protection the heritage or its ecological behavior. A certified establishment is identified through the sticker. Now, the Czech government accepts this system and the Union is the officially appointed body for its implementation.

## Tourist Products - Guests as the third precondition for a sustainable rural development

As there is no success without the experienced and well-trained service providers there can not be a success without guests. But who could be the guests of the rural areas? We have to count on tourists who are global, experienced, hedonistic and with a little loyalty to previously visited destination. Cheaper airfares and large disposal income together with the fall of an iron curtain have made international travel easy. Many modern-day travellers are experienced but they rarely go to the same destination twice or even consume a same type of travel product. They can visit an organic farm at one stage and then consume McDonald's meal during another trip. They also search for the unusual experiences, appreciate local differences and behave hedonistically. Therefore ECEAT CZ started the PRODUCTS project as the third part of the TSRD programme aimed at identifying market segments as well as developing a special products suitable to the needs of this niche market.

Our market segmentation is based on over 4.000 guests who visited us in the 2001 summer season where our main markets were families with children or double income people.

### Families with children independently organizing their trip.

For this group we developed the "Countryside Holidays". This is a complex product and even development scheme that is intended for direct sale to potential local and foreign guests. The guidebook (printed, electronic on [www.e-countrysideholidays.com](http://www.e-countrysideholidays.com)) features all types of accommodation – farms including certified organic ones, campsites, self-catering and B&B as well as small hotels. It is published in Dutch, Czech, German and English version. Since 1999 it is an official product of the Czech Republic supported by the Czech Tourist Authority.

### Double income people

They are looking for many experiences preferring individual non-guided packages. For this group we adopted the Heritage trails concept which successfully started in Slovenia and Great Britain. For this programme to be successful it is crucial to obtain a wide participation of the local communities especially as it is operating outside any centrally governed system. The Heritage Trails programme fits well with the need of the so called "sustainable destination management". The Heritage Trails has been piloted in three regions of the Czech Republic and since the 2000 this is an official product of the Czech Republic, supported by the Czech Tourist Authority. Please see [www.heritage-trails.cz](http://www.heritage-trails.cz) for more details on this program.

## Conclusion

It is clear that destinations are becoming more competitive in today's global tourism marketplace. In the face of the strong competition many destination are strongly supported by their governments while an enormous amount of money is put into their marketing and

promotion. However, we were not in the position to obtain either moral or financial support for our program of the sustainable tourism development. From our first visit to the Ministry of Economy five years ago, it has since been renamed into the Ministry of Regional Development and, in the same period, six ministers have changed on the position. In spite of this unfavorable climate, we expanded our activities. The amount of 500,000 Euro which we needed to develop our programme was obtained thanks to many different funds, such as PHARE, Know How Fund, the Prince of Wales Business Leaders Forum as well as individual contributions of farmers, sponsors and business partners. Additional sources of funds are obtained through the co-operation with different tour-operators who are becoming increasingly important to our endeavors. Through our persistence and independence and, we would like to think, quality of our work, we finally got support from the state budget. In 1999 the "Countryside Holidays" has been supported from the state budget with the sum of Euro 10.000. The Heritage Trails has been funded in 2000 year by Euro 6,500. Both products now officially represent the Czech Republic. It is also clear that we could invest money from the above mentioned funds into the same activity or product only once. The continuation depends on us. But the funds from outside helped us to create **the fourth precondition - active and independent local people**. The money contributed to set up a strong network of many local people, proud of their achievements and success. They are representatives of the non-governmental sector although many of them are entrepreneurs. But only the joint effort, independent on a direct state support, brought all of us visible results and made us a worthwhile partner in the tourism development process.



# Rural Tourism: Traditional Values of Istria as a Tourism Attraction

Mr. Robert Bacac

*Rural Tourism Manager, Istria Tourist Board, Croatia*

Idea about rural tourism developing, as completely new and specific offer in Istria, is very old. Even before twenty years ago, there was trying - scientific approach only, to find out the philosophy of getting a new type of tourism, very different kind than maritime tourism and totally opposite supply of tourist services till then.

However, since there was no existing legislature for the rural tourism field, and interest for quality shift was very low because all available resources (financial, personnel, organizational) were used for selling and promotion only hotel facilities on sea coast, efforts for developing rural tourism remain on scientific debates and very small, modest attempts to concretise the intentions.

Due to the saturation of mass-tourism globally on world tourist market, have been appearing a very alternative offer and starting developing of selective tourism forms - sustainable tourist development, and that was a challenge also for tourist managers in Istria.

Immediately, after new local autonomy constitution and constitution of tourist associations in Croatia (ten years ago) regional government of Istria - tourism department, and Istria Tourist Board, have been starting a new conception of Istrian tourism through following steps:

- Quality restructure of existing tourist facilities as hotels, camps, restaurants, sports facilities.
- Progress of additional offers for existing supply, like manifestation organization (concerts, exhibitions, festivals, folklore presentation, cultural heritage itinerary), creating bike, pedestrian and trekking paths, encouraging, so called, extreme sports (caving, paragliding, climbing, mountain biking, canoeing) - so close connect with nature and active stay in nature - nowadays known as eco-tourism.
- Valuation rural parts of Istrian peninsula (internal parts) through selective, developing programs as agro tourism (farm holidays), vine roads, gastro itinerary - truffle tasting, slow food, giving natural and cultural heritage status of tourist product (directly).

This approach, developing tourism in all parts of Istrian region, results Istria as unique Mediterranean tourist product - known as maritime and rural tourist destination.

Just a digression, nowadays number of Istrian inhabitants in relation to number of tourist beds is 1:1. Intention is not to increase just a number of beds only, but with all supporting services.

Because of very big importance of rural tourism for developing rural Istrian areas (economic and sociological), with reason is put a question why rural tourism?

Following motives define why rural tourism, and importance of rural tourism:

- Enrichment former supply in quality sense through quality guest's reception and services. In Rural tourism facilities, guest are not any more just a "key" of room or statistical data, they become part of a hosting family. There is closely relation, interaction and communication between guest and host. Social aspect in modern tourism, toady, is very important fact in world of alienation. Rural tourism has perfect answers to this problem due to developing individual not mass tourism.
- Preservation rural parts have Istrian peninsula and inurbane micro locations through new approach to managing with. That mean no to industrialization, no to no ecological facilities, no to mass-tourism.
- Valuation and presentation natural and cultural heritage – untouched landscape. More than 50% of natural and cultural monuments are positioned in rural parts.
- Preservation and protection traditional architecture is one of the biggest reasons to rural developing projects. All Istria is characteristic for stone architecture. Last decades old houses have been pull down and adapted on non-appropriate way. Ethno and traditional element in new architect ional approach was abandoned because of strong modernization.
- Prevention village depopulation making new possibility for employment - especially for young people. Current situation is encourage because of interest for agro tourism activity
- Environment protection - no pollution.
- Direct support to agriculture and production of typical products as wine, prosciutto (dried ham), cheese, honey, truffles, olive oil and others through possibility of directly selling on agro tourist (farm) householders. That means increase of agriculture producers and cultivable surfaces.
- Traditional gastronomic offer based on healthy food through traditional meals - promotion and popularizing authentic recipes and dishes and beverages.
- Biological agriculture and using products from nature (asparagus, eatable plants, mushrooms) possibility and challenge for small agriculture family householders as we have in Istria.

- Revival and stimulation old handicrafts - pottery, traditional instruments, tools, souvenirs because this production almost diminish.
- Additional income to inhabitants.
- Whole engage entire village and neighborhood, not only single agro tourist (farm) householder - all surrounding is involve through offering products and services.
- Making original attraction and experience for guest. Every rural micro (agro tourist) destination (agro tourist householders) can by choose create their tourist supply with additional contents. Regarding to this, agro tourist farm offer possibility to participating in agriculture cultivation, especially in season of grape gathering, than in preparation traditional meals (gastro school), meeting with old handicraft, riding, participating in popular festivity. Also this is the best way for active holidays directly connected with nature and with come back to nature and natural life.
- Extension tourist season - rural tourism make possibility for whole year coming (evenly coming) and staying (holidays in summer time, weekends in winter time) .

In one sentence, above mentioned reasons mean: economical revitalization rural areas through activity as agriculture production as tourist services.

On the project beginning, it was needed to organize and educate potential agro tourist farms and its owners. Due to mentioned, in 1997. is published educational brochure with all relevant information what really rural tourism is, purpose, organization, functionality, and marketing. Presentation is held in all communities in Istria region with basic reason to making direct contact between initiators developing program and potential householders and get feedback about interest, obstacles and necessity.

Main element for successful rural developing is financial support. Regarding to this 1997. and because there was not special state government funds for rural development, Istria Tourist Board made agreement with a commercial bank for credit line for adaptation rural householders only. Credit line was favorable then others in financial market because of long term (10 years), one year moratorium, low interests (7%, what include 1% participation Istrian regional government and Istrian tourist Board each - stimulate standards), simple bureaucracy, 100% cash (for that, investment was controlled permanently by bank and Tourist Board). Assurance is mortgage. Main condition to getting financial support is old stone house in villages in rural areas and making it functional for offering tourist services: accommodation and catering.

Credit line is still actuated and till now, 65 householders got financial support.

Second main element is marketing and promotion rural tourism. Undertake steps are:

- Brochure “Rural tourism, agro tourism, eco tourism”, every year update new edition.
- Selling through wholesaler “I.D. Riva Tours” from Munchen, Germany - the only wholesaler which insert Istrian rural tourism in its own brochures and catalogues, an which organized selling for German and Dutch market.
- Internet promotion:  
 official web page about rural supply ([www.istra.com/agroturizam](http://www.istra.com/agroturizam)). Web promotion become strong promotional channel because of low cost, possibility of daily update, and better review of supply.
- Fairs.
- Special presentation.
- Mailing list.

Currently, in Istria exist 126 householders’ different categories:

- Agro tourism - farm holidays (agriculture production + tourist services).
- Rural houses.
- Rural family hotels.
- Wine cellars.
- Tasting places.
- Rooms and apartments in rural householders

Accommodation capacity is 982 beds. That is 51% more than in 2001. Average occupancy is 110 days. Average guest stay on householder is 9 days. Average price for accommodation is 60 Euros.

After successful tourist season in 2000 and 2001, interests for rural tourism increase.

Further activities to developing rural tourism can be examine through several segments:

Organizational – experts for different fields: architects (just existing) for external and interior arrangement; restorer for old furniture and interior equipping; ethnologist; vintner; gastronomist etc.

Education:

- permanent education through school of rural tourism for beginners and existing owners of householders in sense of workshops when participants will get practical knowledge how quality organize rural tourist destination  
 Financial - keep on with existing credit line with low interests, and encourage as local as state government to make agreement with commercial banks for new credit line (1 - 3% interests).



Legislative:

- bringing new law about rural tourism, rules of standardization and classification rural householders different from room and apartments on seacoast. Making possibility for professional tourist activity for hosts and their families (by existing low, now is possible only additional registration, not professional).

Marketing:

- On line booking.
- Cooperative promotion with other Europe regions – common marketing activity (e.g. common marketing neighboring regions, common marketing of Mediterranean regions etc.). Why?

Each country, and each region has different approach to implementation sustainable characteristic, or factors (above mentioned). Each of its valuate and develop rural areas. That way, as a rule, is specific, unique and remarkably original from each other. These mentioned factors are very different from country to country, and even, from region to region. Exactly because of this diversity and originality, wish is to create complete and original experience for visitors. And this experience is original, for real, in each country and region because, cultural heritage, customs, natural environment, people, are completely different. Because of that, in rural tourism there is no competition, at least no hard and pitiless one like in other markets. Competition is here eliminated and for reason rural tourism is not mass-tourism. Demand is still higher than offer and it should be that. This kind of tourism is not anticipated for people mass, but for appreciably qualitative relation for visitors and for resources as well. This is also not tourism of big numbers of visitors and overnights, but of quality of services, very important in financial sense, and it is not need to elaborate what rural tourism means for village areas.

When is no competition, than is partnership. My general opinion is that partnership and cross-border cooperation in rural tourism is key word. Key word because mutually can be reached best results than individually like: better market share, better organization, more easily approach to whole sellers (tour-operators), efforts for recognition rural tourism as tourist product, quality, experience exchange, common education, common lobbying, common contribution in any further promotion of rural tourism.

In Europe already exist cross-border cooperation through several projects in field of marketing, what is shown as necessity. How that cooperation will be, in other words, it will be realized upon some regional or some other common key, depend from interest. In any case, if that cross-border cooperation will be between country and region with common characteristics or far and different countries, cross-border cooperation, as completely possible reality on all levels, and cooperation can exceptionally contribute to efforts for sustainable development in which rural tourism has significant role.

In two words, key for successful rural development is: organization + financial support + promotion.

Main obstacles in rural tourism development are, in first line only one wholesaler on market and existing not professional (just voluntary) association of householders, which need to be organized as consortium with strong influence on development flows, and be a kind of service to founders.

All this facts have for aim, making rich and happy families and satisfied tourists – what is prerequisite for creating Istria as quality, attractive and recognizable tourist destination.

**Seminar on Rural Tourism in Europe:  
Pathway to Sustainable Development**

*Kielce (Poland)  
6 and 7 June 2003*



# **Economic Impact of Rural Tourism: The Benefits Arising and the Alleviation of Poverty. A Case Study from Ireland**

Ms. Marie Keane  
*Deputy CEO, Ballyhoura Development Ltd. Ireland*

It is widely recognized that the dominance of agriculture as the main driver of economic activity in rural areas must be shared with a more diversified rural economy. Rural tourism offers potential as an economic instrument. It is a growing sector of the world's fastest growing industry - tourism. Through a case study of the "Ballyhoura Experience", the contribution of tourism to rural development will be examined within the context of the fundamental changes occurring in the rural economy over the past decade.

The area known as Ballyhoura Country, named after a local mountain range is an inland peripheral district located in the Mid-West of Ireland where it straddles two administrative areas both at Country and Regional level. It is a predominantly rural area with a population of 55,000 (38 persons per square kilometre). The largest settlement has a population of 3,100 and the nearest large urban centre are the cities of Limerick (pop. c.82,000) and Cork (pop. c.180,000) which are approximately 40 kilometres and 65 kilometres respectively from Kilfinane, the headquarters of Ballyhoura Country.

Like several other communities in Ireland it has suffered from rural decline - a shrinking economy, restricted farm incomes, high out migration leading to population decline, and consequently a withdrawal of essential services such as shops, post offices and schools in their place an increasing level of village dereliction. The problems in the area are compounded by lack of diversity in the rural economy where the majority of the population was dependent on agriculture.

Rural economies everywhere have experience major economic, social and environmental changes since the 1970's. The dominance of agriculture as the main driver of economic activity is and must in the future be shared with a more diversified rural economy. This provides the impetus for the design and delivery of a range of new products and services in rural areas ranging from rural tourism to organic farming, specialist food products, crafts and many more. This need to diversify the economic base had long been acknowledge by Ballyhoura , and in 1986 Ballyhoura's core parishes of Kilfinane, Glenroe and Ardpatrick established a community based tourism co-operative Ballyhoura Fáilte Society Ltd., with the support of Kilfinane Development Association and in response to Macra na Feirme's (The Young Farmers Association) initiative to diversify the local economy. The aim was to realize the rural tourism potential of the area through sustained planned development and local community co-operation.

At this stage rural tourism was very unsophisticated. Ballyhoura did not have any developed attractions apart from an outdoor education centre located in a former second level school. With little resources and experience Ballyhoura pioneered the development of rural tourism by catering for their first group of visitors from outside the state. The first two years were a critical learning phase during which a co-operative ethos was established among local tourist interests. But the project remained under-capitalized and short of resources and expertise. By the end of 1987 it had become apparent that the area lacked the critical mass that was considered essential to grow and foster a commercial tourism industry, that tourism development could not take place without substantial investment in infrastructure, and that tourism development on its own would not regenerate a declining rural region.

The Ballyhoura Fáilte Society was reorganized with its area extended to include additional communities and an integrated rural development plan for the area was prepared by a sub-committee, the Ballyhoura Development Board, for the period 1989 - 1994. The Board included representatives from community organizations and statutory agencies. It was recognized that the task of regenerating a declining rural economy required more than a single sector strategy. Each representative organization and group included elements of the plan within their own organizational plans. Tourism development was the core objective of this initial plan and strategies in other sectors were prioritized on the basis of their contribution to the core objective of increasing the annual tourism revenue. In 1992 Ballyhoura Development Ltd., was incorporated and contracted with the Department of Agriculture to administer the LEADER 1 Programme (European funding for Rural Development) which was based on the Integrated Development Plan (1989- 1994). Participation in LEADER 1 was a very important milestone in the evolution of the Ballyhoura.

Reviewing and Planing was an ongoing activity and the next Integrated Development Plan 1995 - 99 was completed which resulted in a successful bid for LEADER 2 and also a Local Development Programme.

The tourism impact over this period can be summarized as follows:

- Tourism Revenue:
 

1986	190,460	(£150,000)
1997	4,468,030	(£3,700,000)
1999	7,364,480	(£5,800,000)
  
- '92-'94
  - 181 people received supplementary income for tourism.
  - 77 community projects supported.
  
- '95-'99
  - 120 new job equivalents created.
  - 150 job equivalents sustained.
  - Two thirds of funds supported community projects.
  
- 1,500 km of new walking trails were developed.

- Two signposted driving routes developed.
- Approved bed spaces increased from 189 to 1245.
- Quality & number of visitor attractions increased.
- Major infrastructural investment was made in e.g. the Kilfinane Education Centre, Ballyhoura Forest Homes, Churchtown Rural Conference Centre.
- Maps, sign-posting and visitor information were improved.

The strength of Ballyhoura's approach to date is that all initiatives are market led, quality focused and partner driven, and that training is integrated into all development strategies.

In 1998 another cycle of reviewing and planning led to the 2000 - 2006 Ballyhoura Area Integrated Development Plan which was the basis for submissions to LEADER +, National Rural Development Programme and the Local Development Social Inclusion Programme which are all currently being implemented.

The current tourism development strategy is an Integrated Quality Management one with the "Simply Different" Ballyhoura Country Branding initiative being rolled out. This strategy will provide a further co-ordinated approach to marketing, building on the strengths of the Region. Training is an integral part of this initiative as it is seen as a key to improving quality. Improving quality is an essential requirement in satisfying tourist needs, in enhancing competitiveness in the industry and in ensuring balanced and sustainable tourism development.

The key lessons which can be taken from the "Ballyhoura Experience" are that communities on their own cannot solve problems in their area, partnership is required. Animation needs to be maintained and revised as individuals and communities progress. Several small projects are as important as or more important than a few larger ones. Planning and evaluation should be on-going ( When LEADER I was being implemented, planning was taking place regardless of whether further funding would be available). In diversifying the local economy in rural areas one must remember that a rising tide does not lift all boats, and that socially excluded groups and individuals needs to be specially targeted with appropriate initiative and supports to enable them to take up opportunities and options in training and employment. The barriers to preventing access to opportunities need to be removed.

Whereas the above highlight the many successes and achievements of Ballyhoura over the past decade or more, and how rural tourism is suited to act as a catalyst to initiate rural development, it is important to recognize that this rural area still faces many challenges and in order to maintain its current situation, over the next seven years 5,500 new jobs and 2,600 new homes are required.

## Conclusion

Rural Tourism is not a panacea for the economic crisis confronting many rural communities even in the most developed countries in the world. Despite impressive growth in tourism generally and a swing toward 'soft' or 'green' tourism, for which rural areas are particularly well placed, the industry is not in itself, capable of stemming the long-term decline that characterizes the rural economy and society.

However, the experience of Ballyhoura demonstrates that many rural communities can revive their fortunes through tourism, provided they adopt a professional approach in promoting their areas as tourism destinations, and provided they are given the necessary encouragement and support by development agencies and the various tiers of government that impinge on their activities. Rural tourism has sustained many marginal farmers as it has enabled them to increase their total income by diversifying into rural tourism products, and several off-farm job opportunities have been created locally in craft shops, restaurants and other tourism enterprises.

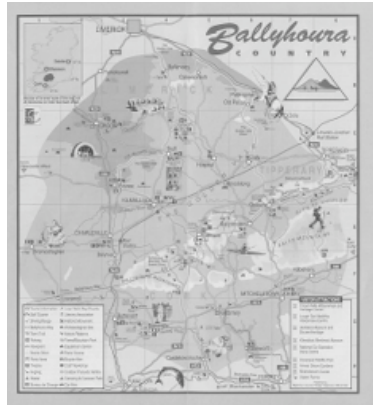
As so many rural communities are targeting tourism as a means of diversifying their local economies, rural tourism is becoming a highly competitive industry. In order to succeed, the rural tourism product must have sufficient attraction to generate significant tourism flows on a recurring basis. Otherwise the initiative will be unsustainable. The Ballyhoura experience to date would suggest that the product must be market led and quality focused. Uniqueness, authenticity and competitive pricing are the key attributes. The product range must be developed focusing on the needs and wants of the potential consumer. The product must be carefully packaged and professionally marketed. The co-ordinated development and marketing of tourism products requires the co-operation of the product providers themselves and effective local and national partnerships between a range of private, public and statutory stakeholders.

Rural Tourism's main role should be viewed as a catalyst through which a holistic approach to rural development may be implemented to achieve sustainable economic diversification of the rural economy.

\* \* \*



## Location



Population: 55,500  
 Density: 38 per sq. km.  
 Area: 1,140 sq.. km.  
 Social Organisation:  
 - 50 local communities  
 Settlement Patterns: Dispersed  
 - 8 towns (500 - 4,000+)  
 - 12 villages (150 - 500)

## Vicious Circle of Rural Decline With High Out Migration

- Decreasing population
- Decreased demand on deteriorating infrastructure & declining services
- Decrease in quality of life so people left the area

Ireland	Recession	To Celtic	Tiger
	late 1980's	late 1990's	2002/3
<b>Unemployment</b>	16.1%	6.4%	4.4%
<b>Emigration</b>	70,000	29,000	18,000 (02)
<b>Migration</b>	net outwards	net inwards	net inward
	44,000 ('89)	18,500(98)	28,800 (02)
<b>Av. Economic Growth (ERSI)</b>	2.3% ('88)	7.85 ('98)	5.7% ('03)
<b>Inflation(CSO)</b>	3.9% ('88)	1.5% ('99)	5% ('03)
<b>GDP, as % of EU Av.</b>	55.5% ('88)	105.9% ('99)	
<b>Av. Overdraft</b>	13.75% ('89)	8.125 ('99)	7.85% ('03)
<b>Variable mortgage rate (Central Bank)</b>	11.75% ('89)	3.98% ('99)	3.85% ('03)

Sources: CSO, ERSI & Central Bank

**Challenge:** Diversification of the rural economy.

**Tourism:** Lever for economic growth in Ballyhoura.

**Vehicle:** A community, commercial, statutory partnership.

## The Ballyhoura Experience

- 1986 - Ballyhoura Failte Society (Tourism Co-operative)
- Tour Packages
  - Central Reservations
  - Co-operative Marketing

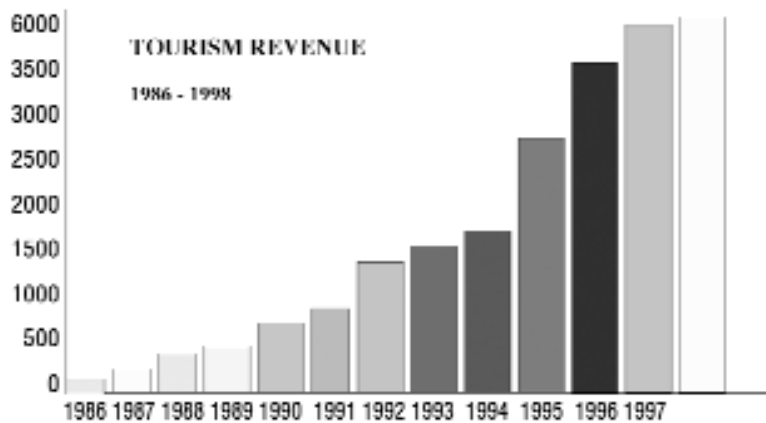
Its founder members:

*“Four Accommodation providers, two farmers offering educational visits & Kilfinane Education Centre”.*

- 1988 - Ballyhoura Development Board
- Integrated Development Plans - (1989-94, 1995-99, 2000-06)

- 1992 - European funding for Rural Development
- Leader I (1992 - '94)
  - Leader II (1995 - '99)
  - Leader + (2000 - '06)
  - National Rural Development Programme (NRDP)

### Impact



### Leader I

- 181 people received supplementary income from tourism.
- 77 community projects supported.

## Leader II

- 120 new jobs created.
- 150 job equivalents sustained.
- Two thirds of funds supported community projects.

## Impact

- 1,500 Km of new walking trails developed
- 2 new sign-posted driving routes
- Approved bed spaces increased from 189 to 1245.
- Major infrastructural investment eg- Kilfinane Education Centre, Ballyhoura Forest Homes, Churchtown Rural Conference Centre.
- Quality & number visitor information improved.
- Maps, sign-posting & visitor information improved.

## Tourism Development Strategy

- Market led
- Listen, build product range & packaging.
  - Co-operative marketing.
- Quality focused
- Physical: greater than 3 & 4 star.
  - Service: information.
  - Environment: Physical/welcome.
- Partner driven:
- Strategic: depending on level each partner is at.

## Education & Training

- Animation & capacity building
- Training integrated into all development strategies: Taste of Ballyhoura, QUEST

## This links in with overall development strategy

- Participation
- Statutory, community & commercial
- Partnership
- Building on the strengths of each partner
- Planing
- At all levels
- Training
- To ensure a quality product & marketing

## Lessons

- Critical mass
- Cooperation & group development
- A strategic plan
- Focused Marketing
- Education & training

## Branding

- Integrated quality management (physical, service, environment)
- Market led, quality focused & partnerships driven
- Education & training (eg. know your region, customer care)

*Rural tourism's main role should be viewed as a catalyst through which a holistic approach to rural development may be implemented to achieve sustainable economic diversification of the rural economy.*

# The Economic and Social Benefits of Rural Tourism Development in Poland

Mrs. Agnieszka Bott-Alama  
*Senior Specialist, Department of Tourism of Poland*

## Introduction

One of the characteristics of a large part of rural areas in Poland is mono-functional economic structure – that means the domination of agriculture in economy and the underdevelopment of service sector. The features of the greater part of Polish rural areas are as follows:

- low dynamics of development,
- high rate of registered and hidden unemployment,
- both technical and social infrastructure underdevelopment,
- low incomes of their inhabitants resulting from decrease in profitability of the agricultural production,
- strong dependence on social assistance of the government,
- negative balance of migration,
- low level of education and the lack of entrepreneurial skills of rural inhabitants.

There is an urgent need of overcoming the above-mentioned problems through both social and economic activation of rural areas in Poland. The conception aimed at the proper utilization of the rural areas' potential is a program of rural multifunctional development consisting in introducing diversified non-agricultural economic activities to rural areas. This program is an opportunity not only for the unemployed but also for those who want to diversify their agricultural activity and those who would to live in the country dealing with non-agricultural activity.

One of the functions which can be introduced to some rural areas in Poland is tourism. The features that enable Poland to develop rural tourism are:

1. natural and heritage attractions,
2. low level of industrialization of rural areas,

3. low population density,
4. high environmental quality,
5. private ownership in Polish agriculture, which was maintained to a high degree,
6. the agrarian structure of the farms, that means the domination of small and medium farms.

Both in the world and in Poland there is a lack of widely recognized and applied definition of rural tourism and its forms. That is a result of the differentiation of both rural areas and rural tourism products in the particular regions. There is a necessity of further works on the definition of rural tourism.

In this report rural tourism is understood as a form of tourism taking place on the territories of villages and very small towns, which characteristic is a predominance of the first sector (that means agriculture), that enables both the tourists and same-day visitors to realize the following purposes of their travelling: leisure and recreation, cultural, educational, ethnic, visiting friends and relatives. This kind of tourism is always based on specific resources and attractions of the above-mentioned areas.

The meaning of the word agritourism is not synonymous with rural tourism. Agritourism comprises the forms of rural tourism connected with agriculture and a working farm. This kind of tourism is based on accommodation and recreational activities connected with the farm and its environment (nature, production, services).

## Potential Social and Economic Benefits of Rural Tourism Development

Table 1 presents the potential benefits of rural tourism development on a particular area with reference to the local communities and tourists.

**Table 1. Potential social and economic benefits of rural tourism development**

<b>For local Communities</b>	<ul style="list-style-type: none"> <li>Generating additional incomes (the locals, communal budgets)</li> <li>Additional demand for local agricultural products</li> <li>Making use of existing housing resources</li> <li>Local services development</li> <li>Starting investment processes</li> <li>Reduction of unemployment</li> <li>Diversification of local labor market (providing additional job opportunities)</li> <li>Diversification and activation of local economy</li> <li>Stabilization of seasonal fluctuations in the level of living</li> </ul>
------------------------------	---

<b>For local Communities</b>	<ul style="list-style-type: none"> <li>Entrepreneurship development</li> <li>Widening knowledge and acquiring of new skills</li> <li>Improvement of the status of a farmer</li> <li>Demographic Stabilization of rural areas</li> <li>New social roles</li> <li>Higher social position of women</li> <li>Integration of the local community</li> </ul>
<b>For Tourists</b>	<ul style="list-style-type: none"> <li>The offer of rural tourism is very often cheaper than in case of other forms of tourism (accommodation)</li> <li>The possibility of inter-human integration (with family and local community)</li> <li>Getting rid of the feeling of social alienation, anonymity</li> </ul>

The development of rural tourism may lead to both social and economic activation of rural areas. Rural tourism may generate an additional income for the rural population and – through the tax system – may generate incomes to communal budgets.

The analyzed form of tourism may become an important element of multifunctional development of rural areas. Creating one place of work in tourism sector requires only 40% of inputs needed to create one place of work in the processing industry. The development of rural tourism may lead to reduction of unemployment, mainly as a result of local services development, between others trade, cultural, medical, telecommunication, postal services. That leads to diversification of the local labor market and – as a result of multiplication effects - to economic activation of a particular area. An impact of rural tourism on infrastructure development is also very important.

The development of rural tourism results also in stimulating entrepreneurship. Conducting economic activity in tourism sector inclines people to acquire new qualifications and skills, also of interpersonal character (for instance tolerance, discretion).

As presented in table 1, also the tourists may benefit from taking part in rural tourism. In Poland the offer of rural tourism is often cheaper in comparison with other types of accommodation. Positive social effects are also of great importance. First of all rural tourism enables urban inhabitants to get rid from the feeling of social alienation. It also creates the possibility of inter-human integration both with the local community and within the tourists' families.

## The Size of Agritourism Accommodation in Poland

There is a long tradition of visiting the countryside in Poland. In the XIXth century the visits to the summer resorts situated in the countryside were very popular with urban residents. Various forms of summer recreation expanded in rural areas during the period between the

two World Wars. After nearly 40 years of interruption, that means after the system changes in Poland, rural tourism has started to be regarded as one of the countermeasures against the recession in rural areas.

The activity of inhabitants of rural areas was stimulated by the pioneer measures taken by Agricultural Advisory Services Centres subordinated to Ministry of Agriculture and Rural Development. Since the beginning of the nineties these centres have been training the rural population, informing about the potential benefits of rural tourism development, encouraging media to popularize the problems of tourism in rural areas, initiating people to form associations. They also provided assistance to the farmers in the field of distribution and promotion of the offer. These Centres co-operate both with farmers and other owners of rural accommodation.

The measures aimed at rural tourism development have also been taken by the present Ministry of Economy, labor and Social Policy, Department of Tourism. It is necessary to mention:

- financial support of numerous training courses,
- preparation and publishing a handbook "Agritourism" which has been widely distributed for the needs of training,
- initiating and financial support of agritourism market research in Poland,
- financial support of creating and implementing Internet system of information, promotion and sale of agritourism offer ([www.agroturystyka.pl](http://www.agroturystyka.pl)),
- organizing numerous conferences and meetings aimed at determining the obstacles and future directions of rural tourism development in Poland as well as popularizing this form of tourism.

There is a lack of statistics comprising all rural tourism accommodation in Poland. Available data concerns mainly agritourism accommodation which is rapidly growing since the beginning of the nineties. More and more Polish agritourism farms are able to render their tourism services a whole year.

In Poland by the year 2002 the size of agritourism accommodation was registered mostly by Main Statistical Office (GUS) which in its methodology uses only a list of the farms who are associated in Polish Federation of Rural Tourism "Guest Farms". That is the reason why both the number of farms and size of accommodation provided by them, registered by GUS, do not reflect reality.

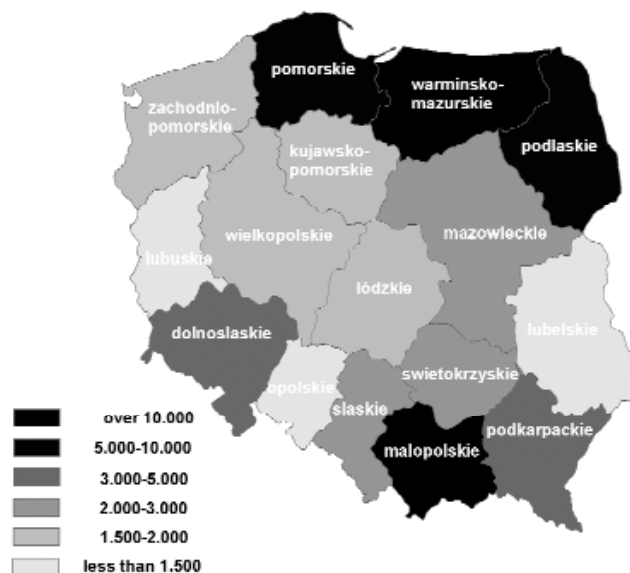
In the year 2002 Institute of Tourism has carried out a questionnaire survey in order to determine the size of agritourism accommodation in Poland. This institute estimated that the



total number of beds offered by Polish agritourism farms in the end of 2001 was about 79.000. The farms rendering their services a whole year had a share of 70,4%.

The spatial distribution of agritourism accommodation is irregular to a large extent in Poland. The biggest number of beds have the following regions: Malopolskie – 23.564, Warminsko-mazurskie – 17.034, Pomorskie – 8.426, Podlaskie – 5.075. The two mentioned first - Malopolskie and Warminsko-mazurskie voivodehips have over half of all beds being in the possession of Polish agritourism farms. Thus the biggest development of agritourism accommodation in Poland has been observed in the mountains and in the lake district. Map 1 presents spatial distribution of beds in agritourism farms in Poland in the end of the year 2001.

**Map 1. Spatial distribution of beds in agritourism farms in Poland in the end of 2001**



Source: H. Legienis, Baza agroturystyczna w kraju i regionach, Instytut Turystyki, Warszawa 2002.

It is estimated that in Poland can be up to 10.000 agritourism farms. The exact data coming from Agricultural Census, which was carried out in the year 2002, will be available in October this year.

## The Benefits of Rural Tourism Development in Poland

The market of rural tourism in Poland is in the beginning of its development and that's why there is not enough market research concerning this kind of tourism. It usually concerns the demand side of the market. Moreover, it mostly has regional character. The research of the supply side of rural tourism market is underdeveloped, it usually concerns agritourism.

There is not thorough knowledge of the profitability of rural tourism activity in Poland. In order to present the positive results of this development I will use three examples. The first of them concerns the lake district, the second one - the mountain region and the third one - Westpomeranian voivodship which adjoins the Baltic Sea.

The studies of the effectiveness of agritourism in two former Polish voivodships (suwalskie and olsztyńskie) which now are a part of Warminsko-mazurskie voivodship were carried out by M. Debniwska and M. Tkaczuk in the years 1993-95<sup>1</sup>. The research comprised 41 farms. Mentioned above scientists have shown that in case of these farms the incomes of non-agricultural character were growing faster than incomes of agricultural character, as presented in table 2.

**Table 2. Incomes of non-agricultural character in relation to income in agriculture and personal income in agritourism farms in the years 1993-95**

Voivodship (region)	Relation of income of non-agricultural character to income in agriculture (%)			Relation of income of non-agricultural character to personal income (%)		
	1993	1994	1995	1993	1994	1995
F. Olsztyńskie	34,1	36,4	47,6	25,4	26,7	32,2
F. Suwalskie	47,9	72,6	89,4	32,4	42,1	47,2

Source: M. Debniwska, M. Tkaczuk, *Agroturystyka...*, op. cit., p. 23.

It is necessary to underline that incomes of non-agricultural character comprised not only incomes generated by economic activity in the field of tourism but also other sources of income (retirement benefits, pensions etc.)

These authors carried out another inquiry on the same territory which was aimed at establishing the profitability of agritourism activity. Over 90% out of 120 investigated farms (which were differentiated in the field of their size) regarded agritourism as profitable, further 9,5% regarded it as being on the border of profitability. Moreover, the results have shown that in case of the small farms incomes in agritourism were much greater than those in agriculture.

The next example concerns 65 farms situated in the mountains of Podkarpackie voivodship. In the year 1998 the share of income in agritourism activity in total income was on average 31,5%. This was of course differentiated - one in four farms regarded agritourism as the most important source of its income<sup>2</sup>.

The results of the estimation of profitability made by Westpomeranian owners of rural tourism accommodation are also worthy of notice. The survey was carried out in the fourth term of 2000 year. The questionnaires were filled in by 117 Westpomeranian owners of rural tourism accommodation (83,5% of them were farmers). Here are the opinions about the profitability of rural tourism:

<sup>1</sup> M. Debniwska, M. Tkaczuk, *Agroturystyka: Koszty, ceny, efekty*, Poltext, Warszawa 1997.

<sup>2</sup> M. Wozniak, W. Kusniar, *Znaczenie agroturystyki w ożywieniu gospodarczym obszarów górskich (na przykładzie Podkarpacia) (w:) Turystyka wiejska w perspektywie europejskiej. Materiały VIII Ogólnopolskiego Sympozjum Agroturystycznego, KCDRRiOW Oodział w Krakowie, Kraków 2000, s. 154.*

- 45,2 of rural entrepreneurs regarded agritourism activity as profitable,
- 35,6% regarded it as being on the border of profitability,
- 18,3% of entrepreneurs were not able to determine the profitability of tourism activity.

The analysis of the motives for taking up agritourism indicates that the economic and social motives are of primary importance in Poland. The fundamental reason for starting the economic activity in the field of rural tourism is the regress of agriculture. A difficult financial situation forced some inhabitants of rural areas in Poland to look for additional or alternative source of income.

The above is confirmed by the results of the survey carried out in Westpomeranian province, which are presented in table 3. The most important motives for taking up rural tourism activity were those of economic character - the possibility of generating of the additional income, the will of making use of existing housing resources. Almost 8% of entrepreneurs took up rural tourism between others because of the possibility of a direct sale of their products.

**Table 3. Motives for starting rural tourism activity (\*)**

Motive	Number of responses	Share (%)
Additional income	100	87,7
Making use of existing housing resources	63	55,3
Attractive for tourists location of the farm (building)	47	41,2
Widening contacts with people	35	30,7
Tourists' interest in recreation on rural areas	30	26,3
Encouragement of the worker of Agricultural Advisory Services Centre	11	9,6
The possibility of selling agricultural products	9	7,9
Number of responses	114	-

\* There was a possibility of pointing out up to three of the most important motives

The example of Westpomeranian province shows also that the owners of rural tourism accommodation perceive the benefits of rural tourism development (table 4).

**Table 4. The benefits of rural tourism development – the opinions of the owners of rural tourism accommodation**

Benefit	Number of responses	Share (%)
Source of additional income for the owners of accommodation	105	90,5
Promotion of a particular village, commune, region	94	81,0
Improvement of esthetics	88	75,9
Making use of existing housing resources	83	71,5
Source of additional income for all the inhabitants of the village	71	61,2
Reduction of the unemployment	58	50,0
Encouragement to acquire new skills and knowledge	51	44,0
Source of income for communal budget	49	42,2
Personality development through direct contact with tourists	46	39,6
Inclines to take care of heritage	35	30,2
Integration of the local community	15	12,9
Number of responses	116	-

\* there was no limit in the number of indicated responses

The entrepreneurs indicated mainly economic benefits of rural tourism development – additional incomes, the possibility of making use of existing housing resources, reduction of the unemployment rate in rural areas.

More than 80% of entrepreneurs think that rural tourism development promotes a particular village, commune and region. It is necessary to underline that 44% of them were of opinion that rural tourism development encourages to acquire new skills and knowledge (for instance to learn foreign languages and marketing). Almost 40% of them perceived the possibility of personality development resulting from direct contact with tourists. Thirty five rural entrepreneurs admitted that starting economic activity in the field of rural tourism inclined them to take care of heritage.

## Summarizing

Rural tourism, especially agritourism, is a form of tourism that develops in Poland very quickly. The market of rural tourism in Poland is in the beginning of its development and its product is still of incomplete character.

The analyzed form of tourism can be developed in the regions which are capable of taking advantage of their natural attractions and heritage. Also the personality of a person rendering tourist services is of primary importance.

Rural tourism cannot be regarded as the panacea for all the economic and social illnesses of Polish countryside. But it can be a real alternative for some inhabitants of Polish rural areas. There was not investigated the impact of rural tourism development on unemployment reduction, infrastructure development and communal income. The estimations are that one agritourism farm may generate two working places (in tourist services, trade etc.)

It is necessary to underline that the most important benefit of rural tourism development is stimulating entrepreneurship, the lack of which is regarded as the most important barrier to rural areas development in Poland.



# The Role of Rural Tourism in Spatial Development

Mrs. Luminita Panait  
*Counsellor, Ministry of Tourism of Romania*

Mr. Chairman, Ladies and Gentlemen,

Allow me to express my warm thanks to our Polish hosts for the warm hospitality and fine conditions for the good carrying out of the **Seminar on Rural Tourism: "Pathway to tourism development"** which is to be held these in the very nice mountain resort of Kielce.

I express to my gratitude to WTO for the efforts and great attention paid to such an important topics, which in this time has a very good trend and constitutes a "Pathway to Tourism Development".

And as I am coming from Romania, a Central —South Eastern European country, I would like to mention that as we all know in the last decade, this part of Europe has witnessed spectacular and complex developments.

The majority of the states in the region have gone through structural changes marked by different options, for market economy, democracy and European and Euro-Atlantic integration. The relationships between the countries in the area, in accordance with their common integration objectives have created a new framework for regional cooperation of the traditional bilateral relations.

Distinguished audience,

Integration within the European and Euro - Atlantic structures is the top priority of our foreign policy.

In this respect, we do appreciate the tourism international organizations' and especially W. T. O's initiatives, which could contribute to the process of economic development of the countries in transition to a market economy.

Inside the economic development **Tourism** is generally acknowledged to represent a good potential source of economic growth for a lot of countries and for **Romania** too.

Before presenting some information on the Rural Tourism in Romania, I would like to let you know on some data about the Tourism, generally speaking in Romania.

We appreciate that a number of difficulties must be overcome before this potential turns into actual sources of income for the national economy.

This will require substantial investment both in hard infrastructure and soft components, such as a specific training, marketing and s.o in order to attain the quality level which it needs for successfully competing on international markets.

The national regional development strategies proposes the development of alternative tourism, mostly based on innovative forms of tourism and niches, such as: agro-tourism, rural tourism, cultural tourism and other niche-type markets for tourism, such as hunting and fishing tourism and tours for "wine and traditional meals" and so on.

The tourism development strategy and the related measures should be strictly inter-linked with other development axes and priorities envisages in this plan, especially the infrastructure policy, human resource development, rural development and environmental protection measures.

To achieve these objectives, a number of actions need to be undertaken in private and public infrastructure and support services.

Indicative measures include:

- investments in the private sector;
- investments in the public sector;
- provision of tourism support services;

Romania is endowed with a rich, diversified tourist potential centered on:

- a. existence of relief forms accessible and harmoniously blended on the whole territory;
- b. favorable weather for tourism practice in the whole year;
- c. potential of fauna and flora rich in species and unique ecosystems;
- d. natural factors of complex health treatment;
- e. cultural - historical and architectural patrimony of reference.

The tourism trade industry is represented by 13 professional associations for travel agencies, hotel industry, rural tourism - about which I shall speak in the following minutes, training in tourism, convention, ski schools and so.

## **A Step closer to the imaginary**

So I decided to start my presentation on the **Romanian Rural Tourism in the spatial development.**

The mystery of the Romanian village is one of the best kept secrets in Europe. In villages crammed on mountaintops, strewn on hilly slopes or scattered among the forest of the Danube Delta one cannot bust stumble upon the Romanian soul. Regardless of the area or



of the cultural background of the various ethnic groups who have learned to live together in harmony, peoples' hospitality remains the same.

Traditional cuisine - a true culinary wonder - gives the entire village universe a special flavor. Discovering the peasant winder as well as the subtle blend of custom and landscape splendor, traditional food and a sip of wine from the local vineyards means a step nearer to the Romanian village.

The next "**Step**" to my presentation is:

## The passage to fairytale

Away from the big city hustle and bustle, the Romanian village attracts an increasing number of tourists eager to evade their stressful daily lives and discover a world of dream. This blend of cultural diversity, tradition and local hospitality becomes even more tempting.

The above mentions are only just a few of several reasons for which it was necessary to appear and to be developed the **Rural Tourism** in my country.

Although at the beginning only a handful of people believed in the future of Rural Tourism, now it's quite obviously that it has become a profitable line of business.

After 1994, an important role in the development of Romanian rural tourism was played by the **National Association for Rural Ecological and Cultural Tourism (ANTREC)** phone/fax number: +40 21 223 70 24, e-mail: antrec@xnet.ro, web site: www.antrec.ro, www.turism-rural.ro.

**Mission Statement:** ANTREC is a non-governmental, apolitical, non-profit association that identifies, develops and promotes Romanian rural hospitality and tourism.

**Vision Statement:** ANTREC is recognized nationally and internationally as a leader in developing Romanian rural tourism, encouraging ecological conservation and preserving traditional Romanian culture.

ANTREC is member of the European Federation of Rural Tourism - EUROGITIS; it has 31 branches almost all over Romania and has a number of 3,250 members, over 2,500 guest houses and agroturistic house, summing a number of over 11,000 rooms.

Additionally, ANTREC provides other services to tourists, such as tours around nearby villages and towns, as well as visits to historical monuments.

ANTREC also has extensive experience in organizing seminars and conferences for tourist and business groups.

**Key functions** of ANTREC are:

- Marketing;
- Representation/Lobbying
- Quality control
- Training
- Reservation/Information

The main **goal** of the Association is to promote sustainable tourism and durable development of the countryside areas and to create the basis for a rural tourism industry in Romania.

In order to achieve the desired effects for the strategic objective, ANTREC has organized several training programs, lectured by University Professors highly specialized in Tourism and Service industry.

The courses have been aimed to help the rural workforce to get the required skills and abilities, so they could become part of the European environment.

The ANTREC is organizing such conferences to implement new approaches and directions in rural tourism, as well as to qualify and specialize the people involved in these activities.

All units in rural tourism must have certain conditions, depending on their comfort, to be homologated and classified. In Romania the accommodation in rural tourism is defined as:

- Guesthouse - "pensiune turistica" (max.4 flowers/daisies)
- Farmhouse - "pensiune agroturistica" (max.3 flowers/daisies)

Not the least important is the concept "ethics" meaning business ethics.

Green Tourism stands for quality and it implies assuming a certain social responsibility.

Before ending my presentation, I would like to address a warm invitation to you for spending a fine holiday in Romania in one of these marvelous areas of rural tourism and to invite to take part at a **Seminar on Rural Tourism in Romania in October 2004.**

Thank you very much for your kind attention.

# The Social and Cultural Aspects of Rural Tourism

Mrs. Ljubica Milojevic  
*General Director of the National Tourism Organization of Serbia*

## Introduction

Tourism definitively plays a major role in the development of the economy and society in the world, today and has a unique impact on all economic, social, cultural and other field of human life.

It is clear that tourism is one of the top priorities of the growth for all the countries with favorable natural and social conditions.

The result is new destinations, new products, new motivations and new tourism facilities on the tourism market. In the same time, the demand is characterized by diversification of tourism tastes - something new, something different, sometime else - increasing environmental awareness.

Main tourism features in 21 century are the six E: experience, excitement, escape, education, entertainment, ecology.

These changes in the tourist behavior are the arguments or explanation for important increase and enlargement of rural tourism as in Europe, as well all around the world.

Actually, in the praxis exist several types of rural tourism forms depending on the geographical, cultural and agricultural matrices for its development.

Generally, it could be define three different forms of rural tourism product; **the first**, rural tourism in the developed tourism countries in Western Europe; **the second**, rural tourism in the countries of Mediterranean zone - costal form, and **the third** one is in the Central and Eastern Europe.

The social and cultural aspects of rural tourism generally is of the great importance for third group of countries, where Serbia and Montenegro are.

## The Global Tourism Market in Serbia

- Serbia used to be a well-known tourism destination in Europe, hosting about 5 millions international and domestic tourist before the end of the 80-ties. By adding the 10 millions of transit tourists, Serbia was positioned between the one of the most potential tourism countries in Europe.

- From the years 1990-2000 Serbia was passing throughout the dramatic period of tourism history. The number of tourist arrivals felt for ten times, as well as tourism income. The consequences of the international isolation and the war strongly reflected on the level of tourism services, infrastructure and global supply, and political and economic problems hurt our tourism image.
- The years 2000-2002/2003 was starting by the recovery of tourism industry and the comeback Serbia on the international market.

#### **Basic Information of Tourism Development**

<b>Year</b>	<b>1985</b>	<b>1990</b>	<b>2000</b>	<b>2002</b>
Number of beds (000)	120,0	116,5	91,7	87,3
Number of tourist (000)	4.740	3.950	1.905	2.300
Number of overnights (000)	13.900	11.650	7.100	7.300
Income from international (mil \$)	450	414	26,5	75,0

## **Main Potentials for Tourism Development**

### **Culture**

Being on the crossroad of civilization, Serbia got the unique variety of culture, art, music, folklore, gastronomy, customs – which represent a huge potential for tourism development.

### **Nature**

The second basis for our ambitious tourism goals are an amazing nature, protected, pure and diverse environment.

### **Position**

The third importance is geostrategic position in the heart of Europe. Serbia is Balkan country, and in the same time one of Danubean countries, belong to Central European, as well as South Eastern countries of Europe.

Serbia is the second biggest county in this region according to the number of population.

## General data

Area:	88.361 km <sup>2</sup>
Population:	8,7 mil.
Border by 7 countries:	Bosnia and Herzegovina, Croatia, Hungary, Romania, Bulgaria, FRY Macedonia and Albania
National parks:	Tara, Kopaonik, Fruska Gora, Djerdap, Sar planina
Cultural world heritage 2 monasteries:	Stari Ras and Sopocani and Studenica
Nature world heritage:	Mountain Golija

## Tourism and economy

- Tourism activities generate 2,3% of national GDP.
- In the terms of employment tourism generates 32.000 direct jobs.
- 1.642 companies directly engaged in the tourism sector.

## The privatization property process

Till now 28% restaurant and hotel enterprises are privates and 98% in travel agencies sector. All of them have to be privatized before the spring of 2004.

## Main tourist products

The structure of tourist products is very diversified in Serbia and this is our advantages for future. The well developed products are: spas, mountains, transit, Danube, city, hunting, cultural and rural tourism.

## The Rural Tourism in Serbia

Beautiful natural scenery, diverse and unique local culture and hospitality of the people are the main references for the development tourism in Serbia.

Serbia is looking for its position on international tourism market not as a conventional holiday destination, but as an alternative cultural, environmental and social product destination.

One of these niches is rural tourism product or tourism in the small villages, farms and agriculture areas. In Serbia this type of tourism has developed within agriculture in small local communities, as well in the rural areas surrounding the big tourist centers: mountains, spas, cultural centers.

Expansion of rural tourism in Serbia began spontaneously in the 1970s and today – after thirty years – nearly 140 households in 40 villages with some 650 beds are engaged in rural tourism. These indicators are very modest in comparison with Serbia's many resources and vast potential.

The most advanced rural tourist villages, and those with the longest tradition are in central Serbia, while an increasing number of villages is to be found in the regions of eastern, northern and western Serbia (the municipalities of Kosjeric, Knic, Valjevo, Brus, Gornji Milanoviac, Ivanjica, Kraljevo, Lucani, Mionica, Pozega, Prijepolje, Raca Kragujevacka, Sokobanja, Uzice, Zlatibor, Cacak, Sabac as well as the traditional farming estates in Vojvodina).

In 2002 Serbia realized about 60.000 overnights in rural tourism.

## Social and Cultural Aspects of Rural Tourism Development in Serbia

Special attention in the tourist offer of Serbia is devoted to authentic cultural and traditional customs, folklore events, home cuisine specialties, different folk handicraft items.

In addition to the services pertaining to accommodation in typical village houses and meals based on homemade and healthy food, the rural tourist offer also includes possibilities for recreation, a variety of outdoor activities as well as outings to the neighboring tourist mountain, spa and cultural centers.

Essentially, a comprehensive tourist offer has been developed with a number of programs entailing traditional and contemporary features and aimed primarily at meeting the needs of the urban man.

Four factors with multiplicative effects of this type of tourism on overall development stand out:

1. Economic
2. Social
3. Cultural
4. Ecological

With regard to the **economic aspects**, the following are of greatest importance:

- the possibility of rural population to generate additional earnings based on new activities;
- expanding the classical agricultural production based;
- a more balanced regional development;
- motivating the young to rerun to villages thereby rejuvenating the rural population and bettering the structure of working age population.

From the **social and cultural viewpoint**:

- Upgrading the quality of life in rural destination. It is significant that the interpersonal contacts between the villagers and tourists from urban areas is undoubtedly a source of quality changes in life and develop the needs of rural population, which is one of the main social goals in our country.
- Improving the social and culture coexistence in the diverse ethnic structure of our villages, primarily, in border areas of Serbia. A good example of this are the villages in the upper Danube region where on a small rural area one comes across several ethnic groups identifiable for their culture, folklore, architecture, ambience, etc.
- Developing rural tourism also has a component important for the preservation of national culture. The authentic customs and traditional culture characteristics which represent the identity of our nation are preserved longest in rural environment. We are seeking to stop the signs of losing the authenticity of a village, national culture, customs, rural architecture, clothing, folklore, traditional understanding of the work concept in some areas.
- Promoting the importance of tradition culture to the own citizens, important for better understanding and education home population about the tradition and culture. Rural tourism is an opportunity for our population to discover and inform about our rich history, customs and transmit it to the future generation.
- The revitalization of cultural and historical values. The specificity of Serbia's tourism is that the lot villages are situated close to the major cultural and historical monuments, such as the Studenica Monastery, from the 13th century, entered on the UNESCO world heritage list. The other example is the village of Brankovina, includes sacral objects dating back to the first half of the 18th century, church treasures and museum space in its tourism offer.
- The cultural aspect of rural tourism development has also another side. It is the influences of tourist traffic on socio-culture milieu in rural areas. In our case this influence is not so strong to change the traditional style of life. We have these examples especially in village architecture.
- The issue of environment is particularly important in rural areas, especially in the protected areas. So, the monitoring and observation could provide us the control and in the same time improve the quality environment, one of the main reason why tourists choose Serbia's rural destination.

## Recommendations and Conclusions

- The characteristics of current tourist demand are of great essence for the development of rural tourism in Serbia: increasing demands for environment quality and recreational-restorative functions; increasing number of tourists subscribing to the philosophy of man's return to nature and its authentic values; growing of the movement of so-called green consumers, whose behavior on the market of goods and services, and also on the tourist market, is governed by the principles of ecology and its values; expanding of demands for 'green' and 'white' destinations, non-urbanized rural and protected areas of nature as well as villages with significant cultural-historical values; seeking refreshment in the contrast expressed through the urban-rural, high ground-low ground relation; increasing demand for rural and agro-tourism, calling for accommodation in different type of facilities (village houses, small hotels, boardinghouses, motels, etc); increasing demand for clean and free space suitable for movement, self-expression and recreation; growing interest in fun and entertainment, religious and cultural landmarks, ecological values (healthy environment and food) as well as numerous other 'unique' happenings; ever-widening individual and family movements coinciding with the manner of reception and accommodation in villages.
- The characteristics of expanded surface, especially in terms of geography and traffic, the situation in biodiversity, climate and other natural factors in Serbia constitute a solid basis for its joining the major international trends as well as intensifying home tourism growth. The large number of resources, and especially the most attractive destinations, however, are far from valorized to the measure enabling successful marketing at home and abroad.
- The realistic pre-conditions in Serbia in terms of resources and market give the opportunity to define and establish a considerably more aggressive and efficient developmental concept, important for structural changes in rural economy, for more balanced regional development, more efficient valorization and environmental protection and the great social, demographic and culture benefits of rural tourism development, as on local level as well as regional and national level.
- So, first of all Serbia needs the Master plan of rural tourism development.
- It is clear, rural tourism development benefits are important in the field of cultural and social impacts. So, the role of government has a great significant. Government role could be summarized:
  - to promote the revitalization of local cultural identity and pride as well as cross cultural exchanges between visitors and the local people. This will result in greater understanding and respect or at least tolerance of different cultural values, traditions and expectations;



- to promote development of traditional villages provided with modern facilities and services;
  - to ensure that adverse socio-economic effects on traditions local cultures are reduced;
  - to support rural tourism development by the measures of fiscal and monetary policies;
  - to support the promotion of rural tourism products behind the international private and public investments;
  - finally, to define the strategy of rural tourism development on national and local levels.
- The strategy of rural tourism development and its realization should be maintained through cooperation embracing not only local communities but also regional collaboration and integration into broader international programs.
  - Establishing links with national and international associations whose activities entail not only rural tourism development but also an overall integral and sustainable development conducive to enabling exchange of information and experience and adopting methodologies would also contribute to efficient marketing.
  - Cooperation at an international level is of singular importance in getting to know about the current trends in rural tourism in the world, adopting a world and European model of development, along with recognizing all the specificities and re-affirming the natural, cultural and other potentials.



# Understanding the Market for Rural Tourism and Customer Needs

Mr. Peter Mc Nulty

*WTO Consultant and Managing Director of Tourism Development International*

## Introduction

This paper on “Understanding the Market for Rural Tourism and Customer Needs” is presented in three parts. Part 1 highlights the importance of adopting a market led approach and deals with the subject of competitive positioning. Part 2 presents guidelines on best practice in market research. Part 3 presents a case study of a market research programme carried out on behalf of the World Tourism Organization (WTO) and the United Nations Development Programme (UNDP) for the government of Malaysia.

## Adopting a Market Led Approach to Rural Tourism

Tourism can deliver long term benefits to rural tourism areas provided certain key ingredients are in place. Firstly, it is essential that those charged with the development, Organization and marketing of rural tourism destinations adopt a sustainable approach based on sound principles (My key-note address dealt with the issue of Principles for Sustainable Tourism).

Secondly, once these principles are in place, it is important to tailor the rural tourism product to suit the needs of the customer (visitor). In this section of my presentation, we will discuss the means by which rural tourism destinations can best obtain a clear understanding of their customer needs.

Finally, rural tourism destinations also need to establish a clear competitive position in the market place and having done this, implement a co-ordinated marketing campaign.

Increasing competition among amongst tourism destinations has contributed to increased expectations on the part of the consumer. The success, therefore, of rural tourism destinations is dependent on their ability to achieve a competitive position. It can achieve this goal by clearly distinguishing itself from other rural tourism destinations and, in so doing, establish a “unique selling position” (USP).

The achievement of a competitive position in the marketplace requires an understanding of the needs and perceptions of customers (visitors) and knowledge of the competitor destinations. In order to understand customer (visitor) needs, the priority is to firstly identify the product features that consumers/visitors use to evaluate a rural destination, and analyse the importance that consumers/visitors assign to these features. These are what we refer to as “motivating factors”.

There is also a need to identify the overall level of awareness, perceptions and attitudes that consumers hold about the rural destination and its competitors.

With this knowledge and information, the essential building blocks are in place for the preparation of a Rural Tourism Master Plan. Specifically, the understanding of customer needs and knowledge of competitors will influence the type of tourism products and experiences to be offered, and the marketing actions to be adopted. By adopting this “twin track” product development and marketing strategy, a rural destination can achieve a competitive position in the tourism marketplace.

## **Market Research - Best Practice Guidelines**

Prior to embarking on a market research programme, it is important to clearly define the objectives of the research. These could include :

- To obtain an understanding of how visitors / potential visitors perceive your destination.
  - Overall awareness.
  - Strengths.
  - Weaknesses.
- To obtain an understanding of how visitors / potential visitors perceive competing destinations.
- To identify the markets (country of residence) / segments (type of visitor).
- To identify the characteristics and profile of markets / segments with highest potential.

There are other objectives which could replace or supplement those outlined above.

Having agreed on the market research objectives, the next task is to decide on the market research approach. In most instances, in order to ensure that your objectives are fully addressed, information will need to be obtained from a number of sources. Some of this information (i.e. desk research) can be obtained by the promoters (of the rural destination themselves). Other information will require the involvement of individuals with marketing and market research experience and capability.

Amongst the different types of research that will be required are as follows :

### **Audit of Built and Natural Heritage**

This involves a study and inventory of the archaeological, historical, architectural resources of the area, along with clear documentation of the area’s natural features (lakes, rivers, mountains, coastline, etc.).

This audit should also incorporate an audit of cultural resources including festivals, events, local traditions, local customs, traditional food and wine.

### **Tourism Trends Overview**

It is essential that promoters of rural destinations have a clear understanding of tourism trends and developments in the market place. National Tourism Boards and the World Tourism Organization (WTO) are two sources from which key information on tourism can be obtained.

### **Survey of Visitors**

The best method of obtaining an insight into customer (visitor) needs is to interview them. For this, a questionnaire containing no more than 10-12 questions will be required. It is important to conduct interviews with a minimum sample of 500 visitors, and at 10 different locations spread throughout the area. It is also important to spread the interviewing over a minimum period of two weeks, and preferably conduct interviews at different times of the season. Amongst the overall sample of 500, visitors from different markets (countries), and visitors of different types (segments) should be interviewed.

It is recommended that international visitors be interviewed in English.

### **Tourism Trade Survey**

Rural tourism areas can obtain an insight into potential market opportunities by conducting interviews with representatives of the travel trade. These would include tour operators, travel agents, professional tour guides and journalists / travel writers.

### **Competition Analysis**

To complete the research programme, and provide a key ingredient in the competitive positioning, it is essential that rural destinations obtain an understanding of competing destinations. This will involve obtaining an insight into competitors approach to rural tourism, their products, attractions, prices, marketing approach, etc.

## **Case Study - Malaysia Market Research Programme**

In 2000, my own company, Tourism Development International, was appointed by the World Tourism Organization (WTO) and the United Nations Development Programme (UNDP) to prepare a Rural Tourism Master Plan for the Government of Malaysia. As a precursor to this Master Plan, Tourism Development International carried out a comprehensive programme of market research which included a survey of over 2000 visitors to rural Malaysia, and 10 focus group discussions with visitors.

The market research programme provided the Government of Malaysia with a clear insight into visitor perceptions of rural Malaysia, and the "Homestay" Programme which the Department of Agriculture were keen to promote.

The research conducted with visitors and also international tour operators was critical in helping to identify rural Malaysia's competitive advantages which were identified as nature/rainforest, Asian culture / exotic destination and multi-cultural society. This information, along with other important findings were collated into a S.W.O.T. Analysis (Strengths, Weaknesses, Opportunities and Threats) and formed the main building blocks of the Master Plan.

As a result of the comprehensive market research programme, we were able to provide clear recommendations on rural tourism product development, marketing, human resources and Organization.

# Rural Tourism Development in Poland and Promotional Initiatives (I)

Ms. Krystyna Drag

*Member of the Board of Directors, Polish Federation of Rural Tourism*

Polish Federation of Rural Tourism "Hospitable Farms" (PFTW) is a non-profit organization, which was established 1996. It associates 40 local and regional associations. The members of these associations run agritourism or rural tourism activity.

The aims of Polish Federation of Rural Tourism "Hospitable Farms" are as follows:

- rural tourism and agrotourism development in Poland,
- providing the high quality of Polish rural tourism product,
- consolidation of all the organizations and institutions dealing with rural tourism development in Poland.

Our Federation has its (presented above) logo. Our logo is registered and is a sign of quality that means meeting the requirements of our Federation.

During seven years of its functioning PFTW:

1. **modified and implemented system of standardization, which reflects quality of agrotourism services.** Owners of the farms, who are the members of local associations and who meet our requirements, use a sign of PFTW which brings them numerous benefits;
2. **published the guidebooks about agrotourism farms which are standardized according to PFTW requirements** – these guidebooks are also available in Polish Information Centres abroad (in Polish, English and German versions);
3. **every year organized a series of courses on rural tourism activity;**
4. **has been dealing not only with the product development but also with promotion, advertising and sale of Polish agrotourism product** (participation in the tourist fairs, publishing catalogues, agrotourism maps, presentation and reservation of associated farms via Internet);
5. **propagating of rural tourism and agrotourism** in media and during the fairs;

## 6. preserving local traditions in Polish rural areas.

Polish Federation of Rural Tourism “Hospitable Farms” has been a partner and a representative of Polish rural tourism organizations both in Poland and abroad. For example we co-operate with the following partners:

- Polish Ministry of Economy, Labor and Social Policy,
- Polish Ministry of Agriculture and Rural Development,
- Federation of Agrotourism Associations of Lublin Region, which prepared, supported by the Ministry of Economy, Labor and Social Policy, Internet system of information, promotion and sale of agrotourism offer in Poland ([www.agroturystyka.pl](http://www.agroturystyka.pl) and [www.agritourism.pl](http://www.agritourism.pl)).

I would like to underline that apart from the Federation’s activity there are also other very important factors of rural tourism development in Poland. It is necessary to mention juridical conditions and requirements and the activity of government and local and regional authorities.



# Rural Tourism Development in Poland and Promotional Initiatives (II)

Mr. Wieslaw Czerniec

*Member of the Board of Directors, Polish Federation of Rural Tourism*

Polish Federation of Rural Tourism "Hospitable Farms" is the owner of the **Service "Welcome to Polish Village"** "Wies polska zaprasza" ([www.agroturystyks.pl](http://www.agroturystyks.pl) and [www.agritourism.pl](http://www.agritourism.pl)). *Service* was prepared with financial share of Ministry of Economy, Labour and Social Policy.

Only up-to-date information is included in this service. Local associations and individual farmers can update the information concerning their services or villages. A database concerns over 600 agritourism farms from 38 local associations. One can find here:

- A particular farm,
- Local events,
- Maps,
- News about agritourism in Poland and in EU.

Our system enables the tourists to plan their holidays, that means to find the agritourism farms which meet their requirements (accommodation, recreational facilities, surroundings etc.).

*Service* includes the following modules:

- **Base of agritourism farms** - descriptions and photos of houses, vacation quarters and rooms. One can choose a province, an association, a commune, a category or even special offer and price;
- **Reservation via internet** - reservation system is available both in Polish and English versions;
- **Local events** – this module presents current events taking place in particular region and even village in a definite period;
- **Maps** – there are available 38 maps prepared by the associations which show sights and farms. There is a possibility to find an agritourism offer via map;
- **Sights** - one can find a folk art, monuments, museums, trials, forests, etc.;
- **Agritourism associations** - each of association has own web page with local information;

- **Agritourism in European Union** - Poland will become a member of European Union soon. It is very important to have a knowledge of agritourism and rural tourism in EU. One can find here current information about integration and development of rural tourism in many counties;
- **News** – here is the news about Polish Federation of Rural Tourism “Hospitable Farms”, about the fairs, training courses, standardization, a list of the members of PFTW, announcements;
- **Co-operation** – a list of partners.

English version of the reservation system offers to foreign tourists a possibility to search the web page in order to spend a holiday in Poland. Polish Federation of Rural Tourism “Hospitable Farms” is working on English version of all services.

The advantages of *Service* are as follows:

1. Integration of all agritourism and rural tourism offers,
2. Common promotion and common financing,
3. The possibility of taking many aspects into account while looking for a particular offer of rural tourism.

# Rural Tourism Resource Appraisal

Mr. Paul Boerjan  
Administrator of Westtoer, Belgium

Mr. Stefaan Gheysen  
Head of Tourism Product Development of Westtoer, Belgium

## Three Target Groups

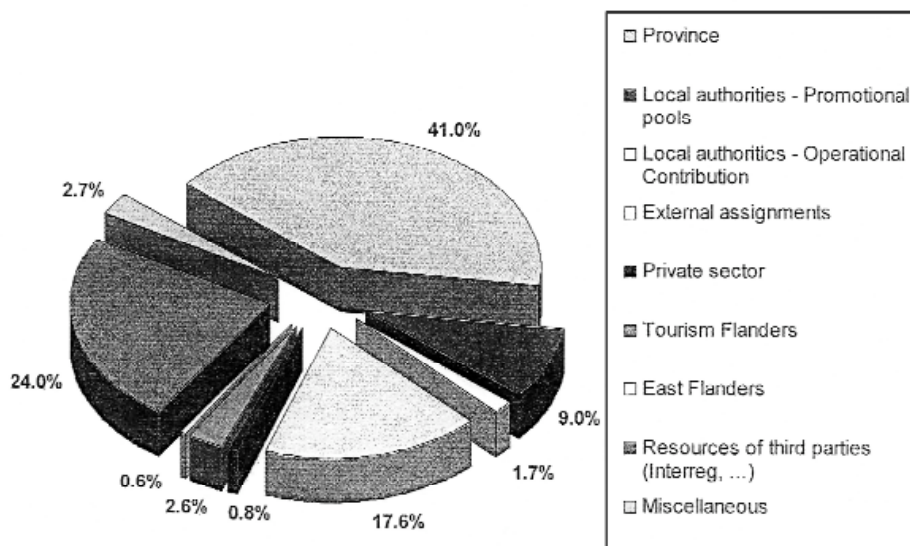
**Province of West Flanders:** Partner with management agreement.

**West Flemish local authorities & professional organizations:** Structural partners with administrative agreements.

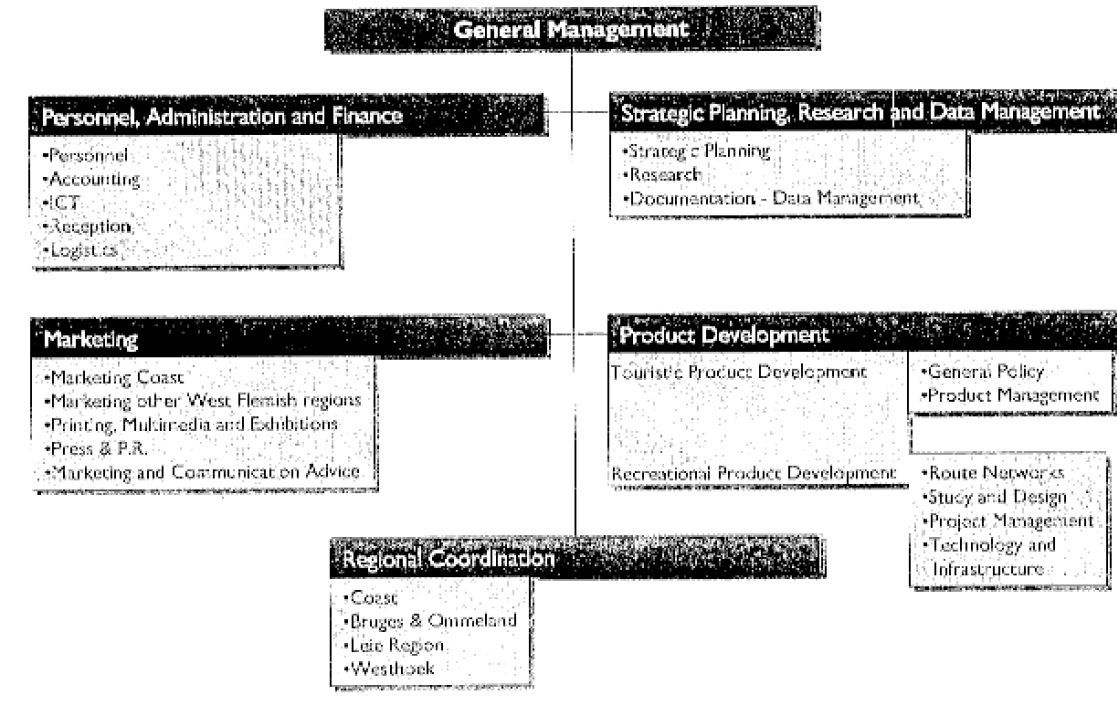
**Other:** Interested parties from the touristic and recreational sector, in or outside West Flanders.

## Westtoer Budget 2003

Total € 9,4 mln.



## Organization Chart



### Added Value of Westtoer

- |                                       |  |
|---------------------------------------|--|
| Economics of scale (65 collaborators) | ➤ Specialized knowledge                      |
| Theoretical and practical experience  | ➤ Looking for practical solutions            |
| Network of contacts                   | ➤ Facilitates solutions                      |
| Public agency                         | ➤ With flexibility of a private organization |

### Requirements for a Tourist Region

- Sufficient tourist resources with potential responding to new demand of tourists.
- Some coherence of landscape, history, location.
- Perceived by the tourist as some kind of entity or a preparedness for serious marketing efforts to launch it as a new destination.
- Some kind of belonging to the region of the local actors.

### Characteristic of Regional Strategic Planning

- It is a process, not a plan.
- It is oriented to actions, not to produce a document.
- It has a medium-term approach.
- It corresponds to the need for co-operation and co-ordination in the tourist sector: a guideline for fragmented actors.

- It facilitates funding for projects.
- It integrates tourist product development and marketing.

### The 4 Touristic-Recreational Regions



### Situation Analysis

- Internal analysis: Tourist supply - tourist demand - economic importance - actual policies.
- External analysis: Constraints and opportunities by other sectors - macro trends in the generating markets - competitors' analysis
- Diagnosis: SWOT - Issue formulation

### Where do We Want to Go?

- Vision
- Operational objectives

### How Will We Achieve the Objectives?

- Market strategy: Desired product-market combinations, Positioning
- Strategy towards policy instruments: Product development, Marketing, Organization, Financing, Data information system

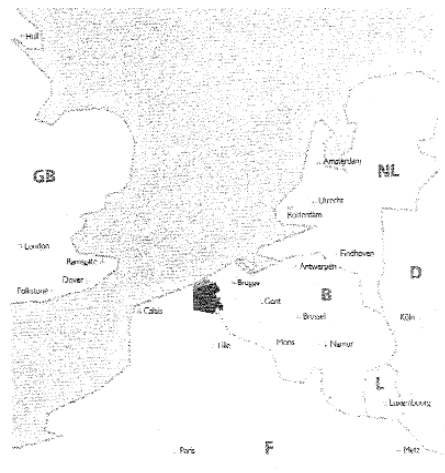
## How to Implement the Strategies?

- Action Plan

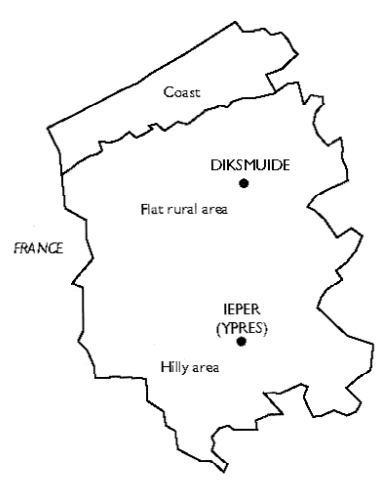
## Do we Achieve the Objectives?

- Monitoring
- Evaluation

### Location of the “Westhoek”



### Detail of the “Westhoek” Region



## Vision = 4 Central Goals

- To develop tourism and recreation as a **full economic** sector in the region.
- To Strengthen the economic, social and cultural identity of the region by means of a touristic **quality image**.
- To develop tourism and recreation in a **sustainable** way.
- To support the **social recreational function** for the regional inhabitants.

## Situation Analysis

A few figures...

- 8.400 beds (of which 1/2 = second residences)
- About 500.000 nights (of which 150.000 in second residences)
- 4.5 million recreative trips
- Economic turnover: € 70 million

## Operational Objectives

- Expansion of accommodation
- Increase of nights
- Increase of excursionism

## Market Strategy

- Desired product-market combinations: Decision on priority products, Decision on priority markets

## Positioning

- Defining the differentiating elements of the region compared to its competitors.

## Positioning for Flemish/Dutch market

- Authenticity, special atmosphere:
  - Near France (border with other culture)
  - Own dialect and characteristics
  - Authenticity of small attraction elements (inns, regional games, ...)
  - Initiatives related to art: music, modern art

- Variety:
  - In landscapes
  - In cultural-historic heritage, in WW I theme

### **Strategies Towards Policy Instruments**

- Strategies Related to Product Development: Resources and attractions, Accommodation, Other supporting facilities

### **Market Strategy**

- Positioning on the British market
  - First “battlefields”: comparing with the other “war” region Some
  - Not only on war but also on peace
  - Combination with other elements of authenticity and variety

### **Strategy Towards Product Development: Attractions**

- Conservation and increase of the quality of landscape, natural and cultural historical heritage:
  - Focus on multifunctionality of rural areas.
  - Agriculture with more care for the environment.
  - Environmental and nature conservation policies developing higher quality and new nature reserves but accessible for visitors.
  - Cultural policy with more care for the cultural heritage: cemeteries and their surroundings.
  - Tourism itself should support these resources
- Structuration and development of attraction points:
  - Focus on strengthening, improving of already existing attractions rather than on new ones.
  - For few new ones: link with the identity and dynamics of the region.
- 3 levels:
  - Primary driving projects (more than 100.000 visitors): 1 in the south, 1 in the north.
  - Secondary driving projects (15.000 - 20.000 visitors) linked with the primary projects by recreative circuits, good spreading needed.
  - Smaller project: “couleur locale” (physical planning permits needed).



- Development of a structured network for the touristic valorization of the WW I theme in the region:
  - Regional “Peace Park” (linked by a car circuit)
  - Primary attraction: “In Flanders Fields” Museum
  - Secondary attractions
  - Smaller attractions, locations and cemeteries
- Further development of a network of recreative use of landscapes and nature:
  - Circuits: more separate circuits
  - Some new structuring line elements
  - More nature experience in some well defined areas: facilities for tourists and spreading of flows
- Valorization of the small cities as a tourist product based on a modular concept:
  - Circulation plan for the city
  - One well located information centre
  - Some discovery circuits (on map)
  - Organizing and furnishing of public areas along these circuits
  - Restauration of valuable elements (churches, ...)
  - Making these elements accessible (opening hours)

### Strategy Towards Product Development: Attractions

- Stimulation of initiatives that support the identity, the “couleur locale”:
  - Private initiative but stimulating role of government for promotion
  - Some bigger projects: more support
  - Folk centre
  - Poetry centre

### Strategy Towards Product Development: Other Supporting Facilities

- valorization and commercialization of the regional products and use in the restaurants (regional logo)
- Farm products
- Specific baskets with regional products for tourists
- More points of sale
- Authentic regional gastronomy

## Structuration and improvement of the tourist information centres

- Two regional visitors' centres
- Different levels of information centres
- Other ways of providing information

## Marketing

- **Only 3 markets:** Flemish market, Dutch market, UM Battlefield-market (niche).

## Financing

- Local level
- Provincial level
- Flemish level
- European funding

# The Importance of Quality in Rural Tourism

Mr. Klaus Ehrlich  
President of Eurogîtes

## Why is Quality of Interest?

### “State of Art” in Rural Tourism 2000:

- **98%** of accommodations is subject to Quality control
- **81%** of them takes part in Quality Classification Schemes
- More than **50%** of the members have grading schemes
- **Foreign visitors** make up 10-60% of clients, and **20-80%** of total bednights

## This Means:

### International clients

- Are used to quality schemes
- Require minimum standards
- Have expectations about Rural Tourism
- Are a very interesting market for RT owners

### But...

- **Clients** cannot trust in the similarity of systems in different countries
- **Owners** do not know what their clients expect
- **Organizations** need to benchmark their own systems to others

## What is “Quality”?

**Quality** = To satisfy and exceed the customer’s expectations (ISO 9000)

*farmholidays in Austria*



**Do you really know  
who your target group is?**

[www.farmholidays.com](http://www.farmholidays.com)



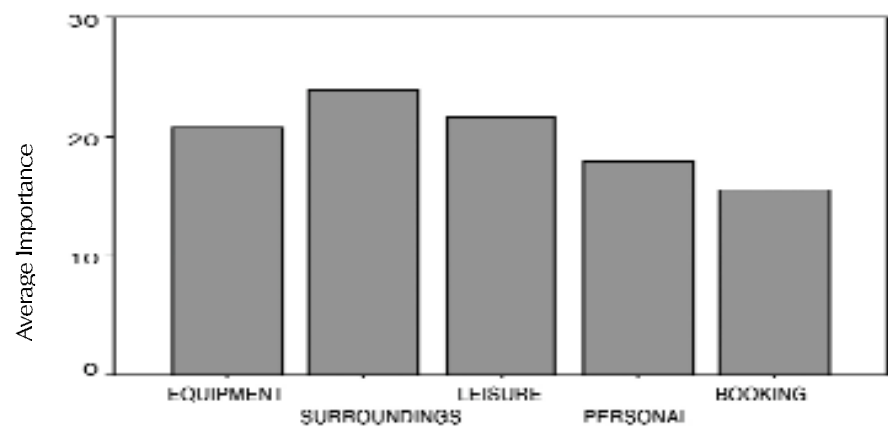
## We need to know:

What the customer values when he decides to book (=expectation)

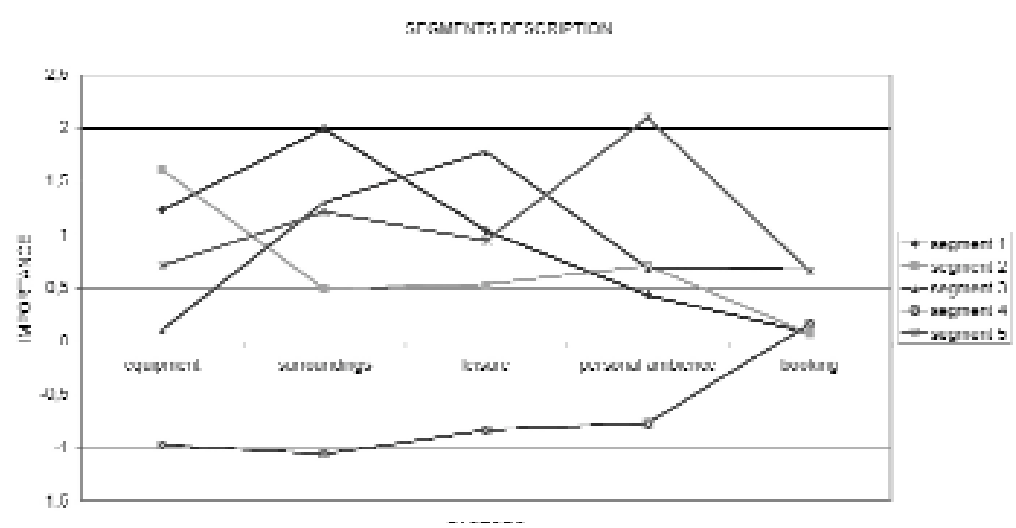
What he values in reality during his stay (=satisfaction)

What the service provider believes about the above two

### Expectation - Summary of Importance



### Expectation - Profiles

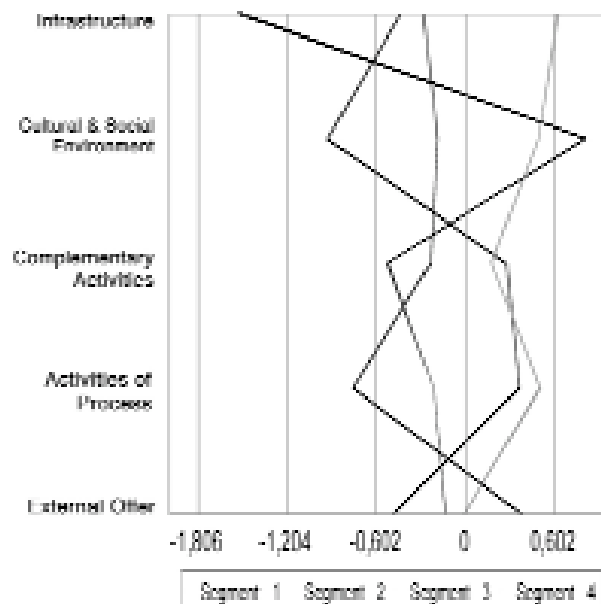


## Customer Satisfaction Survey s

- Several clearly differentiated valuation profiles can be defined, some of them are contrary to each other.
- Certain aspects, specially in the equipment area, are crucial for overall satisfaction and cannot be compensated by excellent performance in other aspects.
- Clusters of criteria groups can be empirically defined:
  - Infrastructure
  - Surroundings
  - Leisure Services
  - (Security of) Process activities
  - "People" (Personal Treat and Ambience)

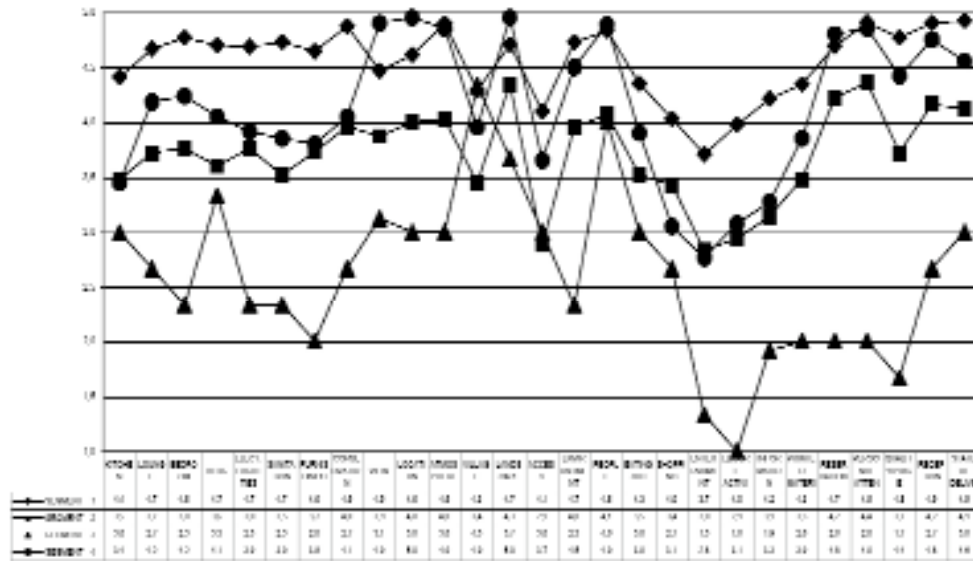
## Satisfaction Surveys - segments

**Figure 1. Profile of the Segments**



- **Segment 1: 36,7%**  
Generally satisfied, medium-low spending
- **Segment 2: 22,8%**  
Negative valuation of Surrounding, not compensated by better value in other aspects.
- **Segment 3: 11,4%**  
Critical about equipment. Even high value of other clusters does not compensate an over-all negative impression
- **Segment 4: 29,1%**  
Specially service-orientated, more critical, similar to segment 1

## Satisfaction Surveys - Segments



## Surveys - Resumed Results

- High value of “Surroundings”.
- Different expectation and satisfaction profiles – “THE” Rural Tourism client does **not** exist.
- Aspects valued **before** the stay, are different from those that determine client’s **satisfaction**.
- Need to design Quality Schemes with two “faces”:
  - Projection of Product **Image** (“before booking”)
  - Criteria to be checked **in reality** to assure satisfaction / avoid dissatisfaction (“inspection and control”)

## More Transparency - How ?

- Recopilate existing Quality Schemes for Rural Tourism in Europe.
- Establish an electronic documentation methodology to allow comparative charts.
- *Quantify the frequency and importance of core criteria in different systems.*
- *Establish a common **Basic Criteria List** based on client’s expectation and satisfaction surveys.*

## Basic Criteria List

- **Requirements** that accommodations of Rural Tourism have to comply with all over Europe.
- **Structure** based on the Expectation and Satisfaction Clusters found by investigation.

- Criteria are classified in **three different levels of importance**, according to their general acceptance across the analyzed systems and their importance for client's satisfaction.

## Basic Criteria - Groups

- **Criteria in group A:** minimum requirements that are considered compulsory for all countries.
- **Criteria in group B:** apply all over Europe and must be fulfilled up to a total minimum, but can be compensated amongst each other.
- **Criteria in group C:** are voluntary or country-specific. Compliance can only be required in specific countries or regions.

## Basic Criteria - Group Definition

Group	Definition	Examples
A	Criteria that are considered in more than 80% of the systems, and have absolute minimum requirements	Room size Bed size Sanitary facilities,
B	Criteria that are considered by 50% of the systems, and/or allow compensation amongst each other	Leisure facilities Equipment items Services
C	Criteria that are considered by less than 50% of the systems, allow compensation, and/or are country-specific	Sauna, Air Conditioning, tea-making facilities

## Expected Results

- Provide transparency to the customer all over Europe, based on generally accepted minimum criteria
- Safeguard the regional and national identity.
- Give guidelines for providers to improve their over-all Quality of installations and services.
- Create trust through transparency.
- Open new sales channels.
- **Increase the number of foreign visitors to YOUR establishment.**





# Government Support for Rural Tourism: The Case of the Czech Republic

Ing. Jiri Hrabak  
*Ministry for Regional Development of the Czech Republic*

## Introduction

Regarding the multiplier effect accompanying its development, Tourism in the world is considered to be an industry of the future. Very often it is said to be the most important industry generating most job opportunities. Besides employment, it influences substantially at least other five spheres: it contributes to the creation of GDP, positively affects the national balance of payments, generates revenues of the state budget, affects revenues of local budgets and its growth also encourages investment activities.

After 1989 Tourism in the Czech Republic also experienced the same effects. It proved to be a fully adequate factor of economic transformation, and through its dynamic development it helped, among others to:

- absorb a considerable portion of employees released from the primary and secondary sectors to the tertiary sector and thus contributed considerably to the solution of unemployment;
- cover the deficit of the trade balance (till 1994) with foreign exchange balance from Tourism;
- contribute to the generation of GDP;
- encourage investment activity in the national economy.

This dynamic development of Tourism was driven both by natural tourist attractions and tourist centres in the Czech Republic, and by a specific situation – the fall of the “Iron Curtain” leading to the opening of East-European borders to the world public. In the beginning, visitors were not interested in the quality of services provided, level of infrastructure, etc., but in exploring a new unknown Tourism destination.

## Position of Tourism in the Economy of the Czech Republic

The Tourism and spa industry belongs to important industries of the Czech economy. Tourism and related industries, which satisfy the needs generated by Tourism, contribute currently to

the generation of the GDP by 9-11% and to the total employment by 9-10%. In 2000 foreign exchange revenues from Tourism represented a 5.6% share on the GDP, a 9.9% equivalence of export and almost 43% revenues from the balance of services.

The development of the Tourism industry in the 90's can be characterized as follows:

- The number of foreign visitors increased threefold, the average length of their stay extended;
- The share of the Czech Republic in the world Tourism market represents less than 1% at present;
- The share of the Czech Republic in the European market represented 1.3% in 2002;
- Compared to 1989, foreign exchange revenues have increased almost 10 times;
- Annual growth rate of incoming Tourism development was high, however, this was thanks to a minimum base given by the political situation before 1990.

## Tourism in the Czech Republic

Since 1989 the material and technical base for Tourism in the Czech Republic has experienced important quantitative and qualitative changes. In 1989 there were more than 2 800 collective accommodation facilities with total capacity of 342 thousand beds (including facilities for free and bound Tourism). Till 2001 the number of accommodation facilities grew more than four times – to 12 307 (the reason for this growth was fast development of private tourist accommodation and development of pensions) and bed capacity grew by more than one third to 627 253. Most facilities for company recreation were gradually transformed into ordinary commercial facilities such as hotels and pensions. The total growth of new developments was concentrated mainly in Prague and attractive tourist centres (spas, towns, mountains); on the nation-wide level it was the development of pensions and especially fast development of private tourist accommodation. At present hotels, motels, boatels and pensions form 36.7% of accommodation capacity. Individual accommodation, or private tourist accommodation, forms more than 7% (in 1989 its share was 4.3%)

More than 15% of bed capacity is concentrated in the capital, Prague. Principally it can be said that the accommodation capacity is starting to be spread into other regions, which is a positive trend regarding the importance of Tourism for regional development. Average annual bed occupancy in hotels and pensions (statistically monitored) was 45.1% in 2001. Above average occupancy was in Prague (53.4%), in Karlovy Vary district (61.2%) and in Zlín district (48.1%).

For the purpose of a more detailed classification, the following Tourism zones in the Czech Republic were hived off in analysis of accommodation statistics.

- Urban and cultural Tourism (31.8% of total bed capacity);
- Spa Tourism (9.0% bed capacity);
- Water related Tourism (14.7% bed capacity);
- Mountain Tourism (25.6% bed capacity);
- About 18.9% of bed capacity does not belong to any unambiguously specified zone.

From the view of analysis of a total staggering of visitors flow, the following can be said:

- A high share of day visits and transits is typical for foreign visitors to the Czech Republic at present. Day visits form about 60-65% especially in regions along borders with Germany, Austria, Poland and Slovakia. Prague also represents an important share, with about 25 % of transit and 10-15% of foreign tourists (visitors with at least one overnight stay). From the point of regional distribution, which to a certain level signals the “implemented” attractiveness of the Tourism potential of the Czech Republic, about 40% is generated in the capital, Prague. Other most visited destination are West Bohemian spas, Krkono\_e mountains, Jizerské mountains, border regions of Southern Bohemia and from major towns especially the trade fair town Brno. Relatively unfavorable for the country is the concentration of Tourism in the summer season;
- Trends of domestic visits are similar to those of foreign ones, which leads to the concentration of visitors and tourists in the most attractive tourist destinations and areas (mountains, towns, spas), with a greater stress on “business Tourism” in towns. From the point of accommodated visitors, the summer season also prevails;
- Regarding the Assessment of the expected trends, Prague seems to be a tourist centre of international importance and will remain so even in future. One of the reasons why Prague still dominates is the lack of new quality Tourism products offered in other regions.

The country has a great number of historical, cultural and technical sights, including those on the list of UNESCO. There is a dense and well-marked network of interconnected tourist trails and routes, steadily maintained by the Club of Czech Tourists. Moreover, the Czech Republic has a unique chance to succeed in the Tourism market with an offer of new products, such as urban, conference and incentive Tourism, sport Tourism, cycle Tourism, cultural Tourism and a broad set of nature-friendly products. The Czech Republic has ideal conditions for rural Tourism with its products (e.g. agro-Tourism, eco-agro-Tourism and eco-Tourism, etc.). At present, however, rural Tourism in the Czech Republic shows only a marginal share (e.g. in 2000 the share of agro-Tourism in total overnight stays was only 0.2% concentrated mainly in Eastern and Southern Bohemia and Southern Moravia). There is an opportunity for further

quality development of the traditional spa industry, which is an important part of the Tourism offer in the Czech Republic.

## Main Issues of Tourism Development in the Czech Republic

After 1989 state interventions into the economy became limited. This had both positive effects on Tourism - fast privatization and development of private undertaking, and negative impacts on Tourism – the break-up of information flows and slow adjustment of public and self-administrative bodies to new tasks connected with managing economic development of administrated areas. The offer of Tourism services has developed spontaneously, regardless of quality and marketing. A number of professional Tourism associations were established (more than 20), but their mutual communication was very limited and was based more or less only on pushing sectional interests at the expense of total quality of Tourism products and services offered. The Tourism industry lacked qualified professionals with the knowledge of modern trends of Tourism development or with conceptual competence and awareness of the necessity to regard the Czech Republic as a part of “destination Europe”. These drawbacks resulted from the absence of the system of partnership, i.e. from a limited interest in rational mutual co-operation among entrepreneurs and between the private and public sector. These problems still exist and are reflected in:

- the low quality, and in some aspects, insufficient basic and accompanying Tourism infrastructure (only 30% beds in hotel-type accommodation, only 15% of them meet European standard);
- the lack of needed professionals, particularly with university education (local and regional managers in public administration and undertaking);
- the absence of marketing concepts for the development of the Czech Republic as a European destination;
- the low level of Tourism services;
- the insufficient level of introducing new information technologies in Tourism (e.g. an insufficient national information and reservation system in Tourism, including the regional level, absence of links in the network of newly developed tourist information centres and low equipment, particularly of small businesses, with new technologies, etc);
- the insufficient level of public promotion of Tourism in the Czech Republic (e.g. in 1998 expenses on activities of the Czech Tourist Authority were only USD 3.3m, whereas in Hungary they amounted to USD 18.2m, in Portugal to USD 39.7m and in Austria to USD 51.1 m);

- the low quality and efficiency of Cupertino between authorities in public administration and businesses (the level of co-operation between Tourism units is insufficient at all levels of administration – local, regional, national);
- the insufficient legislative and tax system from the viewpoint of the approach of EU countries to Tourism issues;
- the limited funds for the development of undertaking;
- the lack of funds for maintenance and restoration of cultural heritage and natural riches.

Elimination of these barriers will require the Cupertino of all bodies and social partners involved at all levels.

At the national level it is essential to:

- Create systems for shared services in the form of shared standards of Tourism services and their certification, for a unified Tourism information and reservation system in the Czech Republic, and for the complex promotion of Czech Tourism products and services in international markets, etc.;
- Develop a system of advisory and educational services for businessmen in Tourism and for fresh businessmen in Tourism in particular (this issue will be covered by the OP for the Development of Human Resources);
- Improve training of human resources for Tourism (this issue will be covered by the OP for the Development of Human Resources);
- Support the development of new and aggregate Tourism products of multi-regional or international importance, including conservation of the cultural and historic heritage on the list of UNESCO and on the list of the Ministry of Culture of the Czech Republic and preservation of natural heritage of multi-regional importance (national parks, protected natural landscape areas, etc.);
- Provide marketing studies of Tourism of multi-regional character emphasizing the Czech Republic as a part of “Destination Europe”;
- Promote the Cupertino between the private and public sector on the principle of partnership.

A certain space for the solution of these issues is given by legislative measures included in the Concept of the National Policy on Tourism in the Czech Republic (amendment to the Business Act, Act on VAT and Act on Administration of Taxes and Fees, development of the

National Programme of Tourism Support in the Czech Republic, adoption of the Act on Some Conditions of Undertaking in Tourism – undertaking of Travel agencies and protection of their consumers, etc.), which are already being implemented. Other system measures at the top level will be covered within the OP for the Tourism and Spa Industry.

## National Programme of the Tourism and Spa Industry Support

Until 2001 there was no special programme in the Czech Republic supporting Tourism development. It was difficult for entrepreneurs to get loans, especially so-called “soft loans”.

The National Programme for the Tourism and Spa Industry Support was developed in 2000 (government resolution No. 1075 dated 1 November 2000) and provides an opportunity for a systematic solution of Tourism development support, or support to the SMEs in Tourism in the form of:

- Subsidies to entrepreneurs and communities for development projects (e.g. for the development and reconstruction of accommodation and catering facilities, etc.) , subsidies to communities for investment activities related to the development of Tourism infrastructure;
- Subsidies to legal and natural persons, including non-profit making organizations, for Tourism development activities (programmes related to the preparation and development of new Tourism products – marketing studies, projects, consultancy and information activity, education or preparation of human resources).

In 2001 the programme was focused on the development of the spa industry and improvement of its material and technical base including the development of new forms of spa Tourism offered to specific groups of clients and the development of complementary services. In 2001 the National Programme of the Tourism and Spa Industry Support had four sub-programmes. The Programme brought the results stated in the table.

**Table No. 1 Number of projects in the National Programme of the Tourism and Spa Industry Support and the amount of a state subsidy in 2001**

Sub-programme/name	Number of projects	Financial means from the state budget in CZK (m)
1. Support to the Development of Spa Communities and Spa Towns	106	147
2. Support to Owners of Spa Infrastructure	31	108
3. Enlargement of Accommodation Capacity in the Category “Private Accommodation in Spa Communities and Towns“	33	4.9
4. Programmes of Spa Tourism Development	9	9.7*
<b>Total</b>	<b>179</b>	<b>269.6</b>

\* of this 45 thousand CZK were for development of human resources

Source: Ministry for Regional Development

Experience from the first year of implementation of the National Programme of the Tourism and Spa Industry Support is very positive. The state subsidy in the amount of approximately 50% initiated investment activities in the amount of almost CZK 700 million.

The following funds from the state budget are allocated to the implementation of the National Programme of the Tourism and Spa Industry Support in 2002:

Sub-programme No.1: Support to the development of spa communities and spa towns – CZK 65.054 million

Sub-programme No. 2: Support to owners of spa infrastructure – CZK 62.416 million

Sub-programme No. 3: Programmes of spa Tourism development – CZK 4 million (non-investment means), of which CZK 2million will go for the development of human resources

Sub-programme No. 4: Support to the development of Tourism-related infrastructure for sport and recreational activities – CZK 89.53 million

It is assumed that these funds from the state budget in the amount of CZK 221 million, will initiate investment activities in total value of approximately CZK600 million.

The same focus only with small changes was the National Programme in the last year and this year is Programme prepared very similar.

## Strategic Targets

When the Czech Republic joins the European Union, the OP for the Tourism and Spa Industry will provide an opportunity to achieve the following strategic targets of Tourism development in the Czech Republic:

- Improvement of the quality of Tourism services;
- Growth of competitiveness of Tourism products and services in the international Tourism market;
- Contribution to the conservation and quality of the environment and sustainable Tourism development;
- Contribution to the growth of foreign exchange revenues from Tourism in the balance of payments;
- Contribution to the growth of revenues of state, district and local budgets;



- Contribution to the generation of sustainable job opportunities in regions with high unemployment and in structurally affected regions.

## Strategy for Achieving the Objectives in the Period 2004-2006

The strategy of further Tourism development assumes a fundamental definition of the Tourism industry (development of a Satellite Account) and its contribution to the development of other industries in the national economy, including its relation to the development of regions.

The role of the Ministry for Regional Development will lie in the co-ordination and catering for the whole Tourism issue. It will define objectives and needs of the industry from the viewpoint of objectives and needs set in the National Development Plan.

The OP for the Tourism and Spa Industry will guarantee the implementation of two priorities and their appropriate measures from the national level. Co-ordination and co-operation with players in Tourism will be emphasized.

Thus the strategy for meeting the objectives in Tourism development will be specified at the level of the Ministry for Regional Development. The strategy must include:

- Legislative framework of proposed measures and intentions;
- Evaluation of potentials and capacities of the territory of the Czech Republic for Tourism with regard to sustainability;
- Priorities and development programmes.

Stipulation of priorities will also include the definition of developing, or new Tourism products of multi-regional or international importance (e.g.. interconnection of cycling routes in the country and outside the country, joining the European projects such as Heritage trails, developing links to the network of conference Tourism centres, quality improvement of traditional spa products and services, etc.).

The Ministry for Regional Development based its stipulation of priorities on the analysis and concepts, which were prepared by state administration bodies and self-administration bodies. Marketing studies of the Czech Tourist Authority (CCCR) were also available as initial strategic sources for identification of products in Tourism regions (in natural ones such as Cesky Raj –Czech Paradise, National Park Sumava, Protected landscape area The Labe Sandstones etc. or in those linked to multi-regional products – e.g. Heritage trails, cycling Tourism, etc., which are not limited by the borders of Tourism regions).



# State Initiatives for Rural Tourism: The Case of Croatia

Ms. Renata Tomljenovic  
*Senior Adviser, Ministry of Tourism of Croatia*

## General Legislative of Rural Tourism in Croatia

Croatia, as a tourist country does not offer only the sea and the sun concept but comes out in the tourist market with a new product - Country Households Tourist Offer.

Decision of Croatia to encourage a development of countryside tourist concept ensures better use of a tourist offer in all aspects. Country households base their everyday existence on farming and land cultivation, and the surplus products are easily channeled in a tourist offer. A tourist offer in country households ensures an active involvement and participation of all family members thus making their ties more stable and their proper household more reliable. They are not leaving their own property.

Taking into consideration different climactic regions of Croatia and their geography and history, Croatia can fully develop a specific offer in a country household concept. A tourist country household is a small business entity located in an attractive surrounding from the tourist point of view that can offer a unique product and involve participation of the all family members.

Family country household that provides a tourist offer gets the status of a Tourist Country Household. A tourist service which is provided represents only a supplementary activity of the household proprietor and his family members.

In order to preserve the agricultural activity of a country household as a basic activity of a tourist country household a tourist accommodation and food and drinking service is limited to the following:

1. accommodation and food in rooms and suites limited to 10 (ten) rooms respectively 20 (twenty) beds;
2. camp facilities for maximum 10 (ten) units, respectively 30 guests at the same time;
3. preparation and offer of warm and cold plates, hot and cold drinks and beverages produced in their own household for not more than 50 guests at the same time;
4. tasting of wine/brandy for not more than 50 (fifty) guests at the same time;

- 5 the choice of home made preserved cold meat (salami, ham, sausages) in the refurbished parts of their residence (dwellings), or in the open area of their households for not more than 50 (fifty) guests at the same time.

The family members can also offer the additional opportunities to tourists, such as horse riding and harvest collection.

The minimal requirements are mandatory in order to get the category classification. The compliance with the conditions has been determined by the relevant authority

The minimal standards set out by the regulations in force are also valid for country household facilities (such as rooms, suites and camps). The rooms and suites are additionally classified as per the methodology of categorization (rooms in three types of category and the suites into two). The category classification depends on the general outlook, refurbishment and type of equipment and appliances offered.

Any person that offers lodge and food in the country household should comply with the minimal health requirements. The member of the country household can not be the employer or make use of the service of other people who are not the members of his own country household.

\* \* \*

Generally speaking, the country households in rural districts do not have sufficient financial means to make all necessary improvements and reach the required standards in order to provide tourist accommodation and food and drinking service.

With an aim to encourage tourist orientation of country households the Government of the Republic of Croatia in joint action with the Ministry of Tourism have initiated the Program of Incentives specifically supporting:

- Projects for protection and renovation of traditional heritage.
- Projects for improvement of under-developed rural areas with significant tourist potentials.

**Incentive goals:**

- Progress of tourist regions that have not been sufficiently developed.
- Development of rural areas with significant tourist potentials.

The non-returnable grants are provided for:

1. Investment made in cultural heritage facilities (traditional crafts: water-mills, blacksmith's and pottery workshops, promotion of traditional rural lifestyles, etc.)
2. Development of under-developed areas with significant potential in traditional cultural heritage and natural resources.

Grants are available in range of: 2,700 to 65,000.

**Procedure for obtaining of the grant is as follows:**

1. Ministry of Tourism issues a Public Bid.
2. Commission made out of 5 members (Ministry of Tourism, Ministry of Culture and Ministry for Environmental Protection and Physical Planning) is established.
3. The Commission makes a LIST OF PROJECTS complying to required standards.
4. The Ministry of Tourism brings the decision on distribution of grants on the basis of the recommendations proposed by the Commission.
5. The Ministry of Tourism concludes the CONTRACT on the use of a grant.

**Special conditions/requirements for approval of a project**

Project is implemented in an areas with at least one or several of the following features:

- Not sufficiently developed areas from tourist point of view.
- An area under special government care.
- Isolated rural area.
- Islands.
- Severely depopulated areas or with high unemployment rate.
- Bordercross areas.

A supervision on distribution and use of a grant is made by the Ministry of Tourism.

Beneficiary of the grant is under the obligation to:

- Use the grant in compliance with the approved documentation
- Submit the report to the Ministry of Tourism on use of the financial means and support the report with relevant documents

The Second program aimed at creating favorable loan terms for development of tourism is - a Program of Tourism Development in Small Business for 2003 that has been initiated in joint action by the Ministry of Small Trade, Micro and Medium Business and the Ministry of Tourism.

The program enables favorable loan terms by means of:

- Subsidy of interest rates to business banks allowing the financial means.

Beneficiaries of the loan can be rural country households or family farm businesses earning their living on farming and land cultivation but who wish to invest additionally in tourist activities.

- The minimum loan: 5.000.
- The maximum loan: not limited.

Payment Term: depends on ultimate objective. For investments in family farm businesses:

- Payment term: 3 – 8 years.
- Grace period: 6 – 12 months (not included into a payment term).
- Timespan for use of the loan: up to 6 months.

Rate of Interest:

- 7% annually, subject to foreign exchange clause (a loan approved in Euro is repaid in Kuna countervalue, in accordance to a middle exchange rate published by the Croatian National Bank on the date of payment).
- Beneficiary of the loan covers 5%.
- 2% is subsidized by: Ministry of Tourism in extent of 1% and Ministry of Small Trade, Medium and Micro Business in extent of 1%.

Repayment Term:

- Monthly, Quarterly and Annually.

Insurance Instruments:

- Guarantee, bill of exchange, mortgage, insurance company certificate.



# Rural Tourism in the Province of Swietokrzyskie. Funding and Financial Aspects

Mrs. Agnieszka Wysocka

*Chairman of the Agrotourism and Rural Tourism Federation in Swietokrzyskie Province*

Functioning as individual farms we were not able to achieve all our goals, and even in case of operating as a number of local associations the possibilities of rural tourism development in our region were limited.

That is why the farmers and representatives of local associations who wanted to change something for better and to achieve more, decided to combine their efforts and to form a federation of the associations. This is the reason why regional Agrotourism and Rural Tourism Federation in Swietokrzyskie Province was established in the year 2002. The members of this Federation are ten associations and one foundation.

The Agrotourism and Rural Tourism Federation in Swietokrzyskie Province played a very important role in the clarification of the law regulations concerning Value Added Tax (VAT), which were differently understood in the particular offices in our region. This success had a very positive influence on the associated farmers – all the skeptics began to perceive the need and the necessity for operating together.

Among us there are some associations and farms which can be regarded as holding sway in agrotourism development. The list of those who have been setting an example to other farmers is very long. For example the Association of Flying Witches which won a competition on “The Best Agrotourism Product” organized last year (in 2002). Their product will be presented during the technical visit.

Then Association from Nowa Slupia has been one of the organizers of the unique events in the open air. We are also proud of the village Sladków Maly which is widely recognized, both in Poland and abroad, as a model agrotourism village.

Each of our associations and even farms tries to find its own specialization. The choice of specialization is determined by the geographical situation and the resources in the possession of. For instance among us are the farms offering its guests the possibilities of:

- fishing in their ponds,
- riding horses,
- different kinds of handicraft,
- different kinds of sports games.

More and more farmers start to understand that a particular job may be well performed only in cases when it brings not only financial benefits but also pleasure and satisfaction.

Agrotourism in our region is very well perceived and strongly supported. Our authorities – local, district and regional, support the development of this kind of tourism in Swietokrzyskie province. The associations very often receive financial support from their local authorities. They also apply for grants and subsidies to numerous foundations and European institutions. The associations also take part in numerous competitions, for example competition on the best agrotourism offer or the most attractive agrotourism farm. Their successes encourage other agrotourism farms to develop.

A very strong influence on the directions of development of our rural tourism have people who remove from big cities in order to live in our villages. They are often talented, many of them are artists – painters, sculptors, etc. Some of them are just coming back to their roots. The example of Agrotourism and Rural Tourism Federation in Swietokrzyskie Province shows that the human factor is the most important in rural tourism development and that very much can be done by common effort.



# Rural Tourism in the Province of Swietokrzyskie. Funding and Financial Aspects

Mr. Marek Kwiecien

*Chairman of the Agrotourism and Rural Tourism Association in Sladkow Maly*

Sladków Maly is a small village situated in the south-easterly part of the province of Swietokrzyskie, at the riverside (Sanica). It fringes upon Swietokrzyskie mountains, Szydłowskie plateau and Nidzińska syncline. The village has 489 inhabitants.

Political, economic, and social transformation in Poland led to some changes in tourism, too. Among other things some forms of tourism appeared and became very important, taking into account their share in tourism market, for example business tourism and agrotourism.

Agrotourism is based on natural resources. This form of tourism provides for visitors very good conditions for communing with nature. Development of agrotourism in Poland resulted from the decrease in profitability of the agriculture production, which encouraged the farmers to look for the additional or alternative sources of income.

The three the most important factors which decided about the development of agrotourism in Sladków Maly are as follows:

- 1 Exceptional environmental resources,
- 2 The activity of its inhabitants,
- 3 Local authorities' support for the economic activity.

Agrotourism in Sladków Maly was started seven years ago, in the year 1996, when the Tourist Association of Swietokrzyskie Communes was established. In that year only six farms were associated in this organisation. In 1996 we started to promote our agrotourism offer during the fairs and other tourist events.

In the year 1997, Sladków MaLy was recognised by European Union as a perfect place to create the model agrotourism village. Our village was visited by the representatives of Polish National Tourism Administration and by a few foreign delegations, especially from Ireland and Germany. The choice of our village to the programme "Rural and wooded areas" by EU has resulted in:

- The working out of 44 projects aimed at the increase of quality of the agrotourism services and preparation of accommodation, catering and recreational facilities;

- Providing the financial means for the realisation of the above mentioned projects from the Fund PHARE TOURIN II.

In 1997 it was prepared a program of the building of the sewer system and water mains.

In the year 1998 the Agrotourism and Tourism Association in Sladków Mały, which I chair, was established. It associates the local agrotourism farms. We are a member of Regional Tourism Organization and Polish Federation of Rural Tourism "Guest Farms", which is a member of the European Federation for Farm and Village Tourism EUROGITES. We co-operate with other active Polish and foreign agrotourism destinations.

At present in Sladków Mały we have 30 functioning agrotourism farms which together offer 270 beds. As a direct or indirect agrotourism development, sixteen economic operators were established, for example 2 shops, 2 little restaurants, auto service and building contractors. We try to improve our offer by:

- Satisfying the changing needs of our customers,
- Improvement of standard of the services rendered,
- Preparation of the adequate offer for such the groups as families with children, teenagers, groups of special interests (for example ornithologists, anglers, naturalists),
- Organizing numerous events for tourists (such as fairs, garden parties, shows of embroidering, traditional methods of food production),

One of the main tasks of the Board of Directors of our association is to apply for financial means from different institutions (domestic and EU) for the development of tourism product and promotion.

In our opinion the elements that make it possible for us the develop agrotourism in Sladków Mały are:

- Favourable law regulations,
- Combined efforts of local community,
- The co-operation between the local and central authorities,
- The availability of EU funds,
- Well prepared marketing of tourism product,
- Diversification of tourism offer,
- Local traditions.

Thank you very much for your attention! I have a pleasure to invite you to Sladków Mały.

# **Seminar on Rural Tourism in Europe: Guidelines for Development**

*Yaremcha (Ukraine)  
25 and 26 September 2003*



# Organizational and Self-Organization of Rural Tourism at National, Regional and Local Levels

Mr. Vladimir Vasilyev

*President of the Rural Green Tourism Union of Ukraine*

## Rural area of Ukraine

- Total area of Ukraine is 604 thousand square km, 69% - of which is rural;
- Population is 49 mln people, of which rural population is 15 mln people;
- 28,6 thousand rural settlements, which are united into 24 regions and Autonomous Republic of the Crimea;
- 6,4 mln houses are located in the rural area, 98% of which are in private property. More than 1mln houses are potential tourist accommodations;
- more than 4 mln of rural inhabitants are preoccupied in the private rural economy or are unemployed;
- 2/3 of the agricultural products is produced by farms or private households.

## Tourist – recreational potential of Ukraine:

- 15% of the territory is the resort area, mountain and sea landscapes, Dnipro green lowlands.
- more than 500 settlements have the unique historical and cultural heritage;
- more than 30 national and regional parks, biosphere and nature reserves, 500 memorial parks and estates of the prominent representatives of Ukrainian culture are under state protection;
- more than 400 mineral water springs and 100 mud cure wells, which are unique not only for Ukraine but for the whole Europe.

The majority of these resources are located in the rural area.

## Historical and cultural heritage of the Ukrainian rural area.

As tourist attraction we consider: historical and archeological monuments, ethnography, cultural institutions, museums, exhibitions etc.

Rural areas of Ukraine offer more tourist attractions. They are: traditional grain producing techniques which are rightly considered as ethnological event since they are accompanied by folk rituals, such as “bread - and - salt” greeting, “toloka”-community participation in the grain harvesting and haying. Traditional crafts include also hunting, fishing and others. Traditional folk arts are: weaving, tapestry, embroidery, pottery and Easter egg painting. Pieces of Ukrainian authentic architecture and life can also be found in the rural areas. Traditional Ukrainian cuisine adds up to the atmosphere of the rural way of life.

## Souvenir of the rural tourism – Ukrainian talisman

Talisman - is the amulet, which brings to its holder health, wealth and protects him from the evil spirits.

The talisman is made after the traditional technique, based on the ethnographic flora and culture. Talismans are hand-made of natural materials: clay, wood, with, salted dough and natural cloth. Widely used in the talismans are the models of the household items.

## Cultural heritage – VI-III century B. C. “trypillya” ceramics reconstruction

Reconstruction of the ceramics of the “trypillya” era reflects the history of this era dated VI-III centuries B.C. Trypillya is one of the oldest civilizations of the world, which existed on the territory of Ukraine. Works are hand-made of clay, ornaments are made of “angoba” – fluid clay.

## Rural accommodation

Rural accommodation differs much in the architectural and planning aspects, depending on the region of Ukraine. Among the available accommodation the following types can be drawn:

- Farm with dwelling house and outbuilding;
- one/more rooms in the dwelling house;
- flat in the tenement-house;
- one/more rooms in the flat of the tenement-house.

## Price policy which is forming on the market counts on average:

Required minimum is round 1 – 2 Euro per night per person per day (without board)

Used mainly in the summer season:

- middle range: 5 – 10 Euro (with breakfast)
- higher range: 12 – 20 Euro (with breakfast)

## Where do tourists come from?

The strict statistics system is still unavailable. But tentative data shows that the majority of so-called green tourists come from Ukraine (85 – 90%) and from abroad but work in Ukraine (10 -15%). The number of international tourists who use the rural tourism services is very low.

## Development of the rural tourism

Development of the rural tourism has been initiated by the Union for Promotion of Rural Green Tourism Development in Ukraine founded in Kiev' 1996 as a non - governmental, non-for-profit organization.

Major stages of development and achievements:

1996 – 2001: promotion of recreation in Ukrainian countryside

2002 – 2004: elaboration of the beneficial legal base, with leading countries experience implementation, for stable development of rural green tourism in Ukraine

To fulfill the objectives of the Union mutual international projects are to be carried out.

## Other comments:

1. Union for Promotion of Rural Green Tourism Development in Ukraine is highly motivated to establish new contact with organizations, training centres, international funds and experts from other countries; experience exchange on the level of rural tourism providers; mutual elaboration of international routes and “green corridors”.
2. We are happy to invite you to the II Exhibition – fair of the rural tourism opportunities “Welcome to Ukrainian Village”, which will take place on the premises of the State open-air museum of folk architecture and art on 21 – 23 of May 2004.

## Organization and Self-Organization of Tourism on National, Regional and Local Levels

Union for Promotion of Rural Green Tourism Development in Ukraine.

### Who are we?

- National non-for-profit NGO.
- Organization of the accommodation providers, registered according to the Law of Ukraine "About the Associations of Citizens" in August 1996.
- Union has the representatives in the AR of Crimea and in 17 regions of Ukraine (Lviv, Odessa, Kharkov, Cherkassy, Chernigiv, Kherson, Poltava, Rivne, Khmelnytsk, Mykolaiv, Zaporozhye, Zakarpat'e, Kiev, Vinnutsa, Volun, Ivano – Frankivsk, Kirovograd).
- These representatives unite more than 850 accommodation providers.
- The number of members of the Union is 36 enterprises of tourism, transport, law, insurance and polygraphy spheres.
- More than 40 volunteers work for the Union.

Structure of the Union for Promotion of Rural Green Tourism Development in Ukraine.

- Highest authority – Conference, which appoints the Head of the Union, Board of directors and auditing commission.
- Union is operated by board of the directors, and, in case of necessity and financial permission, wage laborers.
- The structure of the Union has the representative offices, which have the regional or local status. These representatives unite accommodation providers, consultancy, training and information centres.
- Union has also founded in 1997 science – popular quarterly magazine "Rural green tourism". It can be subscribed in every post – office of Ukraine. Circulation – 10 thousand copies.

### Mission

- Form favorable conditions of the sustainable rural tourism development for providers with the cooperation between local and national authorities.



- Engage the rural population in this sphere of economical activity and promotion of rural tourism among urban population as an alternative type of recreation.
- Renaissance of the historical and cultural heritage of the Ukrainian villages.
- Rural European society integration.

### **Methods and instruments of work**

- Elaboration of the concepts of work.
- Interests representation of the members of Union.
- Discussions with Ministries, local authorities, governors and deputies.
- Forums: conferences, seminars, training and exhibitions.
- Dialogue with the members of the Union.
- Public attending.
- Work with mass-media.

### **Main spheres of the Union's work**

- Information – consultancy – promotion: magazine “Rural green Tourism”, web-site Rural green tourism in Ukraine.
- Education and training with the cooperation between national and international funds and executive power bodies.
- Marketing – Exhibition of rural tourism opportunities in Ukraine, participation in the international exhibitions, Ukrainian promotion events “Recreation in the Ukrainian village”.
- Experience exchange and lobbying through the regional and national conferences, press-conferences.

### **Legislative results, which support the rural tourism**

- President's of Ukraine Decrees on Major ways of tourism development till 2010 (1999) and on Social development of the rural regions (2000).

- Enactment of the Cabinet of Ministers of Ukraine #583 from 29 of April 2002 “About the elaboration of the Program of the Rural tourism development in Ukraine”.
- Law of Ukraine “About the private rural economy” (#742, from 15 of May 2003).

### **Opinion-polls and research**

- Research is mainly carried out during the regional projects realization, supported by international funds.
- Opinion – polls have been carried out during the events, organized by the Union.

### **Results of the research of legislative base and standards of the rural tourism**

- Comparative study of the legislative systems of Poland, Hungary, Sweden and Ukraine.
- Main principles pointed out to implement in the Ukrainian laws.
- Apply the European experience.
- Solve the problems of the Ukrainian legislative system, which prevent the development of the rural tourism.
- Result: implementation of the Law of Ukraine “About the private rural economy”, which enables the rural population with the right to provide rural tourism services using their private facilities.

Research of the tendencies of rural tourism development.

### **About the rural tourism**

- Never heard before-26,4%
- Familiar notion, but never experienced-52,8%
- Have experienced rural tourism– 20,8%

### **Attractive tourist factors**

- Picturesque landscape-97,4%
- Mountains, forests, water bodies– 84,6%
- Fishing opportunities– 63,3%

- Hunting opportunities– 48,8%
- Historical and cultural attractions – 63,3%

### **Important service factors**

- Bath and toilet en suite– 86,8%
- The quality is worth its price– 68,7%

### **Perspectives of the rural green tourism**

- Perspective as an alternative type of tourism and discovery tourism– 76, 2%
- Would like to try rural tourism– 58,6%
- Would not try rural tourism– 19,0%

### **International activity**

- 1995-2000 consultancy by Dr. Chaku Chabo, President of Central and Eastern Europe Federation of Green Tourism.
- Training visits to Poland, Hungary, France, Ireland and Sweden.
- Assistance and experience exchange with Belarus and Moldova.
- Realization of the 30 projects on the national, regional and local levels, supported by international foundations: “Eurasia”, “Renaissance”, PAUSI, TACIS Program and others.
- Membership in the European Association of Farm and Village Tourism EUROGITÉS.
- Participation in the First European Congress on Rural Tourism (3-5 October 2003, Spain).

### **Perspectives of the development**

- Improvement of the legislative basis.
- Implementation of Lodgings’ voluntary certification system as basis element of the rural tourism. This system will define the proprietors’ rights and service quality of the rural lodging.

- Development of the training programme, training of the certified trainers, and publishing of the training course – books. Rural assistance centres development for education of the rural population.
- Work of the information tourism boards in Kiev and regional rural green tourism centres, whose functions are promotion of green tourism, tourists' attraction and providing services for them.
- Increase of the circulation of the magazine "Rural green tourism" to 30 thousand.
- Annual exhibition – fair "Welcome to Ukrainian village".

# Organizational Structures: The Case of the Czech Republic

Mr. Jiri Hrabak  
*Chief Specialist, Tourism Department of the Ministry for Regional  
Development, the Czech Republic*

## Introduction

Regarding the multiplier effect accompanying its development, Tourism in the world is considered to be an industry of the future. Very often it is said to be the most important industry generating most job opportunities. Besides employment, it influences substantially at least other five spheres: it contributes to the creation of GDP, positively affects the national balance of payments, generates revenues of the state budget, affects revenues of local budgets and its growth also encourages investment activities.

After 1989 Tourism in the Czech Republic also experienced the multiplier effect accompanying its development. It proved to be a fully adequate factor of economic transformation, and through its dynamic development it helped, among others to:

- absorb a considerable portion of employees released from the primary and secondary sectors to the tertiary sector and thus contributed considerably to the solution of unemployment;
- cover the deficit of the trade balance (till 1994) with foreign exchange balance from Tourism;
- contribute to the generation of GDP;
- encourage investment activity in the national economy.

This dynamic development of Tourism was driven both by natural tourist attractions and tourist centres in the Czech Republic, and by a specific situation – the fall of the “Iron Curtain” leading to the opening of East-European borders to the world public. In the beginning, visitors were not interested in the quality of services provided, level of infrastructure, etc., but in exploring a new unknown Tourism destination.

## Tourism in the Czech Republic

Since 1989 the material and technical base for Tourism in the Czech Republic has experienced important quantitative and qualitative changes. In 1989 there were more than

2.800 collective accommodation facilities with total capacity of 342 thousand beds (including facilities for free and bound Tourism). Till 2001 the number of accommodation facilities grew more than four times – to 12.307 (the reason for this growth was fast development of private tourist accommodation and development of pensions) and bed capacity grew by more than one third to 627.253.

Most facilities for company recreation were gradually transformed into ordinary commercial facilities such as hotels and pensions. The total growth of new developments was concentrated mainly in Prague and attractive tourist centres (spas, towns, mountains); on the nation-wide level it was the development of pensions and especially fast development of private tourist accommodation. At present hotels, motels, boatels and pensions form 36.7% of accommodation capacity. Individual accommodation, or private tourist accommodation, forms more than 7% (in 1989 its share was 4.3%).

More than 15% of bed capacity is concentrated in the capital, Prague. Principally it can be said that the accommodation capacity is starting to be spread into other regions, which is a positive trend regarding the importance of Tourism for regional development. Average annual bed occupancy in hotels and pensions (statistically monitored) was 45.1% in 2001. Above average occupancy was in Prague (53.4%), in Karlovy Vary district (61.2%) and in Zlín district (48.1%).

For the purpose of a more detailed classification, the following Tourism zones in the Czech Republic were hived off in analysis of accommodation:

- Urban and cultural Tourism (31.8% of total bed capacity);
- Spa Tourism (9.0% bed capacity);
- Water related Tourism (14.7% bed capacity);
- Mountain Tourism (25.6% bed capacity);
- About 18.9% of bed capacity does not belong to any unambiguously specified zone.

From the view of analysis of a total staggering of visitors flow, the following can be said:

- A high share of day visits and transits is typical for foreign visitors to the Czech Republic at present. Day visits form about 60-65% especially in regions along borders with Germany, Austria, Poland and Slovakia. Prague also represents an important share, with about 25 % of transit and 10-15% of foreign tourists (visitors with at least one overnight stay). From the point of regional distribution, which to a certain level signals the “implemented” attractiveness of the Tourism potential of the Czech Republic, about 40% is generated in the capital, Prague. Other most visited destination are West Bohemian spas, Krkonose mountains, Jizerské mountains, border regions of

Southern Bohemia and from major towns especially the trade fair town Brno. Relatively unfavorable for the country is the concentration of Tourism in the summer season;

- Trends of domestic visits are similar to those of foreign ones, which leads to the concentration of visitors and tourists in the most attractive tourist destinations and areas (mountains, towns, spas), with a greater stress on “business Tourism” in towns. From the point of accommodated visitors, the summer season also prevails;
- Regarding the Assessment of the expected trends, Prague seems to be a tourist centre of international importance and will remain so even in future. One of the reasons why Prague still dominates is the lack of new quality Tourism products offered in other regions.
- The country has a great number of historical, cultural and technical sights, including those on the list of UNESCO. There is a dense and well-marked network of interconnected tourist trails and routes, steadily maintained by the Club of Czech Tourists. Moreover, the Czech Republic has a unique chance to succeed in the Tourism market with an offer of new products, such as urban, conference and incentive Tourism, sport Tourism, cycle Tourism, cultural Tourism and a broad set of nature-friendly products.
- The Czech Republic has ideal conditions for rural Tourism with its products (e.g. agro-Tourism, eco-agro-Tourism and eco-Tourism, etc.). At present, however, rural Tourism in the Czech Republic shows only a marginal share (e.g. in 2002 the share of agro-Tourism in total overnight stays was only 0.24% concentrated mainly in Eastern and Southern Bohemia and Southern Moravia). There is an opportunity for further quality development of the traditional spa industry, which is an important part of the Tourism offer in the Czech Republic.

## Main Issues of Tourism Development in the Czech Republic

After 1989 state interventions into the economy became limited. This had both positive effects on Tourism - fast privatization and development of private undertaking, and negative impacts on Tourism – the break-up of information flows and slow adjustment of public and self-administrative bodies to new tasks connected with managing economic development of administrated areas. The offer of Tourism services has developed spontaneously, regardless of quality and marketing. A number of professional Tourism associations were established (more than 20), but their mutual communication was very limited and was based more or less only on pushing sectional interests at the expense of total quality of Tourism products and services offered.

The Tourism industry lacked qualified professionals with the knowledge of modern trends of Tourism development or with conceptual competence and awareness of the necessity to

regard the Czech Republic as a part of “destination Europe”. These drawbacks resulted from the absence of the system of partnership, i.e. from a limited interest in rational mutual co-operation among entrepreneurs and between the private and public sector. These problems still exist and are reflected in:

- the low quality, and in some aspects, insufficient basic and accompanying Tourism infrastructure (only 30% beds in hotel-type accommodation, only 15% of them meet European standard);
- the lack of needed professionals, particularly with university education (local and regional managers in public administration and undertaking);
- the absence of marketing concepts for the development of the Czech Republic as a European destination;
- the low level of Tourism services;
- the insufficient level of introducing new information technologies in Tourism (e.g. an insufficient national information and reservation system in Tourism, including the regional level, absence of links in the network of newly;
- developed tourist information centres and low equipment, particularly of small businesses, with new technologies, etc);
- the insufficient level of public promotion of Tourism in the Czech Republic (e.g. in 1998 expenses on activities of the Czech Tourist Authority were only USD 3.3m, whereas in Hungary they amounted to USD 18.2m, in Portugal to USD 39.7m and in Austria to USD 51.1 m);
- the low quality and efficiency of co-operation between authorities in public administration and businesses (the level of co-operation between Tourism units is insufficient at all levels of administration – local, regional, national);
- the insufficient legislative and tax system from the viewpoint of the approach of EU countries to Tourism issues;
- the limited funds for the development of undertaking;
- the lack of funds for maintenance and restoration of cultural heritage and natural riches.

Elimination of these barriers will require the co-operation of all bodies and social partners involved at all levels.



At the national level it is essential to:

- Create systems for shared services in the form of shared standards of Tourism services and their certification, for a unified Tourism information and reservation system in the Czech Republic, and for the complex promotion of Czech Tourism products and services in international markets, etc.;
- Develop a system of advisory and educational services for businessmen in Tourism and for fresh businessmen in Tourism in particular (this issue will be covered by the OP for the Development of Human Resources;
- Improve training of human resources for Tourism (this issue will be covered by the OP for the Development of Human Resources;
- Support the development of new and aggregate Tourism products of multi-regional or international importance, including conservation of the cultural and historic heritage on the list of UNESCO and on the list of the Ministry of Culture of the Czech Republic and preservation of natural heritage of multi-regional importance (national parks, protected natural landscape areas, etc.);
- Provide marketing studies of Tourism of multi-regional character emphasizing the Czech Republic as a part of "Destination Europe";
- Promote the co-operation between the private and public sector on the principle of partnership.

A certain space for the solution of these issues is given by legislative measures included in the Concept of the National Policy on Tourism in the Czech Republic (amendment to the Business Act, Act on VAT and Act on Administration of Taxes and Fees, development of the National Programme of Tourism Support in the Czech Republic, adoption of the Act on Some Conditions of Undertaking in Tourism – undertaking of Travel agencies and protection of their consumers, etc.), which are already being implemented. Other system measures at the top level will be covered within the OP for the Tourism and Spa Industry.

## **The Role of Tourism in the Economy of the Czech Republic**

The Tourism and spa industry belongs to important industries of the Czech economy. Tourism and related industries, which satisfy the needs generated by Tourism, contribute currently to the generation of the GDP by 9-11% and to the total employment by 9-10%. In 2002 foreign exchange revenues from Tourism represented a 5.6% share on the GDP, a 9.9% equivalence of export and almost 43% revenues from the balance of services.

The development of the Tourism industry in the latest ten years can be characterized as follows:

- The number of foreign visitors increased three times, the average length of their stay extended;
- The share of the Czech Republic in the world Tourism market represents less than 1% at present;
- The share of the Czech Republic in the European market represented 1.3% in 2002;
- Compared to 1989, foreign exchange revenues have increased almost 10 times;
- Annual growth rate of incoming Tourism development was high, however, this was thanks to a minimum base given by the political situation before 1990.

## Rural Tourism in the Czech Republic

The Czech Republic has ideal conditions for rural Tourism with its products (e.g. agro-Tourism, eco-agro-Tourism and eco-Tourism, etc.). At present, however, rural Tourism in the Czech Republic shows only a marginal share (e.g. in 2002 the share of agro-Tourism in total overnight stays was only 0.24% concentrated mainly in Eastern and Southern Bohemia and Southern Moravia).

In 1999 and thereafter, the Czech Republic receives funding for development of travel services from the SAPARD fund. This assistance will be used to co-finance the Rural Development Program, which will comprise development of rural Tourism, hiking and biking trails traditional crafts, local specialities, activities of rural clubs and associations, and reconstruction and repair of historical monuments in villages and rural areas.

Starting in 1999, there are a number of other opportunities under the Northwest Bohemia and North Moravia Regional Development Support Program and under a pilot development program in the other micro-regions funded from the national budget with the aim to improve Tourism-related infrastructure (information system, transport infrastructure, hiking and biking trails, etc.).

The regional Tourism strategy will also embrace a new approach to the planning of regional development, in accordance with the applicable methodology of the European Union. Regional development planning will be closely tied with the Regional Development Plan and regional operations plans. The regional Tourism development strategy will be an important basis for creation of regional operations plans.

## Organization of Rural Tourism in the Czech Republic

In the Czech Republic there exist two basic organizations working in the branch of rural Tourism.

### **ECEAT CZ, European Centre for Eco Agro Tourism**

is an independent, non-profit making, non-governmental Czech Organization.

ECEAT CZ is a member of the Europe-wide ECEAT network.

ECEAT CZ was officially founded in 1994. At that time the activities of individuals, who had been implementing the original eco-agro Tourism project on organic farms since 1992, were institutionalized. This international project was launched in 1992 in the Czech Republic, Hungary and Poland and nowadays include many countries in EU and non-EU countries around Europe. Besides the national centre ECEAT CZ manages several regional centres. ECEAT CZ finances its activities from grants, gifts and contributions.

Main tasks of the ECEAT CZ are:

- to support the sustainable rural development through the small-scale, environmentally-friendly Tourism
- to create new job opportunities for village people
- to enhance the experience and knowledge of the village entrepreneurs (education, literature, quality control etc.)

The experience of developing small-scale and low environmental impact tourist programmes has resulted in the provision of quality holidays while ensuring the local people benefit from Tourism revenue not forgetting needs of future generations. Every year spend the "green ECEAT holidays" almost 4000 people.

ECEAT CZ is supported and co-operates with many organizations and funds, like the Czech Tourist Authority, district governments, The Prince of Wales Business Leaders Forum, U.K., Know-How Fund, U.K., PHARE Funds, the Ministry of Regional Development of the Czech Republic, the Ministry of Agriculture of the Czech Republic and businesses.

### **UNION of the Czech Entrepreneurs in Rural Tourism**

is the second one which is a member of the EuroGites, the European Federation for Farm and Village Tourism.

The Union helps its members to promote their activities, to improve and develop business ability.

The Union administers for example two projects named Project Quality and Project Service. At present the Union brings in to practice the verification of the Standard Accommodation Services, too.

Very useful are also two programs named Heritage Trails and Countryside Holidays.

The program Heritage Trails offers to enjoy the best of Czech natural, cultural and technical heritage prepared with care by local people. It is a long term program.

The program Countryside Holidays offers to the people activities like stay on farms or summer houses with horse riding, bicycling, hiking and others. Especially in last two, three years there is quite a big movement and progress in this field. It is related with the activity of a part of farmers, who try to cover the losses in connection with state policy to reduce the agricultural production.

On the regional level there are mostly "Information Centres", which offers the services in the rural Tourism too. In this year begin some regions with foundation of so called "Destinations Management". It means the small companies owned by regional authorities and other subjects and working on commercial basis. The main task of this management is to bring more tourists in to the region. Main activity is to promote the region, their subjects in rural Tourism.

## Rural Tourism as Part of the Ivano-Frankovsk Development Strategy

Mr. Oleg Vasylyv  
*Chief of the Tourism Department of the Ivano-Frankovsk Region, Ukraine*

My report refers to developing rural green tourism in the context of overall economic development of the Ivano-Frankovsk Region of Ukraine.

This Region boasts great tourism and recreation potential, providing numerous opportunities for leisure and health treatment, tourist itineraries, beautiful architecture, folk art and handicrafts.

Tourism has been declared a strategic area of economic and social development of the Region, with green tourism being a priority and a competitive tourist product. Rural tourism is very popular and expanding rapidly as it allows tourists to be in contact with nature, know local traditions and customs, try local food and meet hospitable hosts. Rural guesthouses are located in accessible and beautiful locations, and tourists use them as springboards for hikes, cycling, horse-riding and car itineraries.

This type of tourism does not require heavy investment, while at the same time it generates jobs for rural population.

In 2002, within the framework of Ukraine's tourism strategy, a Tourism Programme for the Ivano-Frankovsk Region was developed, which was approved by the Regional Council. We had incorporated in our programme proposals and suggestions of our tourism stakeholders, including tourism businesses health resorts and NGOs. Our Programme distinguishes from the State Programme because it includes two sections, i.e. on green tourism and on tourist safety and security.

The Programme provides for:

- Workshops for rural house owners on tourist service principles, legal aspects, and quality of services;
- Establishing a consolidated data base of rural houses in the Region, which provide lodging;
- A local media campaign to raise the awareness of local population about economic and social benefits of rural tourism;
- Research to assess the share of rural tourism within tourist flows in the Region;
- Publication of an annual guide on Rural Green Tourism in the Ivano-Frankovsk Region;
- Creating conditions and preparing a data base for setting up rural green tourism clusters in the Region's towns and villages;

- Development and submission to the Regional Council of draft Rural Green Tourism Regulations.

Also important is the fact that there is a budget to finance this Programme, both by the Regional Administration and from other sources.

As regards rural tourism as part of the overall social and economic development programme in the Region, it focuses on developing small and medium businesses. Most rural tourism organizers are registered as single tax entrepreneurs, which allows them to operate in an open manner, without hiding in a shadow economy, and to promote their businesses.

The Regional Council has decided that district budgets should provide for not less than 0.5 per cent for developing SMEs and 0.3 per cent for tourism development. Besides, there is financing from the Region's budget. Some district councils have lowered a tax on rural tourism businesses.

An important incentive for 2004 will be the lowering of the interest rate down to 7 per cent, which will encourage borrowing for development.

Our promotion efforts include the publication of numerous booklets and brochures, which are distributed at various tourism fairs. We have published several maps with tourist itineraries, and we place ads in leading Ukrainian tourism magazines. We also distribute video-clips and films. As regards our presence at tourism fairs, we provide free exhibition space to our rural tourism organizers at national events in Kyiv, Lvov and Odessa, and those abroad, primarily, in Poland and Hungary.

Referring to the history of rural tourism movement in the Region, the first initiative group was set up in 1995. At present, 373 rural homes in 12 districts of the Region have expressed their wish to lodge guests. The Ukrainian Rural Green Tourism Union has 14 branches in 11 districts of the Region.

In 1999-2002, TACIS implemented a project on supporting local development and tourism in the Carpathian region, which included a dozen seminars and microgrants for rural house owners.

A Polish-US-Ukrainian initiative provided for signage of tourist itineraries and establishing campsites.

In the nearest future a tourist information center will open in Ivano-Frankovsk, which will allow all rural tourism organizers to promote their services.

Welcome to the Ivano-Frankovsk Region!

# Assistance to Regional Economy in the Yaroslavl Region of the RF

Ms. Yulia Platnova  
*GTZ Rural Tourism Development Project in the Yaroslavl Region  
of the Russian Federation*

The project «Assistance to regional economy in region Yaroslavl» has been carried out since 2000 by German society on technical cooperation (GTZ) within the framework of program “Transform”. The purpose of the project is introduction of new approaches and instruments on promotion of economic development of municipal formations. The project is being carried out in Region Yaroslavl of the Russian Federation on the territory of three pilot municipal districts Pereslavl, Rostov and Uglich.

The project supports the tourism development on the territory of the pilot municipal districts, the tourism development being regarded as a development factor of the rural economy. The support on the part of the project includes the transfer of new approaches and instruments on tourism development, including the rural tourism, through training workshops and direct consulting by the experts of the project of employees of local administrations, businessmen and local population on issues of creation, promotion and development of this new tourism product.

For their turn, the local authorities try out the suggested approaches on their own, they form frame conditions for the implementation of the new development instruments and they also maintain a partial financial support on their application. Thus, the task of the external experts includes the initiation and maintenance of these processes as well as work on involving of all potential participants into this teamwork on development and promotion of rural tourism.





# Quality System for Developing Rural Tourism: The Case of Spain

Ms. Elsa Marti

WTO Consultant, Deloitte & Touche - Spain

## Appearance of rural tourism

### Factors leading to the appearance of rural tourism

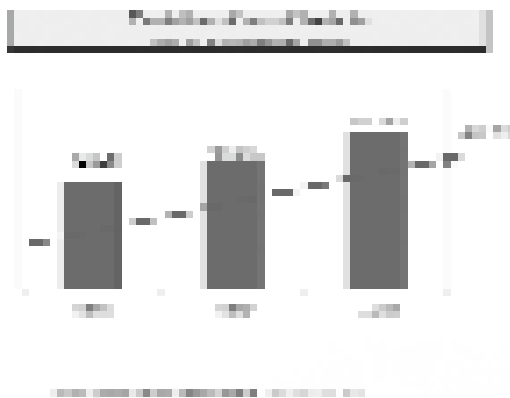
In Spain in the 1980s a series of material and cultural factors arose, enabling and favoring the appearance of rural tourism:

#### Supply Factors:

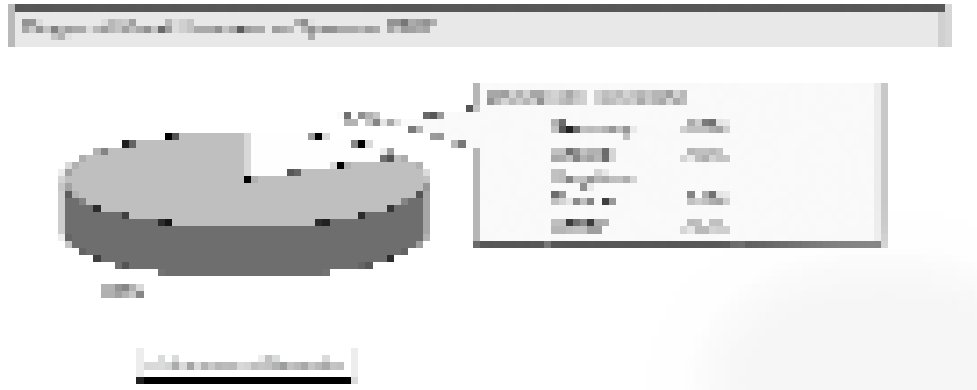
- Fall in agricultural activity.
- Abandonment of rural areas.
- Availability of rural land and buildings.
- Improvement in communications.

#### Cultural and Demand Factors:

- Exhaustion of the traditional concept of vacations linked to mass tourism and sea and sun.
- Search of those living in urban areas for surroundings in which they can enjoy peace and quiet.
- Growing interest in nature and outdoor activities.
- Greater fragmentation of vacations.
- Appearance of the leisure culture.



Rural tourism in Spain, despite accounting for a modest percentage of the total volume of tourism, is experiencing significant growth, rising from 42,925 beds in 2001 to 62,783 in July 2003, which represents an **absolute growth of 46.3%**.



The **main source of demand** is the **Spanish market**, which accounted for 3.4 million of the 4 million overnight stays made in 2002.

**Demand from foreign markets** is concentrated in Germany, which accounted for 275,373 of the 680,870 overnight stays made by foreigners.

### Main Motivations of Demand

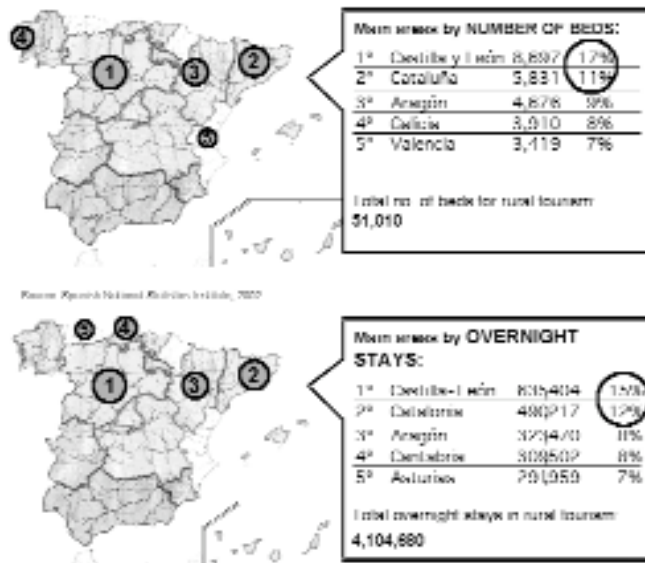
#### The Client Seeks

- Peace and quiet
- Natural and pleasant surroundings
- Personal treatment
- Open-air activities

#### The Client does not want

- Noise
- Overcrowding
- Urban surroundings and concrete
- Anonymity

## Main Rural Tourism Areas in Spain



Rural tourism is highly concentrated in the northern half of Spain, in which 50% of the total supply is situated

Castilla-León and Catalonia provides practically 30% of the supply and absorb 27% of the demand

## Main characteristics of Rural Tourism in Spain

### Limited capacity:

Normally between 4 and 35 beds.  
Average of five rooms.

### No. of establishments:

6,100 establishments.

### Limited occupancy:

Average occupancy rates of approximately 25-30%, rarely exceeding 40%.

### No. of beds:

62,783 beds.

### Supplementary activity:

The tourist business represent a supplementary activity for 60% of owners.

### Average supply:

1,500 establishments/ 10 million inhabitants.  
(France: 12,500 establishments/10 million inhabitants).

### Price:

Ranges from € 12 to € 180.

### Services:

25% of rural houses offer full board.

## Conclusions

### Main Conclusions:

- Rural tourism is an **increasingly important market segment** within the tourist industry, in terms of, the both the number of establishments, the number of overnight stays and occupancy rates.

- It is becoming increasingly **professionalized** and **specialized**, committed to satisfying the specific needs of the various clients it caters for: peace and quiet and relaxation, contact with rural life (agriculture and livestock), etc.
- It is closely linked to **short stays**: weekends, long weekends, etc.
- It is highly **dependent** on the **Spanish market**.

### Positive Aspects of Rural Tourism

- Offers a source of **revenues additional** to that obtained from agriculture and livestock.
- Favors the **creation of new businesses**: stores, leisure areas, etc.
- **Reduces** the rate of **rural depopulation**.
- Enables the **recovery of buildings** of historical importance.
- Favors the **recovery** and conservation of **traditional activities**: festivals, handicrafts, etc.

### Negative Aspects of Rural Tourism

- **Growth of construction** and residential development.
- **Saturation** of natural areas.
- **Deterioration of surroundings**.
- **Change in the cultural nature** of villages and hamlets due to the presence of people from urban areas.

### The Quality Standard

- Document containing **the requirements** that rural guesthouses must meet to form part of the Quality System.
- Scope:
  - management (no requirements at the moment); facilities and fittings; hospitality and guest care; cleaning and maintenance; safety and the environment; marketing.
- Responsibilities: **Proprietor's obligations**, self-regulation.

## Entry Barriers

- Compulsory conditions for rural guesthouses.
  - Be **registered as tourist accommodation** in accordance with the regulations in force in each autonomous community.
  - Have third party civil liability insurance for at least 150.000 €.
  - **Issue official bills.**

## Standard: Facilities and Fittings

- Facilities and fittings
  - General requirements, Accommodation capacity, Size, Bathrooms, Layout, Basic fittings, Other facilities and fittings.

## Standard: Facilities and fittings (examples)

- General requirements.
  - Building: in keeping with a more traditional architectural style and its surroundings.
  - Materials: to suit the characteristics of the area.
  - State of the building: outside and inside items in a good condition.
- Accommodation capacity.
  - 16 rooms (24 rooms + exceptional cases).
  - 4 guests per room maximum.
- Size.
  - Area for guest use : 15 m<sup>2</sup> per person.
  - Lounge: 10 m<sup>2</sup> two people + 3 m<sup>2</sup> per additional person (including terraces, etc.).

Room Capacity	Minimum Area (m <sup>2</sup> )
Single	9
Double	12
Triple	15
Quadruple	18

- Sanitary facilities.
  - Minimum of 50% of rooms + 1 for every 4 guests, Minimum fittings, Ventilation.
- Basic fittings.
  - Single mattresses 90 cm x 180 cm; double 135 cm x 180 cm.
  - Bedding: bottom sheet, top sheet, pillowcase, blanket, bed cover, etc.
- Other facilities and fittings.
  - Temperature control system, Hot water: 45° minimum.

### **Standard: Hospitality and Guest Care**

- Hospitality and guest care.
  - General requirements, Receiving and orienting, Safety and environment information, Meals, Additional services, Satisfaction evaluation, Departure from the establishment.

### **Standard: Hospitality and Guest Care (examples)**

- General requirements.
  - Provide information on ; location, timetables and contact person.
  - Possibility of 24-hour service.
- Receiving and orienting.
  - Safety information (doctor, etc) and the environment (tourism information) in 2 languages.
  - Guest registration.
- Safety and environment information.
  - Have a telephone for guests in case they need one.
- Meals
  - Meet health regulations.

- Satisfaction evaluation.
  - Have the required customer complaints form.

### **Standard: Cleaning and Maintenance**

- Cleaning and maintenance.
  - General cleaning requirements, Cleaning the establishment, Replacing hygiene and comfort articles, Cleaning common areas, Cleaning and disinfecting common sanitary facilities, Laundry, Upkeep and maintenance processes, Heating and air conditioning systems, Emergency and fire protection systems, Kitchen and laundry facilities, Electrical installations, Outside facilities.

### **Standard: Cleaning and Maintenance (examples)**

- General cleaning requirements.
  - Space set aside for bedding and cleaning products (all identified).
- Replacement of hygiene and comfort articles.
  - Minimum:
    - Toilet roll in holder and a spare.
    - Soap.
    - Clothes or shoe brush.
    - Glass (one per bed).
- General maintenance requirements.
  - Comply with applicable regulations.

### **Standard: Safety and the Environment**

- Safety and the environment.
  - General safety requirements, Safety in the home, Safety of outside facilities, Insurance, General requirements for preservation of the environment, Facilities compatible with the surroundings, Environmental good practices.

### **Standard: Safety and the Environment (examples)**

- Safety in the home.
  - Minimum:
    - Fire extinguishers.
    - First aid box.
    - Childproof plugs.
    - All drugs and cleaning products identified and kept out of children's reach.
- Insurance
  - Minimum:
    - Civil liability (minimum 150.000 €).
    - Food liability (minimum 150.000 €).
    - Combined risk insurance.

### **Standard: Safety and the environment (examples)**

- Care and preservation of the environment.
  - Sensitivity to noise (guests should be warned before they book).
  - Observe current legislation on odors (guests should be warned before they book).
  - Garbage must be stored in a closed place which is out of sight.

### **Standard: Marketing**

- Marketing
  - General requirements, Information and disclosures, Rates, Bookings, Intermediary agents.

### **Standard: Marketing (examples)**

- Rates.
  - Describe the price of services according to use of the house (by person or by room, day, season, etc.).
- Bookings.
  - Have in place a documented management system for sales, bookings and confirmations.
  - If a deposit is required send confirmation to the guest upon booking:
    - Checking in and checking out date.
    - Number of nights.
    - Number of rooms and places booked.
    - Bathroom availability.
    - Total price.
    - Amount paid in advance.



# Rural Tourism Product Development: The Case of Hungary

Ms. Victoria Kovacs

*Counselor, Ministry of Transport and Economic Affairs of Hungary*

## Hungarian Tourism sector

- represents 10 % of the GDP, offers employment for 240.000 people, offers the single economic activity in many underdeveloped regions, generates significant foreign income, improves the trade balance, is priority in NDP.

Budapest

Economic, Political, Convention and Cultural Center.

World famous spas; Traditions from the Roman time; About 1300 thermal- water wells.

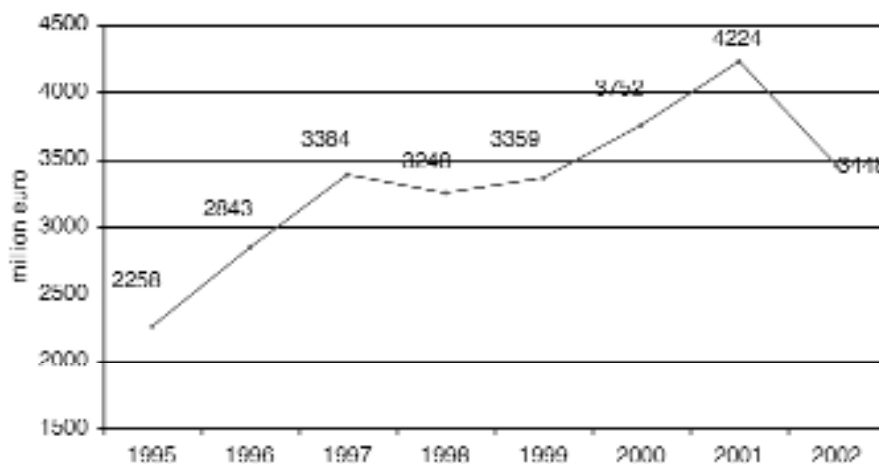
Gastronomy, wine and equestrian traditions.

Friendly people, hospitality.

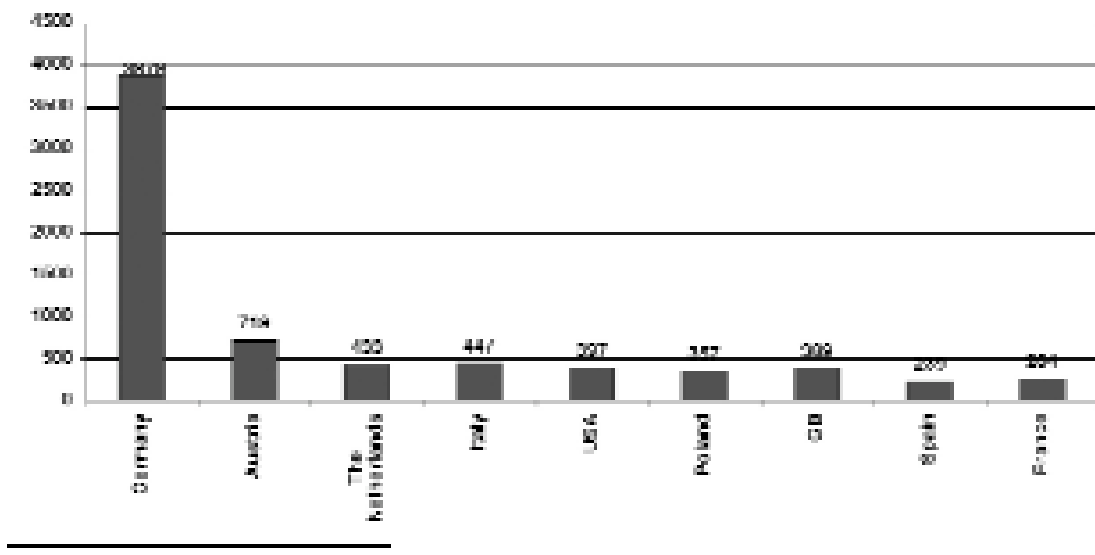
Open hearts, open minds, open doors.

Hungary is the 12th most popular tourism destination in the world.

## International tourism revenues



### Tourist oversights in public accommodation by countries



### Rural Tourism, accommodation at private houses

- Bed and breakfast in frequented areas 37,960 houses, 197,991 beds.
- Village tourism 6,929 houses, 38,489 beds.

### Legislative and Regulatory Environment

- Classification of commercial and paying guest places of accommodation and the rating of rural places of accommodation.
- Government Decree on the utilization of private accommodation in the tourism industry.
- Ministerial Decree on the regulation of Tourism Target Provision.

### Elimination of bottlenecks

- Tenders to develop products in accordance with tourism services, upgrading the quality of tourism product, using the uniqueness of the rural area.
- Holiday check - improving conditions for inbound tourism.

### Tenders 2003

Non-refundable financial assistance, Regional tenders - varied by regions,

National tender:

- upgrading the quality of rural accommodation
- organizing: "theme roads" - wine, arts and craft, agricultural products.
- wine cellars.

# Role of Associations in Rural Tourism Product Development and Promotion

Ms. Valeria Klitsunova  
*Chairman of the Board Agro and Ecotourism Society, Belarus*

## Opportunities for agrotourism development in Belarus

### Agrotourism potential in Belarus

Agrotourism potential in Belarus can be assessed using the three A model. Three As are important for development of tourism in any destination: attraction, access, and accommodation.

Belarus is a very attractive country for any kind of green tourism. Beauty and naturalness of nature, friendliness and thoughtfulness of people, landscape biological and cultural diversity make the country very attractive in this respect. Belarus has over 10,000 lakes, concentrated mainly in the Lake District (Poozerie, over 4,000 lakes) and Polesie (6,000), more than 20,000 rivers of various size. Forests cover about 38 percent of the country, part of which is an important phytotherapeutic resource. Belarus has over 140 edible mushroom species, including such popular species as blue-berry, cow-berry, cranberries. Fauna of Belarus has over 31,000 species which is an important resources for ecological and hunting tourism.

Especially protected areas of Belarus (reserves, national parks, zakazniks, nature monuments) present a special element in the natural area network. The overall share of protected areas in Belarus is about 6.8%.

Demographically Belarus is a moderately populated country with substantial rural population dominating and small number of large cities. Rural population comprises some 30.7% of the overall population of Belarus, which is similar to what is observed in other countries of Europe. In rural areas population density is 14.8 persons per sq. km.

Belarus is presently dominated by smallest dwellings (below 20 people): 27.9%, and small dwellings (20-50 people): 22.9%. Rural dwellings lose density, as well as decrease in number overall. It is exactly the small dwellings, self-standing farmer's plots and single-house households can make the basis for the future network of private tourist houses.

The road infrastructure is relatively well-developed, including air, railway and motorway transport, and should not be regarded as a major barrier to development of agrotourism. Detailed maps are also available to tourists.

One of the key barriers to development of sustainable tourism is lack of accommodation. Development of a network of rural private tourist houses would be a decisive factor resolving this issue and contributing to development of agrotourism.

### Assessment of demand

A rough assessment of demand in the agrotourism market reveals a large number of potential buyers. This is, first of all, urban population of Belarus (6.9 million people) and especially large city dwellers. According to public survey compiled by the UN Office in Belarus, about 82% of all Minsk dwellers would like to go on ecotouristic and agrotouristic trips.

As to the external demand, the State Borderguards Committee reported that in 2001 1,987,932 foreigners entered Belarus, of which 268,127 stated they were arriving for tourism purposes, another 926,503 came to Belarus on a private trip.

When these figures are analyzed in combination with WTO information that about 20% of the world tourism is performed for ecological purposes, than the potential overall demand side of the agrotourism market in Belarus looks promising.

### Analysis of opportunities for agroutourism development in Belarus

#### SWOT

Strengths	Weaknesses
Unspoiled nature. Interesting ethnography. Hospitable people. Favorable geographic location. Organic food. Developed transport network. Beautiful country scenery. Low prices.	Underdeveloped infrastructure. Consequences of the Chernobyl disaster. Inadequate legislation. Lack of language skills of the rural population. Inexperienced hosts.
Opportunities	Threats
Growing demand. State and public support. Low competition Opportunities to cooperate with neighboring countries.	Political and economic isolation. Declining living standards of the population. Inaccessible financial support. Adoption of inefficient legislation.

## Entities interested in the development of rural tourism in Belarus

However, success of agrotourism endeavors depends much on well-coordinated involvement of local people, local authorities, NGOs, tourism operators, and international organizations.

Each of the stakeholders listed above has its own irreplaceable role and function in the process. Local people are interested in development of this type of activities because this results in additional income both to the hosts, as well as to their neighbors (who can also sell their products, render additional services such as fishing, etc.). The fact that this interest is present on behalf of local people is evidenced by the multiple feedback to TV and newspaper articles on agrotourism.

Local authorities are expected to support development of agrotourism because this will mean additional inflow of money into the area, improvement of infrastructure, creation of new jobs. Local authorities can lobby for tax-free environment for agrotourism service-providers, obtaining additional support for this type of activities.

Central authorities are expected to be supportive of agrotourism development because this is the only type of tourism which does not need huge investment, but which at the same time improves the overall touristic image of the country. Additionally, support to agrotourism means support to rural people and agriculture in general.

Finally, commercial tourist operators are irreplaceable for selling and promotion of agro- and ecotourism products.

International organizations can provide technical and expert support to projects in this area. As of today, successful development of agrotourism in Belarus seems to be unrealistic.

Non-government organizations play a special role in development of agrotourism. These serve as “unifying centers”, help people understand and promote their rights, increase their qualification through training and education, promote the very idea of sustainable tourism.

## Role of the Association in the development of rural tourism

The Belarusian Rural & EcoTourism performs the function of the rural tourism association - a body that is typical for the European countries.

The Belarusian Rural & Ecotourism Association is a non-profit organization created in November 2002. Its staff comprises 250 people. These are mostly Belarusian countrymen who are willing to master a new profession and provide Bed & Breakfast services on their farms. These are people of different ages and professions: teachers, farmers, economists, old age pensioners. They wish to start their business, to earn a decent living for themselves and their families as well as to inspire life in their villages, which often get abandoned and ruined.

The main objective of The Belarusian Rural & Ecotourism Association is to support activities of entrepreneurs who wish to work in that business as well as assistance to the development of rural tourism in Belarus.

The Belarusian Rural & Eco Tourism is one of the few nonprofit associations that deal with the rural people and make efforts for urging their social and economical activity.

During the period under review, a lot was done for the development of rural tourism:

- We've united the people who are eager to engage in this business (they total over 200 people)
- An inventory of their resources and other assets they could offer the incoming travelers, has been also completed.
- We did an extensive work on making the public aware of the given activity: a series of newspaper publications, TV and radio broadcasts, a big press-conference supported by the IFC.
- The First Conference on Rural Tourism in Belarus was held.
- We arranged training workshops for members of the organization and nonprofit association of the same profile.
- We also arranged an advertising campaign among the population, and the first tourists used the services of hosts who had completed training.
- Involving lawyers' support, we have drafted and provide further support for the amendments to the Law on Tourism that would facilitate the development of rural tourism in Belarus
- We have established international cooperation with the rural tourism associations of Lithuania and Ukraine (groups of instructors and some hosts passed training in these countries).

In future it is projected to implement the following measures:

- Issuance of a series of hand-books on rural tourism
- An advertising booklet featuring pictures of houses and contact information of the hosts is under preparation.
- It is scheduled to take part in travel services fairs - so far in Belarus, then in the neighboring countries as well.

- tourism marketingIt is intended to carry out jointly with the governmental bodies a certification and categorization of rural houses.

Namely the Association could unite and extend the circle of people who are interested in rural tourism and support it, including those who provide services, as well as pressmen, the government, tourists themselves and the public. The activity of the Association allows minimizing weak sides and threats in respect of the rural tourism development, and create favorable conditions for its promotion in Belarus.



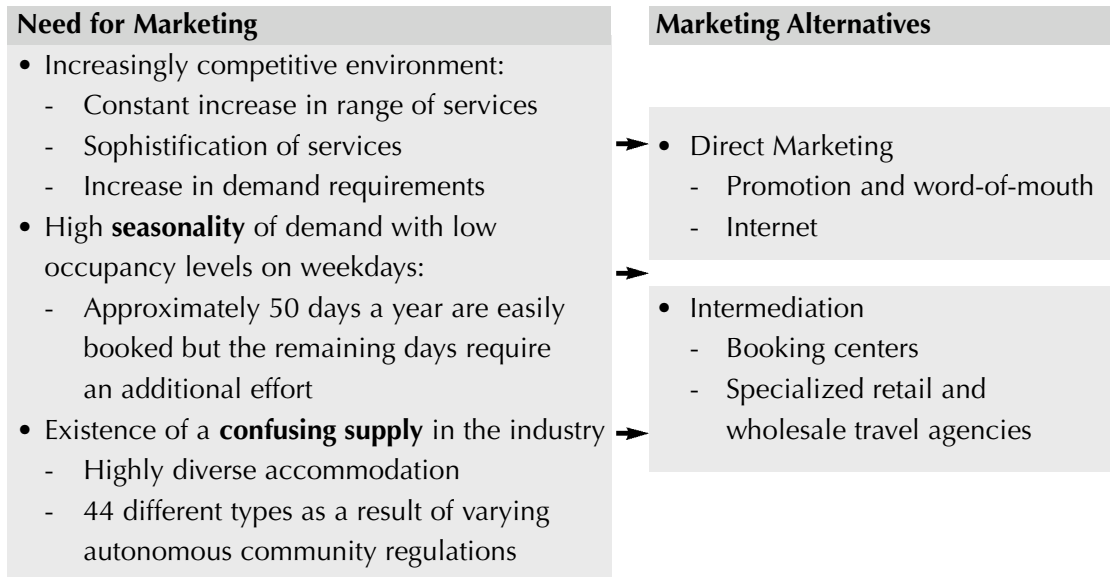


# Rural Tourism Marketing: European Experience and Guidelines

Ms. Elsa Marti

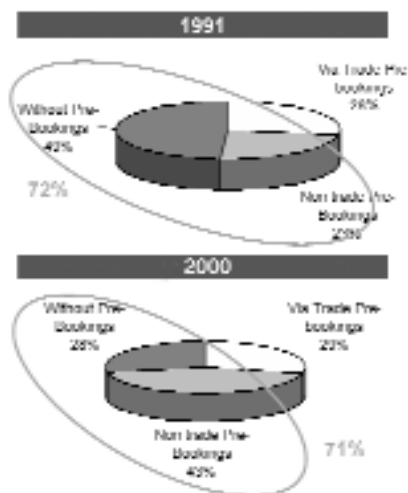
WTO Consultant, Deloitte & Touche - Spain

## Marketing



## Direct Marketing: Promotion and Word-of-Mouth

- This is the most commonly used marketing method, with or without pre-bookings:



### Advantages:

- Freedom**  
There are no commitments to third parties: dates, beds, prices, etc.
- Commission-free**  
Neither of the parties must pay any commission for the arrangement or management of the bookings.
- Practically zero cost of word-of-mouth**

### Disadvantages:

- Word-of-mouth **takes time** to become effective
- Recommendable** for renowned tourist **areas** requiring little advertising
- High cost** for the businessman of individually carrying out promotions that cover an extensive area

↓  
Importance of forming **ASSOCIATIONS**

## Direct Marketing: Internet

- Is a **direct contact tool** with certain limitations:
  - **There is no direct communication** between proprietor and client mistrust
- Despite having a **cost**, it is appreciably **lower** than that of traditional channels:
  - Cost of presence in **certain portals**
- Enables extensive dissemination
  - The **proliferation of portals** and search engines hinders the effectiveness of dissemination
  - It is difficult to find **operative pages**

### Keys to success

- Identify the correct clients
  - The client is not always the one that pays: associations
  - The client is not always the one that uses the service: corporate gifts
- Place website in a suitable location
  - Facilitate process for the client as far as possible
  - Provide a solution for every need
- Encourage communication
  - Seek channels enabling communication with the client
  - Maintain contact and encourage client loyalty
- Offer security and confidence
  - Furnish guarantees
  - Avoid incidents

### Intermediation

Booking Center	Sales Agencies
Contact between the establishment and the client is channeled through an <b>intermediary</b>	
<ul style="list-style-type: none"><li>• Association members are directly related to, and have control over, the booking center</li><li>• Any <b>income</b> is <b>reinvested</b> in promotional activities that benefit the associated <b>establishment</b></li></ul>	<ul style="list-style-type: none"><li>• The agency acts in its own name and for <b>its own account</b></li><li>• The agency's owners have <b>profit-making objectives</b></li><li>• The <b>owner of the establishment</b> is <b>exempt</b> from <b>liability</b> for the agency 's actions.</li></ul>

## Benefits of Intermediation

- Greater **professionalism** and **experience**
  - The intermediary **engages solely** in promotional activities: He is more familiar with markets and the way to gain access thereto.
- Use of **economies of scale** in promotion
  - Combines the common interests of several proprietors and, accordingly, **costs are distributed** among all of them
- Greater occupancy rates:
  - **More constant demand flows**
  - **Longer stays**
  - Influx **outside high season**
- **No need for advance payment of the investment** in promotion
  - The effort and expense is assumed by the intermediary
  - Payment is made subsequently as a commission on the demand obtained
- Possibility of **transferring** the **management** of **reserves** to the intermediary itself

## Disadvantages of Intermediation

- Payment of substantial **commissions** for intermediation:
  - **15-40%** of the price paid by the client
- **Loss** of part of the control over management of beds
- Reduction of **price flexibility**
- Normally **changes** in **rates** are **not** accepted during the year
- **Exclusivity** requirement of the intermediary
  - With respect to **other intermediaries**
  - With respect to the **owner** (in certain seasons)
- **Lack of knowledge** regarding the **product**

## Conclusions

	Direct Marketing	Intermediation
For	<ul style="list-style-type: none"> <li>✦ Avoids payment of commissions</li> <li>✦ Offers accurate information about the product</li> <li>✦ Guarantees desired levels of quality</li> <li>✦ Controls the business strategy to be applied</li> <li>✦ Direct relationship with the client</li> </ul>	<ul style="list-style-type: none"> <li>✦ Access to greater potential demand</li> <li>✦ Greater information distribution and sales capacity</li> </ul>
Against	<ul style="list-style-type: none"> <li>✦ Difficult to reach large sections of the market</li> <li>✦ Reduced capacity of access to a large group of potential clients</li> </ul>	<ul style="list-style-type: none"> <li>✦ Loss of control over product</li> <li>✦ Loss of control over quality of information receiver</li> </ul>

## Recommendations

- **Pay maximum attention** to all **details** in order to obtain **maximum effectiveness** of **word-of-mouth**
- **Devote** a significant portion of the **budget** to ensure a place at the **main booking centers** based on the type of client you wish to attract
- **Identify** and contact the **specialized intermediaries** with which you can best **identify** your establishment
- Create an **informative web page** and ensure it is suitably located. Rather than a sales channel, it should be a means of making ourselves known.

# The Eurasia Foundation Green Rural Tourism Development Program

Ms. Inna Filippova, *Program Coordinator, The Eurasia Foundation*  
Ms. Dzvenyslava Novakivska, *Outreach and Development Coordinator,*  
*The Eurasia Foundation*

Privately managed with support from the U.S. Agency for International Development and other donors, the Eurasia Foundation has made more than 7,000 grants in the 12 countries of the former Soviet Union since 1993. Its primary tool in pursuing these goals is a small grants program that responds quickly and flexibly to the needs of NIS organizations.

Having disbursed over \$140M in small grants in the former Soviet Union since 1993, we are the second largest private foundation in the region. Our staff is comprised of 250 experienced grant makers, grant managers and evaluators.

In addition to its grant programs, the Foundation also directly administers projects in areas where the Foundation's goals can be better achieved through more comprehensive efforts. Our team holds specialized and sophisticated resources usually available only within major foundations. We know how, through 10 years of experience, to design and administer grant competitions, to conduct due diligence, to monitor the progress of grantees, to evaluate the impact of the grant program, to provide timely reports to donor partners, and to publicize the grant program and its outcome.

**The Foundation's Kyiv Regional Office** is responsible for grant making programs in Ukraine, Moldova, and Belarus. The office began awarding grants in early 1994 and to date has offered direct support to several hundred organizations in the region.

By 2002 it had disbursed over \$14M in grants supporting market reform and democracy building, established branch offices in Moldova and Belarus, initiated a Small Business Loan Program and, together with others, developed and implemented a business initiative called the Economics Education and Research Consortium at Kyiv Mohyla Academy.

## **The Eurasia Foundation's programmatic focus includes:**

- **Private Enterprise Development:** improved business practices, increased access to capital for small businesses, reduced legal and regulatory barriers to business development.
- **Public Administration and Policy Reform:** improved performance of civil servants, improved fiscal management in local government, legislation and systems enabling effective local government.

- **Civil Society:** more effective, community-based civic organizations and media, increased sustainability of media and civic organizations, reduced obstacles to the development of civic organizations and media.

### **Green Rural Tourism Development Program**

In addition to its grantmaking activities, the Eurasia Foundation Western NIS Regional Office directly designs special projects that extend the reach of small grants and focus resources in targeted sectoral and geographical areas. Currently, we administer two special projects that address the core mandate goals of private enterprise development.

The Green Rural Tourism Development Program in Ukraine was launched in spring 2002. Ten grants with an overall budget of \$150,000 were awarded to non-governmental organizations operating in eight regions of Ukraine.

Rural areas need change as the old structures are not capable of providing jobs, and no new system has been created to ensure employment. RT, in its initial development stage, requires comparatively low investments and is a good opportunity to create jobs that do not demand high professional qualifications. It is a solution for part of the rural population that have lost their jobs or are forced to transfer from agricultural occupations (according to the CIA fact book, in 2002, 24% of the labour force in Ukraine is employed in agricultural sector, while in EU countries the median is around 6%).

The overall goal of Eurasia Foundation's tourism development program in Ukraine is to promote accelerated development of the sector. Principle objectives of the program include:

- Enhancing business practices through improvement of professional skills.
- Promoting legal and regulatory reforms affecting the industry.
- Strengthening NGOs and tourist associations.

The program combined training for diverse categories of individuals in the tourism industry, provision of information support and database development, improvement of current tourist products and routes and development of new products, etc.

The program's six-month pilot phase ended in September 2003 and during its final stage an independent expert from Latvia (Asnata Zimele) was invited to conduct an evaluation. The following programs outcomes were mentioned in the Evaluation Report as crucial:

- The program has shown rural Ukrainians that they can successfully operate businesses in isolated regions and solve numerous social problems in the towns and villages they live in. In accordance to draft outcomes of the projects supported in 2002 over 100 jobs were created in Kharkiv, Khmelnytska, Ivano Frankivsk, Odeska and Donetsk

oblasts. Most of those people started hosting tourists already in spring-summer season 2003.

- The first national RT fair was held near Kyiv, attracting 4000 visitors. For the first time RT product availability was promoted that up to then were not known as tourist destinations.
- Eurasia Foundation supported the first local fairs (for example “Rzyshchivsky winok” in Kyiv Oblast and “Besarabska Milyna” in Odesa Oblast). They were new, original examples of local tourism products that can attract tourists to distant regions. At the same time they are important for the social life of the local population – they motivate the community members to get organised and become actively involved, but they do not reach the target markets – the domestic clients in the big cities.
- Two promotional videos and one documentary were produced with the financial support from the Eurasia Foundation grant. They are broadcasted on the main and most popular TV channels and precisely reach the target audience. This is the primary media to form a positive image of RT based on national traditions and pleasant, idyllic rural life with typical activities (fishing, festivities, food, walking, hiking, etc.).
- Over 300 publications on green rural tourism products, programs and entities were published in local and national media.
- In 2003 the State Tourism Administration of Ukraine, jointly with the Eurasia Foundation, held six press tours during which representatives from Ukrainian mass media received the most complete information about problems and prospects of tourism development in regions, met top people in the travel industry in Ukraine and the regions and learned interesting facts concerning tourism and green rural tourism in particular.
- In 2003 two tourism information centers were opened in Lviv and Ivano-Frankivsk with EF grants. This experience became a basic example for developing a network of information centers in the Carpathian Region.
- While promoting green rural tourism as a tool for rural development and instrument for cross-border cooperation, EF Kyiv Regional Office in 2002-2003 conducted a series of study visits for representatives of Ukraine, Moldova and Belarus to Central and Western Europe.
- September 2003, Eurasia Foundation supported the World Tourism Organization seminar "Rural Tourism: Development and Implementation".
- Eurasia Foundation Regional Director Richard Shepard was presented an Award Certificate issued by the Cabinet of Ministers of Ukraine and signed by the Prime

Minister in recognition of the Foundation's successful implementation of the Rural Green Tourism Development Program and its essential contribution to the growth of Ukraine's tourism sector.

The Kyiv Regional Office, although not the first to promote and support rural economic development through eco, farm and heritage tourism, is a prominent, driving force and the leader in Ukraine in the sector. It is the only organization that has a working relationship with the State Tourist Administration of Ukraine and has developed programs with Poland, Moldova and Belarus to accelerate growth in the industry.



# Classifying and Certifying Rural Tourism Establishments and Activities

Ms. Asnate Ziemele  
*President of the Latvian Country Tourism Association*  
*Member of the Board of Eurogites*

## Latvian Country Tourism Association

LCTA "Lauku celotājs", founded in 1993, is a non-governmental, non-profit organization associating 250 members (~3800 bed places) – owners of rural tourism accommodations and attractions in Latvia. Association's membership: EUROGITÉS (European Federation of Farm and Village Tourism), ECEAT (European Centre for Eco Agro Tourism).

The Association targets its activities at:

- Rural tourism (RT) providers (maintain RT database, run the Quality scheme, inspect, grade and label properties, train and consult providers, organize provider assemblies, supply professional information in regular newsletters and [http://www.traveller.lv/prof2\\_en1.html](http://www.traveller.lv/prof2_en1.html));
- Customers (RT website [www.traveller.lv](http://www.traveller.lv) with search and reservation options, reservation office, catalogues, guides, maps);
- Public sector (co-operation with European RT community, implementation of EU (LIFE, PHARE, Leonardo da Vinci programmes) and national projects, lobbying RT on national level, etc.)

## Association's RT Products:

- Accommodation: B&B and self-catering.
- Group tours and touring routes for individual travellers.

## RT in Europe

Number of accommodation establishments	Average occupation rate	Average accommodation rates
EU countries	160,000	25% 10,- /30,- EUR
Candidate countries	25,000	per night per person
Other countries	5,000	
Total:	190,000	

(data source: EUROGITÉS)

## Classification, Grading and Labeling

More than 50% of the members of EUROGITÉS have grading schemes. Accommodations are classified by types (e.g., farm holidays or self-catering) and graded to ensure product and price transparency for clients. Classification and grading (C&G) schemes together with quality inspector consultations is a guideline for providers, starting or improving their establishment. RT organizations build their branding and marketing strategies relying on product definition (type, quality grade and Labeling, e.g., quality labels, eco-labels). Clear product definition is a precondition for successful selling in particular target audiences.

## Classification and Grading Systems in Europe

The systems differ in: criteria, symbols of grading levels, validation methods and organization of inspection work. International customers make up 10-60% of the clients, and 20-80% of total bed-nights, however, they cannot trust in the similarity of different systems in other countries. RT providers do not know what their foreign clients expect. Organizations have no possibility to benchmark their own systems to others.

## Common Understanding of RT Quality in Europe

The project "New approach to training for quality in European rural tourism" (2002-2004) is carried out with the support of the EU Leonardo da Vinci program invites to arrive at common understanding of rural tourism quality in Europe based on similarities (common criteria) in European rural tourism quality schemes and finding out expectations of international customers. The project will create a web-based tool for inspector training and provider self-evaluation and offer a neutral methodology for benchmarking the varied rural tourism quality systems in Europe. The tool will be accessible on the web and it will also serve as a reference for rural tourism organizations developing new quality systems.

# Support to Rural Tourism Development in Slovakia Provided by the Ministry of Economy

Ms. Eliska Romanova

*Counsellor-Specialist, Tourism Department, Ministry of Economy of the Slovak Republic*

## Support to rural tourism development in Slovakia provided by the Ministry of Economy

The current Slovak Government declared support to tourism to be one of its priorities in its manifesto of November 2002. The document further reads that the Slovak Government would focus its activities on shaping tourism as a sector capable of creating new jobs and foreign currency incomes.

The Slovak Government has identified tourism as an area of the economy with significant growth potential and committed in its political statement to *“prepare and implement a new concept for the development of tourism focusing on support for active tourism, in particular eco-tourism, spa and health tourism, agro-tourism and rural tourism, strongly relying on participation by territorial self-government”*.

Competence in the field of rural tourism on national/state level is divided between two supreme state administration bodies - the Ministry of Economy /MoE/ and the Ministry of Agriculture /MoA/.

The MoE elaborated The National Tourism Development Programme 2002 – 2005 which sets out the key strategic goals for the industry, defines the sectors with the best potential, and outlines the main actions required to realize this potential. According to the Programme and based on judging the supply side of the territory and its equipment and judging development tendencies in tourism demand, the following underlying tourism forms need to be developed:

- Summer recreation in mountains
- Winter mountain sports
- Urban and cultural tourism
- Spa and health tourism
- Rural tourism a agro-tourism

With respect to rural tourism in Slovakia, various national, regional and local professional associations in rural tourism play an important role. The Slovak Association of Rural Tourism and Agro-tourism acts on national level. The Association unites legal and physical persons which offer services in the field of rural tourism.

The Association issues annually jointly with the MoA a catalogue of rural and agro-tourism facilities in Slovakia. Most of the facilities have been awarded the “Quality Label” assuring quality of the services rendered. This voluntary initiative is a supportive marketing tool inevitable to ensure competitiveness in rural tourism. The Quality Label is represented by a certificate and a common logo which can be used by its holders in communication as well as for promotional purposes. Criteria for awarding the Quality Label are in harmony with the Regulation of the MoE regulating classification of accommodation facilities.

### **Conditions for rural development in Slovakia**

Slovakia has extremely favorable conditions for rural tourism development. Rural tourism is seen as an important force for regional development (in the mountain regions) which can create alternative employment. In rural tourism we also see many opportunities for development of small and medium-sized enterprises.

In Slovakia almost 80% of population live in the country, in rural regions and more than 50% of the whole territory is covered by mountains. As compared with its competitive countries, Slovakia has a more species diverse relatively preserved natural potential in a relatively small territory with the possibility for year-round utilization. It has unique and unrepeatably folk arts and partially still alive folklore.

### **Financial support to rural tourism development**

The MoE realizes the importance of rural tourism, including rural tourism, and its contribution to the economy. Due to state budget is limited, one of the most significant supportive instrument for tourism development in Slovakia are EU pre-accession funds.

The MoE (as an Accountable Body) along with the NADSME – National Agency for Development of Small and Medium Enterprises (as an Implementing Agency) has launched this month a new EU Phare 2002 Project – Tourism Development Grant Scheme financed under the Phare Economic and Social Cohesion action for the Slovak Republic. The Scheme is considering to be the continuation of successfully implemented in 2001-2002 EU Phare Pilot Tourism Development Grant Scheme. It is important that Slovakia and its People are well prepared if they are to benefit fully from European Union membership. The PTDGS was one of the many “small” but significant preparatory initiatives.

The Scheme consists of two Components, Component 1 is intended for support of small and medium enterprises and Component 2 is for support of non-profit making legal persons, such as non-governmental organizations, tourism associations, municipalities. Although the Scheme is not exclusively focus on rural tourism, eligible applicants for grant can also be SMEs or associations in the field of rural tourism, and rural tourism development activities are eligible and encouraged.

## Component 1

The overall objective is to stimulate the growth and the performance of tourism SMEs (including SMEs in rural tourism) and to increase the competitiveness of the tourism industry.

Grant support may be applied for under the following themes:

- Development of new accommodation facilities
- Upgrading and refurbishment of existing accommodation facilities
- Development of new or upgraded tourist services and facilities
- Development of products and activities for tourists
- Development of tourist attractions.

Overall amount available for this component: EUR 3,300,000

Minimum grant for a project: EUR 50,000

Maximum grant for a project: EUR 100,000

Maximum proportion of project costs to be covered by Community funding: 50%.

## Component 2

The overall objective is to support activities aimed at creating the strategic, policy, infrastructural and market conditions that are conducive to successful and effective SME investment in the tourism sector.

Grant support may be applied for under the following themes:

- Strategic Tourism Planning
- Marketing and Promotion
- Infrastructural investment
- Information/Awareness Raising/TICs.

Overall amount available for this component: EUR 2,200,000.

Minimum grant for a project: EUR 10,000.

Maximum grant for a project: EUR 50,000.

Maximum proportion of project costs to be covered by Community funding: 75%.



# Domestic and International Promotion of Rural Tourism in Ukraine

Mr. Viktor Bezverkhyy  
*Director General, National Tourism Organization of Ukraine*

## Summary Presentation

Rural green tourism is becoming popular in Ukraine, with rural home offering lodging in 25 Regions of the country.

However, we find it hard to give an exact number of such rural guesthouses as no legal act provides a definition of a rural tourism accommodation provider. We are there confounded whether to consider, as a rural green tourism accommodation, a private rural house without modern sanitary facilities on the seacoast, or a mini-hotel, thousands of which are scattered throughout Europe.

We are therefore facing various challenges regarding the promotion of Ukrainian green tourism in the domestic market.

## Lack of Information

There is a phenomenal growth in Ukraine of rural homes wishing to lodge tourists, but few consumers are aware of them. Even in the Carpathians, a popular destination, some rural homes stand empty during the high season. The reason is simple: lack of knowledge of operating in the tourism market. Tour companies do not identify and seek new accommodation means, while rural home owners do not know how to develop and promote their products and pricing policy. There is no website in Ukraine with comprehensive information on green tourism services, while printed catalogues and brochures only partially meet demand for information. Besides, there is scarcely any information in Russian, Polish and English languages, thus cutting off European clients from green tourism opportunities in Ukraine.

Rural guesthouse owners have no funds to promote their products, and consumers find them through word of mouth or purely by chance. Regrettably, no tour companies are involved in green tourism promotion.

## Green Tourism and Market Demand

This year (2003) many rural homeowners who authorized travel companies to sell their prod-

uct, i.e. lodging, complained about their performance as the distributors raised prices to unaffordable levels, often doubling or tripling the rates offered by the homeowners. Tourists who paid the final rates were left disillusioned with the services, as they felt that did not get their money's worth.

This causes a situation, when rural homeowners decline to collaborate with travel agents. On the other hand, the latter are not very much interested either as rural tourism service culture and standards leave much to be desired.

What are the solutions?

First, the State should encourage the interest of major tour companies in the rural tourism market. Second, regional workshops and seminars for rural homeowners and tour companies should be held, on rural tourism promotion. Third, organize fam trips for travel agents to learn more about rural tourism opportunities.

This year we have started a wide campaign in the media to promote on rural destinations. A video clip was shown on TV. A Ukrainian rural tourism website is in the pipeline. For the first time, jointly with the Eurasia Foundation we have held a press trip for reporters from Eastern and Central Ukraine, whose population is less aware of rural green tourism opportunities.

The next step should be the development of legislation encouraging and stimulating rural tourism in Ukraine. In this, we will towards collaboration with the World Tourism Organization and rural tourism associations in other countries.

Despite the various challenges and problems, rural tourism has excellent prospects in Ukraine.



# Quality Standards and Training Needs in Rural Tourism

Mr. Peter MacNulty

*WTO Consultant and Managing Director of Tourism Development International*

## Introduction – Key Industry Trends

This paper sets out an overview of the key requirements in establishing Quality Standards and Training Needs in Rural Tourism.

Tourists are becoming more discerning and are demanding an individually tailored approach to meet their needs. Increasingly, strict health and safety standards are being demanded.

The branding of hotels are growing in importance and generate marketing benefits for branded establishments. When combined with quality assurance schemes, branded accommodation products can play a key role in both reassuring and attracting potential visitors to an area.

Human resources and training has become increasingly important as the emphasis shifts from the physical elements of a hotel or guesthouse stay to the experience itself, which is greatly influenced by interaction with staff.

## Strategy to Ensure Quality Standards

To deliver quality, it is essential for tourism product providers to satisfy, and preferably exceed the expectations of their customers. A full appreciation of customer expectations can only be gleaned by undertaking market research with visitors and examining 'best practice' elsewhere. We refer to this as 'benchmarking' (See Section 4 – Benchmarking).

There are three primary strands in a strategy designed to ensure quality standards in tourism. These are:

- The adoption of a sustainable approach to tourism development
- The development of outstanding indigenous tourism products and supporting infrastructure.
- The availability of a pool of well trained people

## Components of Quality Tourism

The primary components of a quality tourism are:

- The environment, Accommodation, Tourist Attractions, Special Interest Activities, Infrastructure and Services

### The environment

The environment, along with a country's heritage and culture, represents the bedrock of the tourism offer. A sustainable approach to tourism requires that the landscape and nature be protected, and that measures be put in place for the conservation of heritage properties and archaeology. Ongoing managing of the environment, including the monitoring of the impact of other economic sectors (ie. Mining, forestry) is also needed.

### Accommodation

Tourism destinations need to be able to offer customers a broad range of accommodation facilities. Types of accommodation could include traditional hotels, farmhouses, country homes, self-catering, activity holiday accommodation, hunting lodges, health/spa accommodation.

Minimum standards are required. Quality classification and registration schemes are necessary to inform visitors of the range and quality of accommodation on offer.

### Tourist Attractions

The measure of 'quality' in the tourist attractions sector is the extent to which these attractions are based on the heritage of the district, region or country. Heritage can incorporate the natural heritage, built or 'man made' heritage or cultural heritage.

To satisfy customer expectations, tourist attraction priorities must be fulfilled in the areas of conservation, information, participation, and presentation.

### Special Interest Activities

The requirement for quality also extends to special interest activities. Rural locations offer potential for holidays based on **outdoor activities** (ie. angling, cycling, walking, equestrian, hunting, golf, nature study, water-based activities) and **personal interest** (ie. health and fitness, shopping, study, religion, culture, heritage and hobbies).

## Infrastructure and Services

Investment in supporting infrastructure and services is also required to underpin a quality holiday experience. Without good access to and within a tourism destination, clear signposting, car hire facilities and public transport, the quality of the visitor experience is in danger of being undermined.

Tourists also require services during their holiday. Most important in this regard are good, clean dining facilities offering traditional food and traditional entertainment.

## Benchmarking

Quality standards are required throughout all sectors of the tourism industry if customer needs are to be satisfied in an increasingly competitive environment.

Benchmarking represents the means by which tourism destinations can best establish and maintain quality standards.

*“ Benchmarking involves identifying best practices, implementing and communicating those practices throughout to improve quality, competitive performance and preserve core competencies”.*

*US Multinational*

Benchmarking quality standards involves:

- Examination of Best Practice elsewhere
- Undertaking market research with customers

A review of benchmarking exercises across a range of sectors including tourism reveals that the key to best practice involves a focus on 4 areas; human resource management, operations, management approach and the sales and marketing approach.

The key to effective market research designed to measure customer opinions involves the measurement of customer satisfaction across a range of criteria. At the most basic level, it is important to establish the level of customer satisfaction in relation to accommodation quality, accommodation price, food quality, customer care/service, visitor information, activities, visitor attractions, the environment and overall **value for money**.

The table below is an extract from a survey of visitors to rural West of Ireland.

Aspect of Holiday	Very Good%	Good%	Fair%	Poor/Very Poor%
Accommodation Quality	78	20	2	-
Accommodation Price	60	33	7	-
Food	70	21	6	3
Rural Tourism Experience	79	17	4	-
Customer Service	71	21	6	2
Visitor Information	64	26	9	1
Activities	1	87	11	1
Evening Entertainment	-	88	6	6
Signposting	-	59	24	7
Environment	-	88	8	4
Roads	-	75	10	15
Public Transport	-	51	24	25

## Education for Tourism

The human resource dimension is critical to the establishment of a successful and quality tourism destination. The process of imparting knowledge about tourism and how it works ideally needs to start at an early stage in the individuals development.

In this regard, secondary schools can play an important role in including tourism related topics in the school curriculum and enhancing foreign language skills, which are an essential ingredient of quality customer service.

Universities and third level institutions can deepen the pool of expertise and knowledge through the provision of a range of undergraduate and postgraduate tourism courses.

These are most effective where the educational establishment has strong links to the tourism industry.

## Training for Tourism

Key objectives for training for tourism are:

- To achieve high standards and operational practices throughout the industry through a professionally trained workforce.
- To assist in the provision of a higher quality product.

The priority areas that should be addressed under a tourism training programme are:

- Training the trainers, New enterprises / business start ups, Community tourism, Quality assurance schemes / classification, Customer care / hospitality programmes, New technology / internet, Language skills, Health and safety, Marketing.

\* \* \*

## Contents

- Key industry trends, What do visitors want, Strategy to ensure quality standards, Tourism product and infrastructure, Human resources in tourism, Benchmarking, Education for tourism, Training for tourism.

## Key Industry Trends

- Customers becoming more discerning and demanding an individually tailored approach.
- Facilities, services and rooms becoming more tailored to individual needs.
- The increasingly strict health and safety standards being demanded.
- Marketing and distribution are greatly affected by e Commerce which is changing the way business is done.
- Branding of hotels growing due to the marketing benefits.
- Human resources and training becoming increasingly important as the emphasis shifts from the physical elements of a hotel stay to the experience itself, which is greatly influenced by interaction with staff.

## What do Visitors Want ?

- To travel safely, To sleep comfortably at a reasonable price, Clean bathrooms, To enjoy home produced food, To experience the history / culture, To participate in activities, To enjoy traditional music / entertainment, To purchase indigenous crafts / gifts of the country.

## Strategy to Ensure Quality Standards

- Sustainable approach to tourism development, Outstanding tourism products and supporting infrastructure, Human Resources.

## Components of the Product

- The environment, Accommodation, Tourist attractions, Special interest activities, Infrastructure and services.

## The Environment

- Sustainable tourism and the community.
- Sustainable tourism and the physical environment.
- Projection of landscape and nature.
- Conservation of heritage properties and archaeology.
- Tourism and other economic sectors (ie. mining, forestry etc).
- Managing the environment.

## Accommodation

- Range and quality of facilities.
- Registration, grading and branding: Minimum standards, customer reassurance
- Farmhouses and country homes.
- Self –catering.
- Special interest accommodation: Activity holidays, health / spa tourism
- Development of derelict buildings: Mills, farm buildings

## Tourist Attractions

- Tourist attractions should be firmly base on the heritage of a country
  - Natural heritage, Built/ Man-made heritage, Cultural heritage
- Tourist attractions priorities
  - Conservation, Information, Participation, Presentation

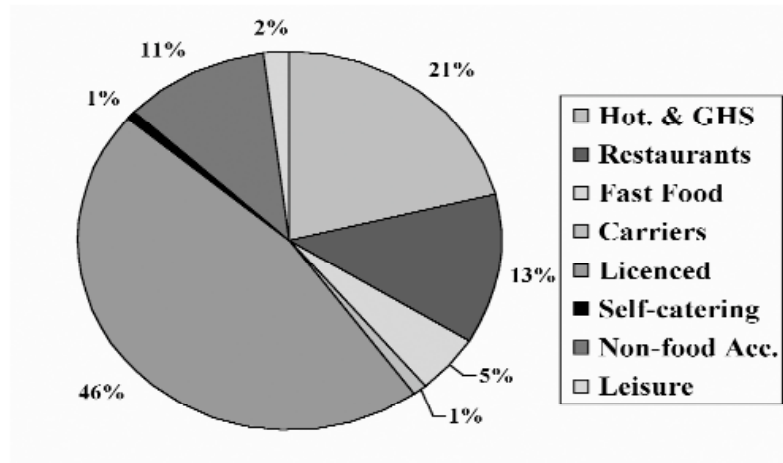
## Special Interest Activities

- Outdoor Activities
  - Angling, River / lake / canal cruising, Cycling, Walking, Equestrian, Hunting, Golf, Nature Study, Sailing / Water-based activities
- Personal Interest
  - Health and Fitness, Shopping, Study, Religion, Culture, Heritage, Hobbies

## Infraestructure and Services

- Access Transport
- Internal Transport
  - Public transport, Car Hire / Coaches, Roads, Signposting
- Tourist Services
  - Dining, Entertainment
- Urban and rural amenities
- Environmental services

## Employment in Tourism



## Benchmarking Quality Standards

- Best practice elsewhere
- Market research with customers / tourists

## Defining Benchmarking

*“ Benchmarking involves identifying best practices, implementing and communicating those practices throughout to improve quality, competitive performance and preserve core competencies”.*

*US Multinational*

## Key to Best Practice

- Human resource management
- Operations
- Management approach
- Sales and marketing approach

## Benchmarking Market Research

Extract from Survey of Visitors to Rural West of Ireland

### Particular Likes and Dislikes

Likes	%	Dislikes	%
Beauty of landscape/scenery	50	Climate/poor weather	28
Friendly people	46	Poor road conditions	18
Peace and quiet	18	Too much litter	6
Atmosphere/pubs	14	Poor food/restaurants	4
Restaurants/food	13	Few public telephones	4
Folk music/culture	8	Expensive	3
B&Bs/accommodation	7	Roads not suitable for tour buses	3
Beaches/coastline	6	Staff/poor customer care	2
Monuments/historic sites	5		

### Rating of Aspects of Holidays

Aspect of Holiday	Very Good %	Good %	Fair %	Poor/Very Poor %
Accommodation Quality	78	20	2	-
Accommodation Price	60	33	7	-
Food	70	21	6	3
Rural Tourism Experience	79	17	4	-
Customer Service	71	21	6	2
Visitor Information	64	26	9	1
Activities	1	87	11	1
Evening Entertainment	-	88	6	6
Signposting	-	59	24	7
Environment	-	88	8	4
Roads	-	75	10	15
Public Transport	-	51	24	25



## Suggested Measures to Enhance Quality

- Products Improvements: improve food standard, greater variety of food / traditional fare, more evening / traditional entertainment, activities for children, cheaper accommodation, improve accommodation standards
- Environmental Improvements: Address problem of litter
- Infrastructural Improvements: Sign posting / road signs, improve road conditions, improve public transport

## Education for Tourism

- Second Level (School): Tourism related topics, Language skills
- Third Level (University): Tourism courses / modules, Postgraduate / specialist qualifications, Active tourism industry links

## Training for Tourism - Objectives

- To achieve high standards and operational practices throughout the industry through a professionally trained workforce.
- To assist in the provision of a higher quality product.

## Training for Tourism - Priority Areas

- Training the trainers
- New enterprises / business start ups
- Community tourism
- Quality assurance schemes / classification
- Customer care / hospitality programmes
- New technology / internet
- Language skills, Health and safety, Marketing



Delivered by WTOelibrary to  
Test September\_2005 (cid 76015206)  
Thu, 29 Sep 2005 05:12:06

## **Conclusions**



# Conclusions

Mr. Peter MacNulty  
WTO Consultant and Managing Director of TDI

*" Rural tourism is engaged in by tourists seeking rural peace; it is away from the mainstream, away from areas of intensive tourism activity. It is engaged in by visitors who wish to interact with the rural environment and the host community, in a meaningful and authentic way".*

## Introduction

This report presents the conclusions which have arisen from a series of seminars on rural tourism.

The origins of rural tourism can be traced to the rapid industrialization and urbanization of Western societies in the 19th century. Improvements in transport, increased wealth and free time have enabled visits by urban dwellers to the countryside.

Many rural areas have suffered as a result of a decline in traditional economic activities (ie. agriculture). Rural tourism can be an important force for revitalization of rural areas.

The seminars were organized by the World Tourism Organization (WTO). Delegates at the seminar comprised individuals from Eastern Europe and the former C.I.S. countries.

The seminars in question were held in:

Belgrade, Serbia and Montenegro	24 - 25 June 2002
Kielce, Poland	6 - 7 June 2003
Yeremcha, Ukraine	25 - 26 September 2003

The overall objective of the seminars was to provide delegates with an insight into best practice in the Organization, development and marketing of rural tourism. In this regard, the seminars featured examples of rural tourism from developed economies in Western Europe, and also from developing countries in central and Eastern Europe.

## 1. International Tourism Trends

Tourism is now the world's largest industry. In the 50 year period from 1950 to 2000, the number of international tourist arrivals grew from 25 million to 696 million.

From 2001, there was a market change in trend in international tourist arrivals as a result of the global economic downturn in major tourist generating markets. The terrorist attacks in September of that year and the general uncertainty which followed has had an impact on international tourism trends.

The key shifts in pattern of demand can be summarized as follows:

- Changes in the pattern of demand rather than decrease in volume of visitors.
- Evidence of increased price sensitivity and 'trading down' resulting in pressure on international receipts.
- Late bookings and more D.I.Y. ("Do it Yourself") travel. Both factors have been facilitated by:
  - Expansion of internet usage, Growth in 'low fares' carriers
- Travel over land instead of by plane.
- Usage of accommodation other than hotels (ie apartments, country houses etc).
- In Europe, the performance of the German economy, the introduction of the Euro, and late bookings have each contributed to uncertainty in international tourism. Domestic tourism has, however, performed well.

#### **Conclusion 1 - Tourism Trends**

In the short term, concerns for safety and security, and the economic performance in key generating markets are likely to ensure that tourism does not perform to its full potential.

International tourists are becoming more mature and discriminating. In an increasingly competitive environment, international tourism are likely to place an increasing emphasis on quality and value for money.

## **2. Goals and Objectives**

There was a consensus from the seminars that key objectives in developing rural tourism are as follows:

- **Economics;** Rural Tourism offers an opportunity for income generation and job creation. It is therefore an activity that can help deliver additional economic activity in addition to replacing traditional rural economic activities now in decline (ie. agriculture), and in so doing, arrest rural depopulation.
- **Protection of the Environment;** The environment is of central importance to rural tourism. Appropriate legislation, a balanced approach to planning, and the adoption of best practice approach to running rural tourism enterprises, are essential in order to ensure that the environment is protected.
- **Legal Framework;** The establishment of appropriate legislation and laws are a necessary pre-requisite to successful rural tourism. The support and involvement of a number of government departments is necessary.
- **Quality of life;** The flow of visitors into rural areas can help maintain the viability of existing services (ie. shops etc), thereby contributing to the overall quality of life of the host population.
- **Preservation of Culture and Traditions;** Because of the importance of culture and local traditions to visitors, rural tourism can play a significant role in ensuring their long term preservation.
- **Transition to the Market Economy;** Because tourism is an economic activity, it can play an important role in facilitating the transition of former centrally planned economies, to market economies.

#### Conclusion 2 - Objectives

Rural tourism offers an opportunity to deliver economic activity in areas where traditional industries are in decline. In so doing, it can play an important role in facilitating the transition of former centrally planned economies to market economies.

### 3. Economic Justification for the Development of Rural Tourism

Key economic factors identified are as follows:

- The importance of tourism in a free-market economy

Tourism has an important role to play in the economic development of free market economies. Tourism is a generator of foreign exchange earnings and makes a direct contribution to the balance of payments. Tourism can create and sustain jobs in the

economy through direct employment and indirect employment resulting from visitor expenditure in the economy. The multiplier effect in tourism is more significant than is the case with other industries.

- Lessons learned
  - The importance of critical mass of facilities for commercial viability
  - The need for investment in infrastructure, tourism facilities, training and marketing
  - The need to avail of E.U. funding to support local investment
  - The need to integrate rural tourism development strategies with other Government/regional plans
  - The need to adopt a market led approach with focus on quality and partnership.

The following conclusions can be drawn from the case studies presented:

### Conclusion 3 - Economic Justification

With tourists attracted to unspoilt areas, tourism is an effective means of generating employment in rural/disadvantaged areas. Governments, both central and local, have a key role in creating the right environment for tourism to flourish through investment in infrastructure and tourism facilities.

## 4. Principles for Sustainable Rural Tourism

The following benefits, costs and principles for the development of rural tourism were articulated:

- Tangible benefits

Rural tourism can deliver additional sources of income to rural communities. Social benefits include the maintenance and support of local services (public transport and health care). Other social benefits include increased social contact in more isolated communities, and opportunities for cultural exchange with visitors. Rural tourism depends on an attractive environment, which supports the preservation and improvement of scenic areas, parks, gardens, monasteries and historic buildings.

- Costs

Rural tourism increases the demand for public services, such as refuse collection and medical services. Increases in the price of land, property, goods and services may also occur. Overcrowding and congestion, a social cost, can impinge on day to day life of local residents.



Environmental costs can result from damage to natural and man made environments through increased usage of fragile assets. High levels of pollution can result from litter, rubbish and traffic congestion.

- Steps in insuring sustainable rural tourism development

For tourism to thrive in a rural setting a balance needs to be achieved between the needs of the host community, tourists, and care of the environment.

- Guiding principles for a sustainable approach

A set of guiding principles was outlined for a sustainable approach.

Environment needs respect, protection, carrying capacity measurement and control, preservation of flora and fauna.

Social diversity must be respected, the scale, pace and type of development must be appropriate to the needs of the local community. Heritage and cultural features that are unique to the area must be promoted and protected. Economic benefits will flow by retaining employment in the countryside, encouraging economic diversity, promoting usage and sale of locally made products.

- Satisfying the tourist

Basic customer needs must be met:

- Comfortable beds at a reasonable price, Clean bathrooms, Local food, simple, well prepared, Scenery, sights, nature, History and culture of the area, Activity pursuits, Shopping for crafts / souvenirs, Music / dance, Safe travel, Smiling and friendly attitude

#### **Conclusion 4 - Principles**

Rural tourism can deliver tangible benefits to communities. Left unchecked, inappropriate forms of tourism can have adverse impact on destinations. Guiding principles, in terms of environment, social diversity, heritage and culture, are required to ensure a sustainable approach to tourism development.

## 5. Strategic Planning for Rural Tourism

The following strategic planning approaches were articulated.

- Understanding the market and customer needs

To position the product it is important to establish a clear competitive position. The product must be authentic, distinctive and comprise differentiating elements. In identifying target markets and market segments, there is a need to prioritize their importance, take advantage of near markets, appreciate the value of international tourists and determine a niche market potential.

Research must provide a knowledge of customer and market needs, by understanding visitor motivations and expectations. Regular monitoring of visitor satisfaction and experience of the various products will indicate strengths and weaknesses, and allow for corrective action and re-positioning, if necessary.

- Planning of tourism resources

Product planning has to conform to a clear vision of the product being offered, and a rural tourism destination must be perceived as an entity in itself. Economies of scale dictate against a proliferation of products, rather than a concentration on a few products of good quality, which include visitor attractions / museums / cultural centres and visitor information / orientation centres.

- Quality of the product

Providing quality means satisfying and exceeding the customer's expectations. International clients are used to quality schemes, require minimum standards, have expectations about rural tourism. Planning for quality requires classification, grading and control through regular inspection in order that tourism products meet minimum European standards. Eurogites (European Federation of Farm and Village Tourism) set a good example in quality planning at rural level.

### Conclusion 5 - Strategic Planning

Strategic planning is an essential pre-requisite to sustainable rural tourism. A market led approach is necessary in order to identify target markets/market segments and establish a clear competitive position in the marketplace.

## 6. Rural Tourism Product Development

The following steps are necessary to capitalize on the full potential of rural tourism, and deliver sustainable rural products:

- Market Research

It is essential that tourism product development should be 'market-led' rather than 'product-driven'. This involves identifying markets (ie customers) and equally importantly, the motivations and preferences of these markets. With this information, and having regard to the resources available, rural tourism products can be developed accordingly.

- Market Segmentation

There will be a need to segment the market. This involves identifying different categories of potential visitors in the main source markets (eg. families, greys [ie. people aged 60+], youth market [ie. under 30], activity holidaymakers, special interest holidaymakers). Each of these categories of visitor are likely to have different motivations and preferences. Therefore, different types of rural tourism products and experiences will be required to cater for each of these segments.

- Quality

Above all else, rural tourism products will need to be developed to the highest standard in order to cater for the needs of customers and encourage repeat custom which is essential in sustaining long term viability. Branding or labelling, can be used as a guarantee of quality.

- Authenticity and Distinctiveness

Houses used for rural tourism should be authentic. In both Spain and Hungary, accommodation establishments are at least 50 years old.

- Product Linkages

It is very important to link accommodation with activities to provide customers with a memorable rural tourism experience. Apart from friendly, personal treatment from the host, and comfortable accommodation, the rural holiday needs to include access to natural resources (ie. forests, rivers, lakes etc), access to historic attractions, good food and local wines, and traditional entertainment.

- Shopping

Shopping is an important tourism activity. Local products (ie. wine, food items, crafts, knitwear) can be sold to visitors and can help reinforce the distinctiveness of an area while also generating additional income.

- Classification / Grading Systems

Visitors want to have some indication or guarantee of minimum standards prior to booking their accommodation. Classification/grading schemes are an essential ingredient in ensuring that a consistently quality of product is available, in different price categories.

### **Conclusion 6 - Product Development**

Authentic and distinctive products and 'experiences' of high quality are critical factors in the establishment of an appealing rural tourism destinations.

## **7. Promotion and Marketing**

There are a number of different ways in which rural tourism destinations can market themselves. There was a consensus that the following elements should be included in the marketing mix:-

- Branding

By developing a brand name or 'identity' rural tourism destinations can help position themselves in an increasingly competitive market. Branding can also offer reassurance to potential customers.

A branding approach can be used to underpin mainstream marketing activity, but should also be carried on visitor information, signage and retail items.

- Tour Operators

Tour Operators can be used to promote accommodation in rural locations. For new entrants, they offer the advantage of knowing the tourism market place, and can therefore represent a 'one-stop-shop' approach to marketing.

- Direct Marketing – The Internet

An increasing number of rural tourism destinations are adopting a direct approach to the marketing of their products.

In this regard, the internet was identified as an ideal tool with which to promote rural tourism products.

- Co-operative Marketing

Given the high costs of marketing, combined with the need to offer the customer a full range of accommodation with activities, a co-operative approach to marketing was recommended for rural tourism. This type of co-operative marketing activity could be led by the local rural tourism Organization on behalf of its' members.

- Cross- Border Initiatives

Rural tourism locations adjacent to frontiers are well positioned to become involved in cross-border initiatives. Such initiatives could be based on mutual co-operation, training or marketing.

From the consumer perspective, a rural tourism offer that combines a holiday in two different countries has significant appeal.

#### **Conclusion 7 - Marketing**

A mix of marketing approaches is recommended, as opposed to reliance on a single activity. Co-operative marketing can deliver benefits in terms of economies of scale and in also offering the consumer a wider variety of rural products/facilities.

## **8. Organization of Rural Tourism**

The following factors were identified as important in the Organization of rural tourism.

- The establishment of a co-ordinated approach at National, Regional and local level is critical to the success of rural tourism.
- It is preferable that policy, strategy and legislation relating to Rural Tourism be devised by a single government department at national/regional level.

- The support and involvement of other government departments, local associations and co-operatives is also very important.
- At national/regional level, Rural Tourism Organizations have responsibility for the following activities:
  - Promotion/marketing
  - Customer research/visitor surveys
  - Training (how to start a business, customer care/marketing)
  - Accreditation/Quality control schemes
  - Co-ordination of funding/grant aid programme (ie SAPARD etc) to tourism product providers.
  - Product Development (ie heritage trails, craft development etc)
  - Tourist information (ie Visitor maps)
  - Promotion of inter-regional co-operation and linkages between stakeholders).
  - Organization of study tours for tourism product providers/enterprises.
  - Liaison with regional/local governments (ie. signposting, roads etc)
  - Ongoing business supports to enterprises.

#### Conclusion 8 - Organization

Effective Organization of rural tourism is essential in establishing a successful rural tourism industry. Operating at regional/national level, rural tourism Organizations should comprise representation from community Organizations, accommodation providers, other tourism providers, local and regional municipalities.

## 9. Training and Education

There was a consensus that training and education are essential to rural tourism, particularly at the critical start-up phase.

Training and education are required at a number of levels as follows:-

- Training the Trainers

Training is necessary for individuals involved in leadership positions at a local level (ie. administration, product development, marketing). With the appropriate knowledge and skills, these individuals in turn are well positioned to train other individuals at an operational level.

- Training for Rural Tourism Product Providers

Rural tourism product providers, or operators, require training and education in a range of subjects as follows:-

- Customer Care, Language Skills, Product Standards, Understanding of partners needs, Product Knowledge, Basic marketing, Internet

- Training for officials

Many officials working at government or municipality level are unaware of the potential benefits of tourism. Training and educational programmes are also necessary for this key group.

### Conclusion 9 - Training and Education

Training, education and investment in human resources is critical in establishing a 'tourism ethos' and, in particular, an understanding of customer needs.

## 10. Investment - Funding Rural Tourism

While rural tourism is largely an activity for the private sector, and for small scale enterprises in particular, investment in the industry is required at a number of levels in order to help 'kick-start' tourism and ensure the delivery of a quality, enjoyable experience for visitors. Apart from financial investments, rural tourism also requires significant human resource investment in the form of time and energy.

The key players, in terms of investment and funding, are as follows:-

- Private Sector

Private individuals must be willing to take some risk in order to become involved in tourism, as it is the private sector who stand to benefit most.

- Government Supports

The private sector are unlikely to invest in rural tourism unless a range of government supports are available:

- Technical assistance, Development of the infrastructure (ie. roads, signposting, visitor information), Development of flagship tourism projects in strategic locations,

Provision of start-up grants or home-improvement grants or credits, Tax incentive programmes (ie. lower rates of taxation in undeveloped areas to attract developers).

- International Agencies

International agencies, including the E.U., U.N.D.P. can assist in the development of rural tourism in the range of supports, both technical and financial, which they can offer to governments and regional administrations.

The E.U. has adopted measures which respond to the needs of rural tourism entrepreneurs in the areas of information, training, investment, grading, marketing, integration in the tourist activities of the area. The stages of creating facilities, organizing facilities, and integration should form part of an integrated policy.

The instruments for supporting the development of tourism are:

- ERDF (European Regional Development Fund) to assist infrastructure development, promotional activities, and training
- ESF to promote training
- EAGGF to promote agricultural adjustment and diversification

A typical case quoted, indicated an average investment per project € 73,000. Projects must be sustainable and contribute to increasing the attractiveness and economic development of a region.

Two other programmes, IROP and SOP are currently under consideration. The objectives of these programmes are:

- IROP (Priority 1, Measure 4) – Preservation and Reconstruction of Cultural Heritage.
- SOP Human Resources / Restructuring and Modernization of the Food Sector and Rural Development.

### **Conclusion 10 - Funding Rural Tourism**

Funding, in the form of grant aid, tax incentives and bank loan assistance are needed in rural communities to actively develop rural tourism enterprises and, in so doing, establish rural tourism destinations.