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## DESTINATION MANAGEMENT PLAN



of thematic destination

**Demir Hisar (NMK) and Klos (AI)**

*\*the DMP is developed in the frame of IPA CBC funded project under EuropeAid/161486/DD/ACT/MK*

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## List of abbreviations

DMP – Destination Management Plan

DH – Demir Hisar

DH - Klos – Demir Hisar Klos

MK – North Macedonia

AL – Albania

APG – Art Point - Gumno

FLAG – Foundation of local autonomy and governance

CB – cross-border

CBC – cross-border cooperation

## Executive Summary

Demir Hisar in North Macedonia and Klos in Albania form a single thematic destination – adventure tourism destination. As per the definition by ATTA the adventure travel includes at least two of the following three elements: physical activity, natural environment, and cultural immersion. Following the above, even not sharing a physical border, both municipalities share similarities in vast untouched natural environment, rich cultural and historical heritage and local experiences of physical activities. Five elements of a destination: Access, Accommodation, Attractions, Activities, and Amenities comprise a set consistent onto the territory of both Demir and Klos, thus forming the DH-Klos single thematic destination across the borders of North Macedonia and Albania.

DH – Klos destination is still at the phase of early development. There is great awareness among the public and private stakeholders about the potentials for rural tourism development motivated by the possibility for income diversification, especially in the untouched villages. Vast green nature and extraordinary natural assets are the main factor of attraction to the destination followed by rich cultural legacy, even though an organized presentation of it needs still to be developed in a form ready for tourists. Local experiences offered by the locals are motivating visitor to the destination; however, the mobile and young population are keen to take upon a tourism activity thus enabling the destination carrying capacity to increase significantly. Available accommodation is of varying style yet the rural accommodation and rustic feel is predominant. Highway Arber, expected to be completed by 2021, is of extreme importance for the DH-Klos destination development as it reduces greatly the time for travel and increases the quality of travel from the capital of Tirana through Klos to the crossing point Blate on the border with North Macedonia enabling direct access to Demir Hisar via Mavrovo.

Main portion of the visitors are drawn to the untouched nature, healthy and tasteful homemade food, welcoming hosts and simple outdoor pleasures like hiking and biking. Further investments foresee extending this service portfolio with off-road, horseback riding, fishing, e-biking, culinary classes, mushroom picking and processing, innovative local experiences such as making “zimnica”, staying with locals, internet detox trips etc.

The extensive analysis in the frame of the DMP development resulted in practical suggestions for the common challenges, one of them being a pre-requisite to the rest: forming a wide cross-border public-private partnership as a Destination Management Organisation aimed to 1. implement the DMP; 2. Secure sustainability of current results in the destination DH-Klos development and 3. Provide a joint platform for coordinated activities for unique destination development & management.

DMP was developed in the frame of the Discovering hidden attractions project, funded by the CBC Programme between North Macedonia and Albania, by the consultancy company UMF Training. In addition to extensive literature consultation, findings from the research on filed were incorporated following the Report to support the development of a destination management process in the selected destinations, by providing relevant info from local stakeholders (both public and private) on tourism potentials in the CB area of Demir Hisar (MK) and Klos (AL) municipalities. In addition, key findings and recommendations from the 4 CB workshops on capacity building for local stakeholders were consulted.

COVID 19 pandemics was great challenge in gathering data and information timely as public authorities were off their regular working hours and private stakeholders were unwilling to meet and especially in groups.

## 1. DESTINATION ANALYSIS

### 1.1. Key Destination Footprint

The Destination Management Plan (DMP) for the cross-border area of Demir Hisar (North Macedonia) and Klos (Albania) refers to the town of Demir Hisar in North Macedonia and the town of Klos in Albania with the surrounding rural settlements, all together constituting the Municipality of Demir Hisar in North Macedonia and Municipality of Klos in Albania. In particular, on the territory of Demir Hisar Municipality in North Macedonia (NMK), the DMP refers to the: ( given in original language) town of Демир Хисар and 40 more rural settlements, Бабино, Базерник, Бараково, Белче, Боиште, Брезово, Вардино, Велмевци, Вирово, Големо Илино, Граиште, Доленци, Единаковци, Жван, Железнец, Журче, Загориче, Зашле, Кочиште, Кутретино, Лесково, Мало Илино, Мренога, Ново Село, Обедник, Прибилци, Радово, Ракитница, Растојца, Света, Сладуево, Слепче, Слоештица, Смилево, Сопотница, Стругово, Суво Грло, Суводол, Утово и Церово. In regards to Klos Municipality (AL), the DMP refers to the (given in original language): the towns of Klos, Gurrë, Suç and Xibër. Detailed list of all settlements is given under Figure 1, below.

Administrative Unit	Composition
<b>Klos</b>	<b>CityKlos. Villages:</b> Pleshë, Cerrujë, Patin, Bershë, Fullqet, Bel, Unjatë, Darsë, Fshat, Bejnë, Shëngjun, Klos-Katund, PlaniiBardhë
<b>Gurrë</b>	<b>Villages:</b> Rripë, Shulbatër, Dom, Gurrë e Vogel, Gurrë e Madhe, Mishtër
<b>Suç</b>	<b>Villages:</b> Suç, Kurdari, Kurqelaj, Skënderaj, Kujtim
<b>Xibër</b>	<b>Villages:</b> Xibër-Murrizë, Shkallë, Xibër-Hane, Ketë, GuriiBardhë, Petralbë

Figure 1: Municipality of Klos settlements, Albania

Municipality of Demir Hisar, is an area located in the south-western part of the Republic of Macedonia, or northwest of the Pelagonija Plain, around the upper catchment area of Crna Reka with its tributaries. For the most part, the relief is hilly - mountainous, and a small part of the course of Crna Reka is lowland.

A special natural sign of the area is the mountains "Bigla", "Ilinska" and "Plakenska Mountain". The highest peak is 1999 m. and is a natural border between Demir Hisar and Prespa - Ohrid area.

Due to the richness of these mountains with iron ore, the area got the name Zeleznik (area rich in mineral iron) which changed depending on the rulers in different historical periods. This area is also found under the name Sidiro Castro, which translated from Greek, means Iron Fortress, and Demir Hisar is a name given to this area by the Turks, which in translation from Turkish into Macedonian means Iron Fortress.

The municipality of Demir Hisar has 41 settlements where, according to the 2002 census, 9497 inhabitants live.

Klos Municipality is one of the four municipalities of Diber Region and is located in the northeastern part of Albania. The geographical extent of the municipality in the plain relief belongs to the Klosi valley which lies on both sides of the river Mat, at quotas ranging from 240 to 260 meters above sea level. The hilly area constitutes about 55% of the surface of the municipality, located at quotas 265 to 260 meters above sea level. The mountainous area varies from 600 meters to 2100 meters a.s.l. at Balgjaj and Allami mountains.

The relief is characterized by mountain ranges, mountain ridges and ridges, isolated mountain plateaus, hills, river valleys, necks and pits. From the hydrographic point of view, there is the great river of Mat and a series of lakes, of which the most famous are as follows: Natural glacial lakes such as, White and Black Lake, Lake Balgjaj, etc.

In Klos Municipality live 20 596 inhabitants as per the Registration Office where by the official census (2011) this number is 15 336 inhabitants.

Even both areas are not sharing a border and consequently not forming one territory in geographical sense yet the DMP is referring to both areas as single destination due to its similar touristic offer and the vision for development a cross-border travel package offered as single trip. *“A destination is an area of visitor appeal which includes attractions, accommodation and support services. It may be defined by physical, **thematic** or administrative boundaries and it embraces a set of distinctive images and qualities that give it a brand identity recognizable by potential visitors”.*

Following the product audit presented below in the section 1.4 the theme representing both territories as one single destination is **adventure**. In that respect **Demir Hisar and Klos are two hubs of one thematic destination**. As to date no definition of adventure tourism exists in UNWTO literature, we follow the Adventure Travel Trade Association (ATTA) which defines adventure tourism as a trip that **includes at least two of the following three elements: physical activity, natural environment, and cultural immersion**.

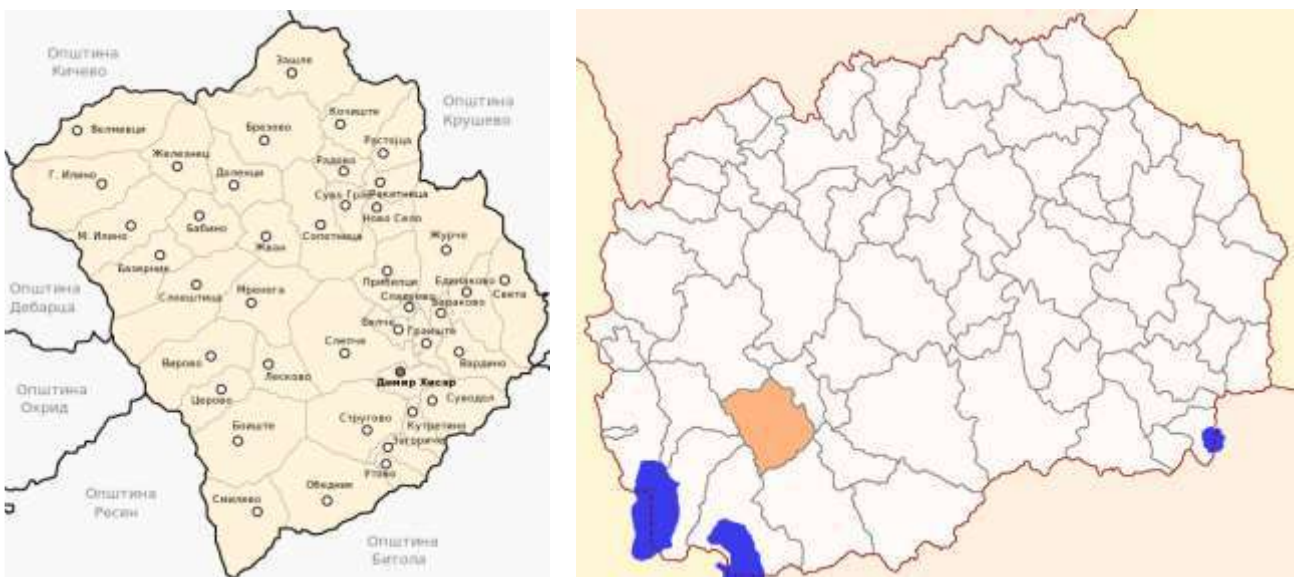


Figure 2: Territory of Demir Hisar Municipality with settlements, bordering municipalities

Figures 2-5 present the footprint of the thematic Destination of the cross-border area between North Macedonia and Albania, of Demir Hisar and Klos.





Figure 3: Territory of Klos Municipality (AL) (with settlements, bordering municipalities)



Figure 4: Territorial position of Klos in Albania (right)



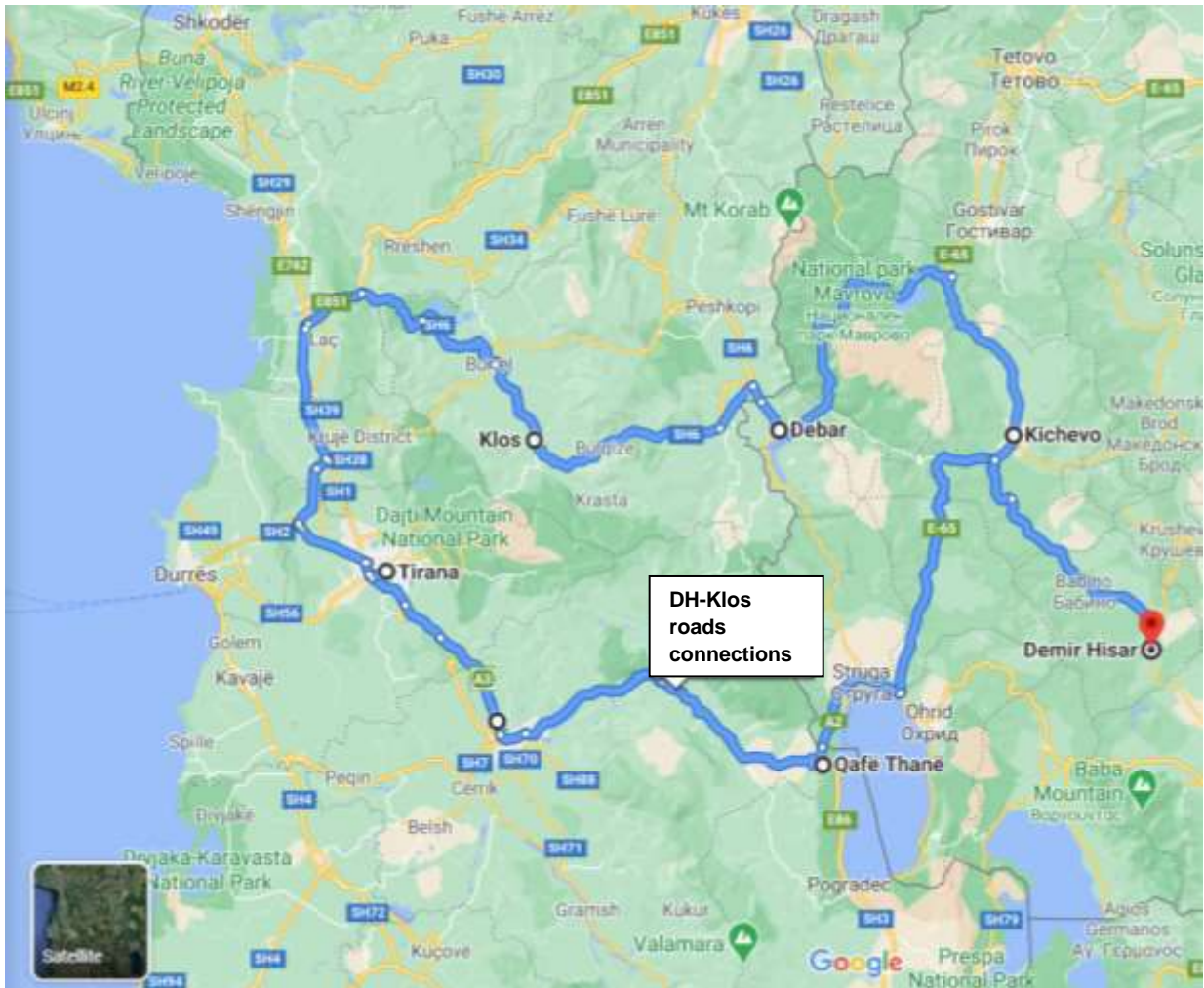
(above) Figure 5: Cross-border area between North Macedonia and Albania and position of Demir Hisar (NMK)-right red dot and Klos (AL) –left red dot

Both Municipalities are physically connected via land, through the western border of North Macedonia with Albania, by the town of Debar / north-eastern border of Albania to North Macedonia, the border point



(Blato/Blatë). Also, both Municipalities are connected via road through the “primary gateway” between North Macedonia and Albania, the border point of Kjafasan/Qafe Thane by the town of Struga in North Macedonia. The trip via both roads listed above takes more than 5 hours and it drives through mountainous parts, partially part of the National Park Mavrovo if the direction of Demir Hisar-Blato/Blate-Klos is taken.

Figure 6: Two options for land connection between Demir Hisar and Klos



Not later than 2021 (as stated by the National Government of Albania) , the main north-eastern highway of Albania connecting to North Macedonia, "Rruga e Arbrit" will pass through Klos, which will connect the Municipality to the border crossing point of Bllate via highway and will reduce the travel time to 40 minutes to North Macedonia. In that respect, the travel time via land between two municipalities will be reduced to 3 and a half hours.

## 1.2. Key Stakeholders

Organisation	Key contact	Contribution to Plan
Municipality of Demir Hisar	Marjanche Stojanovski MAYOR	Attended 1 consultation meeting, provided strategic direction to the Plan
Municipality of Demir Hisar	Zlate Boshevski	Attended 3 consultations meetings, reviewed draft DM plan, provided strategic documents for consultation
Municipality of Demir Hisar	Mishe Miloshevski	Attended 1 consultation meeting, provided strategic documents for consultation
Municipality of Demir Hisar	Julijana Talevska	Attended 1 consultation meeting
Municipality of Demir Hisar	Sonja Naumovska	Attended 1 consultation meeting
Municipality of Klos	Ilmi Hoxha Mayor	Attended 1 consultation meeting, provided strategic direction to the Plan
Municipality of Klos	Aurela Burreli	Attended 3 consultations meetings, reviewed draft DM plan, provided strategic documents for consultation
Municipality of Klos	Amareta Mirdita	Attended 3 consultations meetings
ART POINT - GUMNO	Irena Andreevska	Attended 3 consultations meetings, reviewed draft DM plan, provided strategic documents for consultation
FLAG	Gejla Shehaj	Attended 3 consultations meetings, reviewed draft DM plan, provided strategic documents for consultation

### 1.3. Key Data and Documents

	Organisation	Strategies/Plans/Research
1	Municipality of Demir Hisar	Integrated Plan for local development of Demir Hisar Municipality 2019-2022
2	Municipality of Demir Hisar	Action Plan for tourism development of Demir Hisar 2021-2024 DRAFT version
3	Municipality of Demir Hisar	Strategy for tourism development of Demir Hisar 2021-2024 DRAFT version
4	Municipality of Demir Hisar	Demir Hisar profile 2008
5	Municipality of Demir Hisar	LEAP 2006
6	Municipality of Demir Hisar	Action Plan for tourism development of Demir Hisar 2008-2011
7	Centre for development of Pelagonija region	Program for development of Pelagonija region 2015-2019
8	Centre for development of Pelagonija region	Study for development of Pelagonija as a destination for adventure tourism
9	Bureau for regional development of North Macedonia	National strategy for regional development 2009-2019
10	Ministry of Economy of North Macedonia	National Tourism Strategy 2016 – 2021
11	Ministry of Economy of North Macedonia, sector Tourism	National Strategy for rural tourism 2012-2017
12	LRCP	Tourism Development Plans for Ten Destinations across North Macedonia Volume 1 – Methodology, Background and Market Analysis 2016
13	LRCP	Destination Development plan No.3 Pelagonija
14	Ministry for local-self-government, North Macedonia	IPA CBC PROGRAMME THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA - REPUBLIC OF ALBANIA 2014-2020
15	Municipality of Klos	Territorial Development Plan, PPV Klos 2016-2030
16	Municipality of Klos	General local plan of Klos Municipality 2016-2030
17	Diber region	Regional Development Strategy 2012-2016

18	Republic of Albania, Councils of Ministers	National Strategy for Development and Integration (NSDI II) 2015-2020
19	Ministry of Tourism, Albania	The Strategy for Tourism Development in Albania for 2019-2023
20	Ministry of Tourism, Albania	Integrated Program for Rural Development (IPRD) - The program of 100 Villages
21	Law on Tourism	Ministry of Economy, Republic of North Macedonia
22	Law on tourism 93/2015; 2017	Albania
23	LEGAL AND INSTITUTIONAL FRAMEWORK ON TOURISM, Albania 2018	Investment Council Secretariat, Albania
24	Study of natural and cultural heritage of the CBC region	Beyond Borders – Introducing Smart Tourism and Sharing Economy, an EU funded project
25	Study of Sustainable Tourism in Cross-Border Region	Beyond Borders – Introducing Smart Tourism and Sharing Economy, an EU funded project
26	The Traditional Tower Houses of Kosovo and Albania	Caroline Jaeger-Klein Vienna University of Technology, Department for History of Architecture and Building Archaeology
27	Study on Supply of Available Tourist Services and Tourist Potential in Cross-Border Region	Beyond Borders – Introducing Smart Tourism and Sharing Economy, IPA II CBC MK-AL funded project

**Additional Comments:**

*Gathering information and plans for the targeted area of Demir Hisar and Klos proved the need for further research in particular to the tourism development. Most of the documents, especially ones referring regional or local level are due or not made at all. In addition to the above, this DMP was developed during the COVID 19 pandemic which affected tourism in general and the management of destinations greatly. Further research and analysis focusing on local level tourism potentials, addressing the market-oriented tourism products vis-à-vis challenges arising from COVID 19 market disruptions should follow.*

*In particular, accurate and current mapping and analysing the local potentials (accommodation, guides, transport, travel organisations, activity clubs among the rest of assets) of Klos Municipality relevant for tourism development is necessary on detail level. Further, local economic development strategy and action plans related are also needed for Klos Municipality especially in the newly situation of Arber highway affecting the future development of the Municipality and steering the tourism development.*

*Most of all, relevant and continuous data for domestic and international arrivals to both municipalities and other tourism activities are required.*

## 1.4. Key Assets

In the Table 1 below are presented 10 key assets in terms of experiences/attractions/products/services that are present on the territory of Demir Hisar and Klos and can result in single thematic tourism products. The identification of 10 best or key assets is a result of broad consultation with all relevant local stakeholders from both sides of the border. The selection of the destination key experiences/attractions/products/services, is strictly based upon existing ones that are fully developed and marketed but also ones that need up-grading and fine tuning to be adapted and marketable. In any case, these assets present the existing product across the cross-border area and are result of extensive product audit (full assets list attached as Annex 1 to this Plan). In that respect, as defined by UNWTO, a Tourism Product is "a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific centre of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle".

The selection of 7 key assets is also based on human resources and their capacities to take part maintain and further develop the CB tourism product. In practice, those people recognize the value of the destination and actively participate in joint and systematic product development. They are not seen as individual business players (people or companies) but rather as key providers of experiences/attractions/products/services in the CB area. The DMP, even provided an exhaustive list of experiences/attractions/products/services in the CB destination, has a sole purpose of investigating which key assets have the weight to carry the tourism business activities and further support the destination development.

In summary, the key assets presented below are thematically mirrored across the border, ready-to-sell and are maintained by locals involved in business activities beyond single operation. These key assets in the same time represent the basis for the destination development and biggest factors of attraction.

	What /main category	Description	Consumer Appeal/further information
1	Outdoor activities	Hiking Mount biking 85 km of hiking marked trails Mountain biking and off-road trails 33 km	Great appeal, high approval, motivating factor  <i>*Needs further technical analysis of the level of difficulty of the trails i.e. Easy/moderate/hard in order to determine touristic appropriateness followed by proper land -marking and GPS maps</i>
2	Local experiences	Culinary classes Mushrooms picking and cooking Tobacco workshops	

		<p>Cheese making on a farm</p> <p>Herbs picking</p> <p>Wine/rakija making</p> <p>“zimnica” making</p>	
3	Adventure experiences	<p>Off-road experiences</p> <p>Horseback riding</p> <p>Extreme trekking</p> <p>Mount biking</p> <p>Moto-biking</p>	
4	Accommodation	<p>Camping site in Klos</p> <p>Gorna kukja, village of Slepce</p> <p>*Multifunctional Centre, Village of Sloestica</p> <p>3 Monastery dormitories in DH mountainous rural area</p> <p>2 motels in DH</p> <p>*8 functional accommodation facilities in DH</p> <p>Guesthouse of Mr.Asllan Muharremi ,</p> <p>Guesthouse of Mr. Mazllem Celiku</p> <p>Guesthouse of Mr. Ilir Celiku</p> <p>*7 accomodation facilities in total in Klos</p>	<p>Few of the accommodation facilities are of great appeal, most of them with moderate, strong motivator is the location – the peaceful; mountainous areas of the destination ( apart the motels)</p> <p>*/Gorna Kukja and Multifunctional Center are yert not registered as rural accommodation</p> <ul style="list-style-type: none"> <li>• Few more B&amp;Bs (*ART POINT-GUMNO in final stage, and in Babino are still in development)</li> </ul>
5	culture	<p>Klos Museum</p> <p>Petre M.Andreevski memorial room</p> <p>Babino library “AL-BI” ;</p>	



		Slepce Monastery	
6	history	Ura e Vashes Petalba Casle Towers of Klos Ilinden memorial park; The grave of Dame Gruev in Smilevo uprising monument in village of Slepce	
7	nature	Valavicite in Sloestica 12 Glacial lakes of Klos area Springs of the Crna Reka in Zeleznec, DH Ilindenska and Plakenska Mountain vast green areas and biodiversity Mat River in Klos	

According to official statistical institutions in both North Macedonia and Albania, arrivals of domestic and foreign tourists are not measured. No data are available for arrivals on level of municipality. Even more, in Albania no reliable data for tourism arrivals can be found on regional level of Diber, where administratively Klos Municipality falls. On this side of the border, the State Statistical Office provides data on the regional level of Pelagonija. However, those data cannot be used as a baseline indicator as are out of the territory of the destination. The footprint of the destination defined earlier in this report border the municipality of Demir Hisar and Municipality of Klos.

Analysing the direct information's gathered via open interviews with local stakeholders, increase of arrivals in both Demir Hisar and Klos is evident in the last 3-5 years. Both Municipalities witnessed increase of domestic tourists and are reporting on short, mostly one-day day trips to the destination. Secondly, they have reported increase of foreign independent travellers who are arriving self-organized and are seeking for an outdoor activity, mainly hiking and camping.

Information's regarding the recent increase and type of tourists / arrivals are gathered mainly from municipal administration, accommodation and transport companies as well from the General Local Plan of Klos 2015-2030. Municipal administration has no competence or obligation to count arrival onto their territory unless they are accommodated in locally registered accommodation facilities. Both in Demir Hisar and in Klos, yet not one facility is registered as rural accommodation facility (possibility to register accommodation facility

in rural area up to 19 beds under personal account is provided in North Macedonia, Law for Hospitality, 2004 and the following modifications)

Regarding the type of tourists visiting the destination and cross-checking these information's against 3 general categories of travel: Leisure Travel - includes travel for holidays, cultural events, recreation, sports; Business Travel - includes all travel for business reasons such as meetings, conferences and exhibitions; usually business travellers have their expenses paid by their company and Visiting Friends and Relatives (VFR), indirect data reveal that most noticeable are tourists traveling for leisure followed by VFR tourists that are visiting the destination seasonally and for holidays.

In particular, in Demir Hisar most visited are villages: Slepce, Sloeshtica and Babino. The village of Smilevo is also popular spot to visit but limited to the days before, during and after the National Holiday Ilinden (1-2 August). The first 3 villages to be mentioned above attract visitors due to their natural and cultural assets such as: Monastery complex Saint John the Forerunner/Sveti Jovan Preteca in Slepce, the natural whirlpools Valavici in Sloeshtica, Art Gallery of APG, the Library AL-BI in Babino. In all of these villages there are additional factors of attraction - ethno restaurants offering tasteful local food, one of those offering fish from own fishpond as well. During the development of the DMP further investments are ongoing in the village of Sloestice, building a Multifunctional Centre inclusive of accommodation for 14 pax and Memorial Room of Petre M. Andreevski. Also the Centre will introduce open space for events and organized cultural manifestations. In Babino, the second ethno restaurant is built introducing (as announced) additional beds in the village for guests.

In Klos, it is reported that the number of visitors has increased during the last years, mostly along the river valley with camping during summer months. Most visited cultural assets is the castle Petralba in the village of White Stone where the landscape offers magnificent views to the valley, and factors of attraction combined of history and nature, making the village of White Stone already part of the project of 100 tourist villages in Albania. In addition, the Petralba castle, the Illyrian castle of Xibri is also visited spot, located between the villages of Xibër - Hane above the neighbourhood "Splaj", the village of Shkalë and the village of Dars. Also, visitors have been attracted to several 15<sup>th</sup> century bridges among which most famous is Vasha Bridge, the traditional house of Pjeter Budi and several house towers in Gurre and Xiber.

In addition, the 2020 marked increase of domestic tourists for leisure in both municipalities. According to local stakeholders, as COVID 19 shut the borders and prevented travellers from big cities to travel beyond the national borders, many of them were seeking for escape in nature along with a delicious food and some moderate outdoor activities. As a result, day trips or prolonged weekends especially during the summer months of 2020 significant increase of arrivals were noted in both Demir Hisar and Klos.

Business travel in both municipalities is reported as the least noticeable.

For informative purposes only we present the available information on the level of region, presenting the arrivals per country of origin and per type of travel. Namely, Demir Hisar is located in Pelagonija region and bears some of the distinctive factors of attraction on the level of region, such as natural landmarks, monasteries, outdoor activities and seasonal events. Klos, very similar, bear the factor of attraction as region of Diber, offering possibilities for recreation in nature, hiking, monuments from the history. As mentioned earlier, the DMP refers only to the footprint of Demir Hisar and Klos and the information below serves only to demonstrate the tendency of increase in arrivals in both regions presuming the increase in both municipalities as claimed by the local stakeholders thru the process of consultation.

As evident from Figure 7 and 8 below, from the research focusing on Diber region where Klos Municipality is located and share similar factors of attractions, large portion of arrivals is due to soft adventure travel. The cited report inform that these arrivals are organized and implemented by tourism companies and are related mainly to hiking and trekking activities. Furthermore, the majority of tourists (cumulatively calculated) are from western European countries and the USA.

(left) Figure 7: Type of travel in Diber region (Tourism development potential, Diber region

A. TOLA et al., 2018)

(right)Figure 8: origin of tourism visitors in Diber (Tourism development potential, Diber region

A. TOLA et al., 2018)

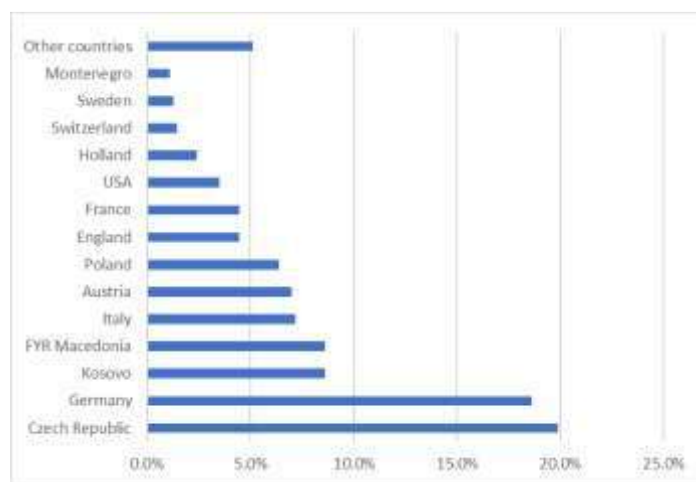
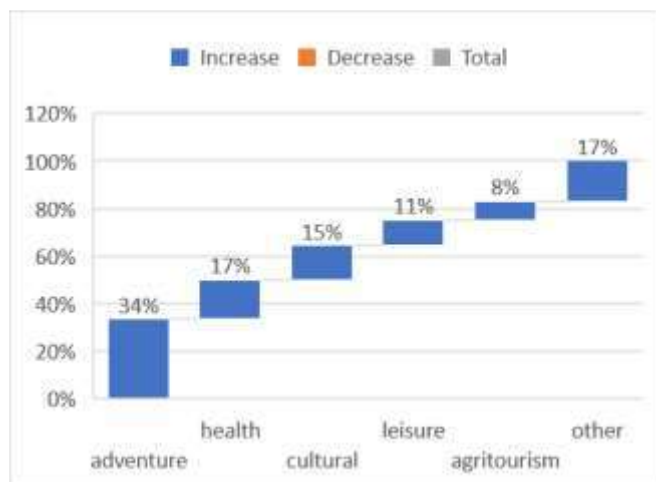


Figure 9: Number of arrivals in Pelagonija region, per year, per country of origin (bellow)

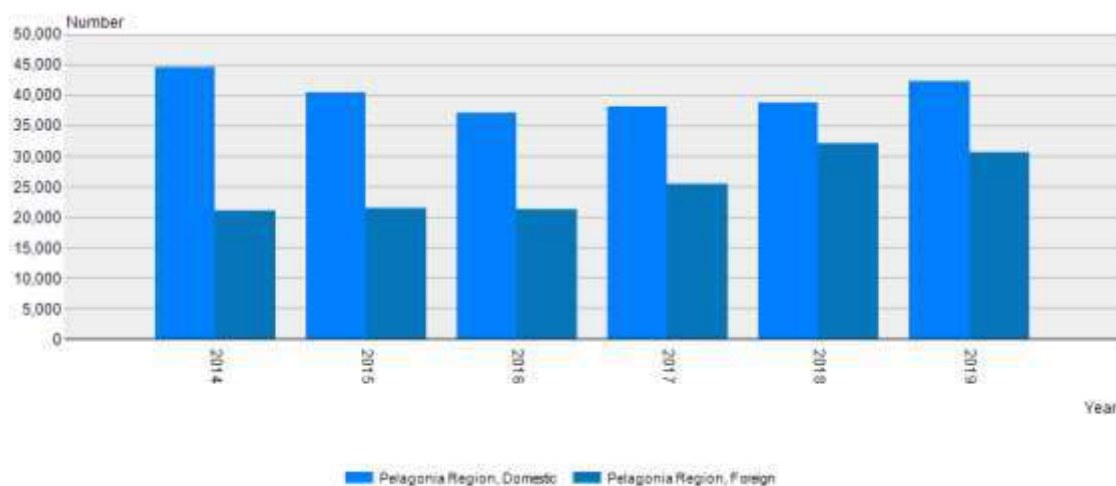
	2015	2016	2017	2018	2019
	Pelagonia	Pelagonia	Pelagonia	Pelagonia	Pelagonia
	Tourists	Tourists	Tourists	Tourists	Tourists
<b>Austria</b>	427	341	297	348	398
<b>Albania</b>	991	987	1 104	1 426	1 389
<b>Belgium</b>	298	240	395	411	515
<b>Belarus</b>	5	2	18	13	32
<b>Bosnia and Herzegovina</b>	218	195	203	362	289
<b>Bulgaria</b>	1 626	1 633	1 819	2 101	1 790
<b>Great Britain</b>	530	519	669	835	621
<b>Germany</b>	1 176	1 077	1 415	1 935	2 204
<b>Greece</b>	1 809	2 353	2 564	2 539	3 237

	2015	2016	2017	2018	2019
	Pelagonia	Pelagonia	Pelagonia	Pelagonia	Pelagonia
	Tourists	Tourists	Tourists	Tourists	Tourists
<b>Denmark</b>	140	141	189	180	167
<b>Ireland</b>	51	79	52	67	36
<b>Italy</b>	926	849	843	976	1 070
<b>Kosovo</b>	141	170	186	447	339
<b>Latvia</b>	73	44	16	12	34
<b>Lithuania</b>	35	27	21	45	83
<b>Norway</b>	94	68	103	176	165
<b>Poland</b>	587	448	539	585	885
<b>Portugal</b>	32	47	32	59	105
<b>Romania</b>	383	388	529	869	691
<b>Russian Federation</b>	316	290	350	349	375
<b>Slovakia</b>	117	156	247	523	281
<b>Slovenia</b>	756	699	809	1 064	1 028
<b>Serbia</b>	2 132	2 131	3 283	3 626	2 950
<b>Turkey</b>	1 198	1 015	1 296	1 353	1 296
<b>Ukraine</b>	232	468	503	2 087	819
<b>Hungary</b>	182	354	347	441	479
<b>Finland</b>	98	117	42	106	119
<b>France</b>	733	581	793	791	938
<b>Netherlands</b>	1 118	399	522	632	797
<b>Croatia</b>	562	416	598	724	957
<b>Montenegro</b>	102	251	90	257	145
<b>Czech Republic</b>	371	238	391	433	605
<b>Switzerland</b>	350	270	380	490	488
<b>Sweden</b>	386	586	583	718	623
<b>Spain</b>	191	311	278	439	574
<b>Other European countries</b>	187	143	135	171	182
<b>African countries</b>	41	45	39	61	39

Canada	389	126	181	264	254
USA	569	693	730	794	824
Other North-American countries	13	26	14	30	71
Countries of South and Middle America	25	102	76	92	128
Israel	262	586	369	499	463
Japan	24	104	67	130	32
China	95	140	304	195	221
Korea (Republic of)	21	11	43	137	78
Other Asian countries	95	126	249	166	128
Australia	1 430	1 325	1 739	1 986	1 613
Other countries of Oceania	35	26	23	65	108

In comparison, the data presented in Figure 9 and 10 show steady flow of arrivals in the Region of Pelagonija, where Demir Hisar is located. No information is available per type of travel of the arriving tourists in the region.

Figure 10: Number of arrivals in Pelagonija region, domestic and international, per year



Regarding the country of origin or emissive countries of tourists to Pelagonija region, it is evident that the majority arrivals are from the neighbouring Serbia and Greece and the EU. Figure 11 below present an overview of the arrival flow to Pelagonija region.

### 1.5. Elements of destination

In terms of quality, the experiences/attractions/products/services offered in the thematic destination are with moderate quality. In particular, assessing the quality level per 5 A's: Access, Accommodation, Attractions, Activities, and Amenities of the destination it measures as accessible, moderate, basic, and solid opposed to having easy access, authentic accommodation, unique attractions, novel activities, and contemporary amenities.

Below, all of these 5 elements to a destination are analysed separately offering the state of play in the ongoing process of tourism development in the thematic destination of Demir Hisar and Klos.

### 1.6. Key Infrastructure/access

Access to the destination is investigated from the perspective of domestic travellers and from the entry/end point of accessibility for the international travellers.

Most important, as the destination of Demir Hisar Klos is analysed as single thematic destination the access to its territory is presented from the perspective of a single trip.

Namely, 3 options are possible: Round trip, where the entry point and end point are the same and are located in/near in Demir Hisar or Klos; trip with starting point in North Macedonia and end point in Albania and the 3<sup>rd</sup> option is entry point in Albania and end point in North Macedonia.

Below are presented the 10 key infrastructure assets crucial to destination of Demir Hisar-Klos as they are the main access points to the destination.

	Product/Service	Why is it a key ?	description
1.	International Airport in Skopje , North Macedonia	Provides +12 flights a day from more than 10 different airlines	Primary gateway for international arrivals to enter North Macedonia, +2.300.000 passengers in 2019
2.	International Airport in Ohrid, St. Paul, North Macedonia	Provides + 5 flights a day,	Entry point for international travellers to the coastal towns of North Macedonia, + 317.000 passengers in 2019, and of high importance for arrivals to northern parts of Albania due to its proximity to both border-crossing points between to Albania
3.	International Airport in Tirana, Nene Theresa, Albania	Provides +15 Flights a day	It is the only airport in Albania and the 8 <sup>th</sup> busiest on the Balkans providing air travel for more than + 3.350 .000 passengers in 2019



			Gateway for all international tourists visiting the destination
4.	Motorway Skopje-Kichevo E65-R1305 Demir Hisar	Primary route of choice when travelling from capital Skopje to DH area	Important both for domestic and international visitors, it connects the Airport of Skopje to Demir Hisar and as well the capital of Skopje ( +600.000 population) to Demir Hisar
5.	Motorway Skopje-Veles E75-A1;A3; R1001;R1305 –Demir Hisar	Second route of choice for arriving to DH area especially if the visit is part of visit to other hubs in Pelagonija region like Bitola	It connects the capital of Skopje and the central towns of North Macedonia, Veles, Prilep, Bitola to the destination of Demir Hisar
6.	Ohrid-Demir Hisar	Round route , also entry point from Albania / Pogradec crossing point	Important both for domestic and international travellers as it connects Demir Hisar to St.Paul airport and the coastal towns of Ohrid and Struga to Demir Hisar. It is also a road that connects the destination through the third border-crossing point between North Macedonia-Albania ( Pogradec)
7.	Demir Hisar-Debar-Klos (vv)	Direct connection to both hubs of the destination	One of the two road connections between the Demir Hisar and Klos providing access to the destination for both international and domestic travellers. Also, the shortest possible drive from Demir Hisar to Klos and VV in the moment, with driving hours of 4.
8.	Demir Hisar-Struga-Tirana-Klos (vv)	Round route , also entry point from Albania / Qafe Tane crossing point	One of the two road connections between the Demir Hisar and Klos providing access to the destination for both international and domestic travellers. It is the longer option in terms of driving hours from Demir Hisar to Klos and VV, +5.
9.	Tirana-Klos (passing by Vore, Fushe Kruje, Milot, Burel) SH2;SH52;E762;A1;E851;SH6	Old road to Klos, nice scenery, poor conditions	Main and only (up to 2021) access to Klos from the capital of Tirana and connecting the International airport of Tirana to Klos, driving hours of 2,5.

10.	Highway Arber Tirana – Klos-Debar	<p>This road will shorten the distance to Klos for about 50% and reduce the time travel to only 40 min. The road passes through the territory of the municipality of Klos and specifically in the villages of Drezës, Xibër, Shkalë, Fshati Fshat.</p> <p>New route is the Klos branch - Ura e Vasha with a length of about 3 km which connects the residential centre Klos and the surrounding area with the road of Arbër. Also, this road axis will be the shortest road connecting Tirana with Dibra, as well as with the north of Macedonia, Velika Dibra, Tetovo and Skopje, so it will be an international connecting road.</p>	Main driving artery that will change the travel to both hubs, especially for Tirana domestic travellers to Klos, as well round trip Albania-North Macedonia as is will lead up to the Bllate crossing point/entry to North Macedonia via Debar
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The airport infrastructure in all 3 airports is new and well maintained with an increasing number of airlines operations and destinations to/from in every following year. Also, all airports are working with low cost airline companies providing easy and affordable access to the destination. Key destinations served by TAV Airports in North Macedonia, Skopje International Airport and St. Paul in Ohrid include all major cities within EU, Turkey and Middle east. All of those, as presented below are operated with direct flights.

Figure:11 Destinations connected to North Macedonia via Skopje International Airport

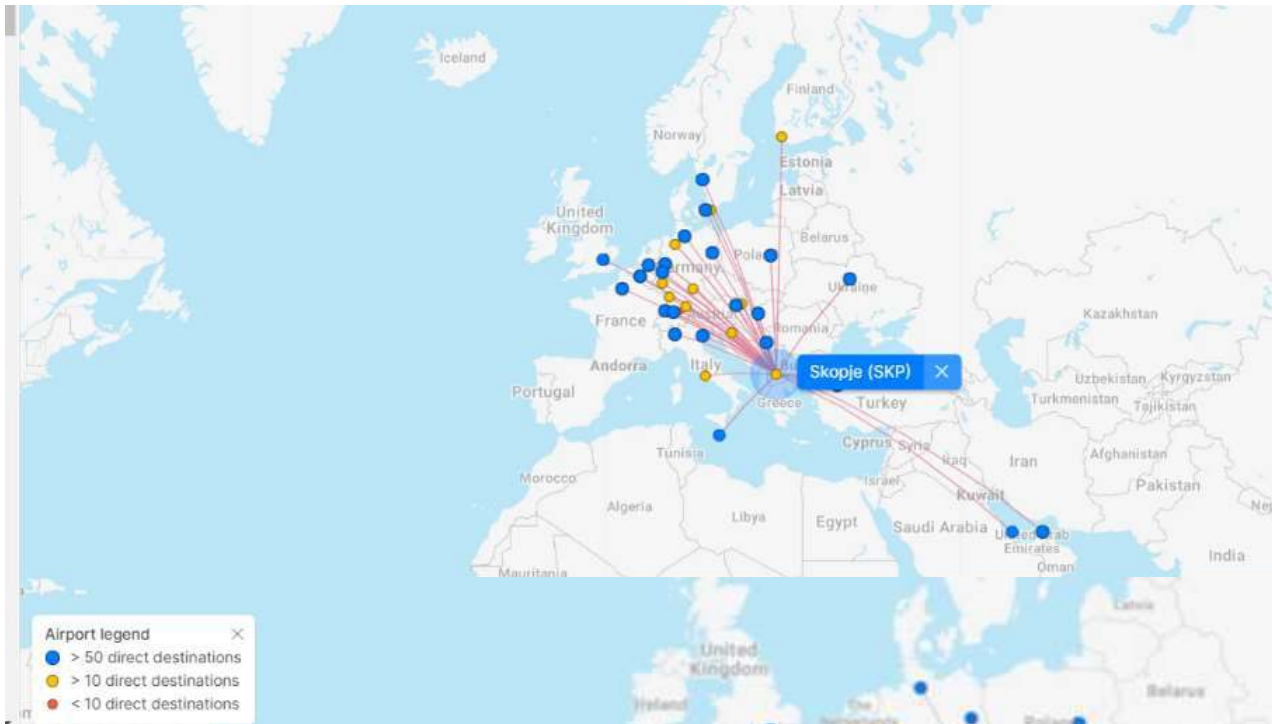


Figure 12: Destinations connected to Albania via Nene Tereza International Airport in Tirana

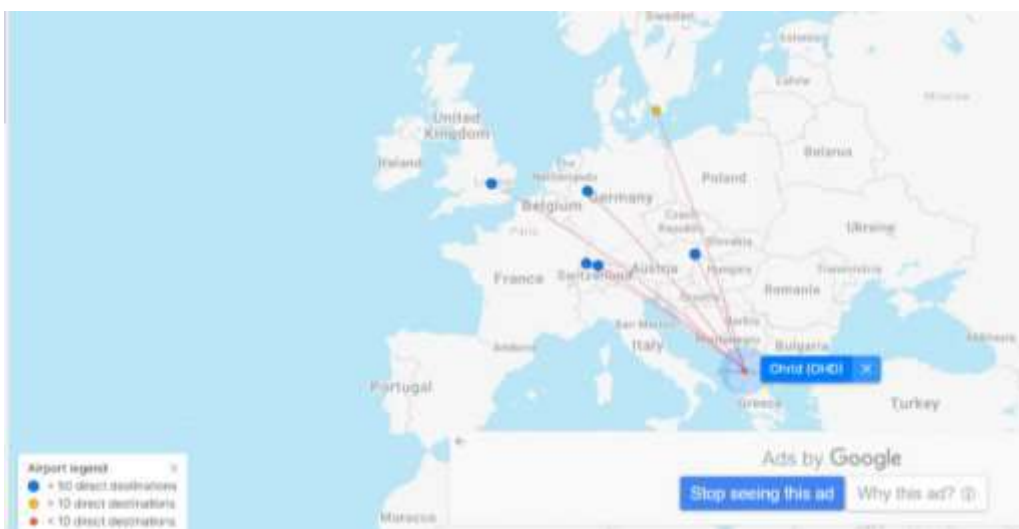


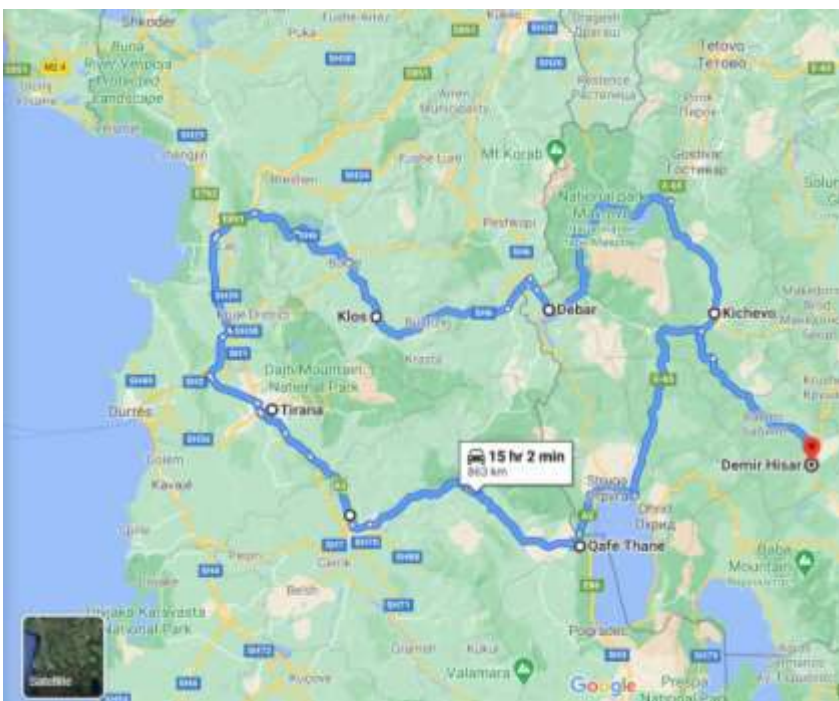
Figure:13: Destinations connected to North Macedonia via St. Paul Ohrid Airport

Beside the Nene Tereza International Airport in Tirana, Albania is building second airport in Kukes, in the northern part of the country, near the border with Kosovo. As reported, the Kukes Airport is in final stage of construction and expected to welcome first travellers next year. The location of the new airport will serve non-coastal towns and mainland of Albania. It is also in good driving distance to Klos, 2 h., providing second entry/end point for international tourists to the destination. Extending its airport infrastructure will significantly increase the capacity for arrivals per year adding to the already high number of 3.350.000 passengers annually, putting the Nene Tereza Airport on the 8<sup>th</sup> place of the busiest airports on the Balkans.

In regards to the road infrastructure, apart from sections of the road it is classified as regional or local roads (please see marking of the roads presented in Figure ??? above where prefix E stands for motorway, R for regional and other national marks stand for local infrastructure). In that respect the maintaince and quality of roads to/from Demir Hisar and Klos are of moderate quality. Sections of the road that carry the mark of highway are of better quality as per the obligation of the national public authority for road infrastructure to maintain the roads to certain level of quality. In the past two years the road leading from the Bllate border point to Klos has been greatly improved and done in high quality providing excellent conditions for driving travel. In addition, the Arber highway is supposed to be finished and fully operational by 2021 thus to have great impact to the road connection of Klos to both capital of Albania, Tirana and to the border with North Macedonia through Bllate/Blato border crossing. It is estimated that the driving hours from Tirana to Klos and v.v. will be reduced from 3h to only 40 minutes.

Arber road is also great potential for round trips between the two hubs of the thematic destination Demir Hisar-Klos as it provides modern and safe road access from/to 3 existing International airports of Nene Tereza in Tirana, International Airport in Skopje and St. Paul in Ohrid. Being part of Corridor 8, Arber highway passing by Klos is extending the connections to/from Klos to both North Macedonia, Serbia and Bulgaria.

Figure 14: road connections to the hubs at the DH-Klos Destination



In terms of gaps in the infrastructure available in the Demir Hisar-Klos destination it can be noted that after the start of Arber road usage there will be misbalanced quality of road access to the two hubs of the destination. Namely, both domestic and international arrivals from Tirana Airport or mainland of Albania will enjoy high quality road access, level of motorway, to Klos and up to the border crossing Bllate/Blato. Entering North Macedonia towards Skopje or Ohrid airports for international departures or towards Demir Hisar for ending the

trip of the destination, the travellers will continue the journey via regional roads providing moderate quality. Worth noticing is that the travel portion after the Bllate/Blato border crossing is showcasing the most beautiful parts of Mavrovo National park making the driving enjoyable.

Regarding the round trip, visiting both hubs of the destination via the same entry/end point of the trip, two road options for connecting Demir Hisar and Klos are available. Namely as repeatedly presented, Figure 14, both Demir Hisar and Klos can serve as entry / end point of the travel. Very important advantage of the accessibility to the destination is the possibility to cross the border between the two countries via two different points. It extends the territory visited along the road between the two hubs of the destination and by that adds the value to the trip providing the tourist with exploration of the two countries as a whole rather than just the hubs. In the same time, the sightseeing along is consistent with the imagery of Demir Hisar – Klos, green and blue i.e. nature and lakes.

In both municipalities there is no organized local transportation. One can be easily arranged by the accommodation facilities as many private transport services exists and are easy accessible. Most of them advertise at the places of accommodation and can be reached via phone or online. Cost for local transport is very low.

### **1.7. Accommodation**

Both hubs in the destination, Demir Hisar and Klos have reported several accommodation facilities in the rural setting. From the broad consultation with the local stakeholders and cross-referencing the information with local government the situation with registering/categorisation of accommodation facilities is still ongoing process.

Namely, as per the Law on Tourism of North Macedonia (last update 2015), the local self-government units are responsible for registration and categorisation of accommodation in rural setting up to 19 beds that are managed by physical persons. Criteria detailed for categorisation by the municipalities involve aesthetic appeal resembling the local architecture and few more technical criteria regarding the size of rooms and amenities. In addition, there is requirement that significant percentage of the food served to be prepared as “home-made” respecting local receipts. As to the moment of this draft of the DMP the municipality of Demir Hisar has not granted any certification for rural accommodation onto their territory even two of them has applied for, one in the village of Rastojca and the second in village of Slepce. The process is ongoing as the facilities yet need to meet the criteria for registration.

In Albania, the Law No. 71/2017 dated 27.04.2017 “On an addition to Law no. 92/2014, "On value added tax" introduced the “guest-houses” in the main concepts of the Law, and placed the accommodation business activity under the Ministry of Tourism and Environment regardless the size and location. In that terms, all accommodation facilities obtaining a certificate for operating as accommodation facility was granted a cut in VAT to only 6%. Yet, the number of accommodation facilities registered differ from the number on ground, several reports suggesting that still many of the accommodation facilities operate unregistered even in 2017 the state made the registration easy by introducing an online system for categorisation of the accommodation facilities, E-Albania. In particular, accommodation facilities usually expected in rural areas, such as Bed and Breakfast facilities and guest-houses have the possibility to apply online for assessment by the Ministry for Tourism and Environment of Albania online. So far onto territory of Klos there is 6/ registered Guest Houses or B&B, according QKB.

As the DMP refers to the situation on the ground, mapping the real potentials for destination management, below are presented accommodation facilities operating in both Demir Hisar and Klos Municipality accordingly, regardless of the official state of registration with the local or national authority. These accommodation facilities are operational and either registered or in process of registration.

Figure 15: Accommodation in Monasteries onto Demir Hisar municipality – rural areas

monasteries	location	Capacity of beds	description
„Dobromirovo	Village of Slepce	20-30	Adaptation required
Sv.Ilija	Village of Golemo Ilino	20-25	Adaptation required
Sv.Petar	Smilevo	30-36	Adaptation required

Figure 16: Accommodation in Demir Hisar municipality

name	location	Capacity of beds	description
hotel „Mladost,,	Demir Hisar	38	Not working currently
motel „Evropa,,	Demir Hisar	26	Restaurant is the core activity of this facility, offering both traditional and standard food, the design of the accommodation facility is modern but amortized, the amenities include WI-FI
motel „Cicko Taljo,,	Demir Hisar	10-12	Restaurant is the core activity of this facility, offering both traditional and standard food, the design of the accommodation facility is modern but amortized, the amenities include WI-FI
Restaurant „RIO,,	Village of Babino	5	Not working currently
Guest House Smilevo	Village of Smilevo	4	Not working currently



Multifunctional centre in Sloestica	Village of Sloestica	14	Accommodation in the village, providing 6 rooms with joint bathroom. Undergoing reconstruction, expected early 2021 to be operational
Gorna Kukja B&B	Village of Slepce	8	Accommodation in rural setting respecting the authentic feel, offering traditional specialities at the restaurant onsite
ART POINT - GUMNO	Village of Sloestica	8	Accommodation in rural setting respecting the authentic feel, part of the International centre for art ART POINT -GUMNO , to be operational by 2021
Ethno-house & farm	Village of Sladuevo	2	Rustic and basic offering real feel at the farm, horse available for riding
B&Bs of Virovo	Village of Virovo	7	Two or more houses offering B&B, basic accommodation

In total, at the moment onto the territory of Demir Hisar Municipality, between 75 and 90 beds are available into variety of accommodation types, predominantly in rural setting. Namely, in the villages of Slepce and Sloestica there are authentic accommodation facilities that can receive up to one touristic bus (+/- 50 people) combined or small groups of 20 in Sloestica up to 30 people in Slepce. In addition to these two green pearls of Demir Hisar, the village of Smilevo can also accommodate up to 30 people at any given moment. Also, new beds will be available in the near future in the village of Babino ( info by Stevo Stepanoski ). In Sloestica also there are 8 houses that are welcoming guests( up to 20) but have not registered with the Municipality yest. It is important to stress that current availability for accommodation in rural setting onto DH municipality territory vary in terms of category, type and amenities but all is aligned under the rural accommodation facilities. On top of these, accommodation in town Demir Hisar provides standard conditions and amenities but lacks in authenticity and natural surroundings.

In comparison, the accommodation onto Klos Municipality territory is newly built or renovated using contemporary materials. Most of the accommodation facilities are at the level of Hotels, although Guest houses tend to keep the rural traditional design, like he example of Gurra touristic complex in the village of

Surra, who translated the architecture of Tower Houses into the accommodation facility. All accommodation facilities are offering food on premises, where the guest houses have preserved the traditional food menu while the Hotels are offering a mix of international and traditional menu. Klos restaurants operating within the accommodation facilities are widely known for its naturally produces and homemade food.

Figure 17: Accommodation in Klos Municipality

Guesthouse/Hotel Name	Contact Name	Address	Capacity of beds	contact number/email
Restaurant Hotel Fresku	Mr. Shefki Shenjatari	Town Klos	27	+355 68 240 4781
<b>Shpani Guesthouse</b> Agrotourism, horseback riding, mountain bike racing, hiking to Balgjaj, etc.	Mr. Martim Shpani	Town Klos	28	+355 69 215 6143
Hane Doma (Hotel)	Mr. Bledian Doma	Town Klos	24	+355 697436008 resortgoldenpark@gmail.com
Geraldo Çupa (Guesthouse)	Mr. Basir Çupa	Town Klos	22	+355 68 234 2911
Guesthouse Kurcova	Mr. Mazllem Celiku	Kurdari Village	35 guests	+355 68 216 4594
"Guesthouse at the Mill"	HOREAL Expo Group	Street "Guri Bardhë", Nd. 67,		

restaurant	Mr. Avni Hysa	H.1, Xiber Village, 8008, Klos	12	+355 067 201 0777
Family Restaurant Hotel	Mr. Ylli Dedolli	Town Klos	24	+355 69 250 3843  Yllidedolli13@gmail.com
Dhimitros Haziraj (Hotel)	/	Klos Municipality	/	Not working currently
Krismas (Hotel)	/	Klos Municipality	/	Not working currently

Compared to Demir Hisar hub, where 3 villages stand out in terms of accommodation facilities, onto Klos municipality territory the greatest bed capacity is in Klos town. The majority of accommodation facilities are at the level of guest house thus preserving the feel of authentic accommodation in predominantly rural destination. Located at the borders of Klos town, guest houses offer rural setting, in the green nature, serving traditional specialities made from local produces.

In addition to the last, the consultations with the local stakeholders and provided evidence from the ground, the style and offer in the accommodation facilities presented in the figures 15,16,17 range between traditional to contemporary. The difference in external aesthetics, the architecture and design in accommodation facilities both in Demir Hisar and Klos are evident. Some of the accommodation facilities like guest houses in Klos and Gorna Kukja in the village of Slepce offer authentic accommodation feel using traditional materials in building and indoor decoration. In addition, they are all located in natural surroundings, in lush green environment, close by the natural attractions, and easy accessible by car.

During the period of development of the DMP few accommodation facilities were announced to be in the middle of a building process like B&B in the village of Sloestica, 22, in the village of Babino, in the village of Rastojca adding up to beds onto territory of Demir Hisar Municipality by at least 35.

In Klos, motivated by the construction of the Arber highway connecting the capital Tirana to North Macedonia and passing by Klos, the process of building and applying for building permits for accommodation facilities to the Municipality of Klos grew. 3 guest houses / new accommodation facilities are announced to be operational by 2021 estimating more than 40 beds to be added to the existing offer of approximately 170 available beds.

In regards to the categorisation no reliable data from official registers can be obtained apart from evidence provided by the accommodation facilities itself. Taking in consideration the categorisation criteria for accommodation facilities below 3 stars are focusing mainly on technical provisions of size of rooms and basic

amenities, distinguishing the level for B&B and guest houses where there is no requirement for individual bathroom per room, the DMP focuses on the alignment of the accommodation facilities in terms of authenticity and amenities to the vision for the destination development.

### 1.8. Attractions

Most influential factor of attraction in regards to the adventure travel are attractions and activities of the destination. As DH-Klos destination is tied up by a theme-Adventure tourism; according to the Adventure Travel Trade Association, is a tourist activity that includes physical activity, a cultural exchange, or activities in nature. ... Adventure tourism is about connecting with a new culture or a new landscape and being physically active at the same time. Following the internationally adopted definition, attractions which motivate tourist to visit the DH-Klos destination consist of the artificial as well as natural features or events onto the territory of Demir Hisar or Klos or simultaneously onto both territories.

In that respect, both DH and Klos offer several artificial (manmade) and many more natural features that attract tourists. Most notably, manmade features attracting tourists onto Demir Hisar territory are Monasteries. In this area more than 10 monasteries and churches out of which Sveti Jovan Preteca (XIV) is the most significant in terms of attraction. The monastery is live, meaning monks and lately nuns as well are living and working there. The Complex itself is a tourist attraction rather than just religious place of worship due to the variety of amenities offered: accommodation in the monasteries (konaci), homemade (by the monks and nuns) cheese and fruit and herbal liquors, forest fruit jam and religious souvenirs.



In addition to Slepčenski Monastery few more stand out as tourist attraction as well: Monastery Sveti Atanasie Aleksandriski (XVII vek, having the first church erected in XI) by the village of Zurce, the church Sveti Atanasie and the Monastery of Sveti Nikola Toplicki both in the village of Sloestica (XIV vek), the Monastery Sveti Toma by the village of Vardino (XV vek), the Monastery Sveti Petar I Pavle in the village of Smilevo (XX). These attractions are visited in great numbers on the Holy days accordingly to the dates of celebration a particular Saint but relevant to the CBD Plan is that these attractions also are counting visitors regardless of their religious prominence. In particular, the Monastery complex in the village of Slepce is part of organized tourism visits and also is the most visited attraction in Demir Hisar area.

Demir Hisar`s most if not all attractions are located in rural areas, whereas the town itself is not particularly interesting for domestic or international travellers due to the lack of architectural and cultural and historical attractions being a residential area. In contrast, the surrounding villages of Smilevo, Slepce, Sloestica and Babino hold the most manmade and natural attractions of the area. In addition to the monasteries (Slepce, Smilevo and Sloestica) in the village of Babino there is Library AL-BI an eclectic exhibition of the cultural legacy of the area. Run by the enthusiast Stevo Stepanovski, this facility is multifunctional event space offering indoor and outdoor gatherings of various formats: concerts, literary readings, plays, exhibitions. In the village of Sloestica similar art related attraction exists; the family Andreevski organizes annual art colony and art residences at the local accommodations of their own and throughout the village. In both Babino and Sloestica ethno restaurants are operational attracting great numbers of visitor especially in the warmer months offering local food and fish. In the village of Smilevo yet another manmade attractions are present: the tomb and monument of the Ilinden uprising hero Dame Gruev; Memorial museum "Smilevski Kongres". The last attractions are of particular interest to the national travellers where to the international ones are attractive as are presenting the history of the destination which of the aspects of the attraction factors itself. Also, the last attractions presented are main reason for the so-called event tourism due to the various organized manifestations held annually (beginning of august) in the honour of the historic events related to Ilinden uprising of the Ilinden uprising. Other villages also offer manmade attractions related to the ottoman and 2<sup>nd</sup> WW liberation of the people of Macedonia but are not generating enough attraction to be considered as a factor of attraction for increase of arrivals onto the territory of Demir Hisar.

Klos Municipality main manmade attractions are bridges over the river Mat/its tributaries and Towers build across the wider area in addition to the whole architecture aesthetic of the old village houses made of stone. Towers are quite wide-spread all over its territory and throughout the Diber County, becoming a recognizable landmark of the area. The towers are still a motif in newly built guest houses no matter if the existing ones are renovated and incorporated in the accommodation facility or are newly built to remeble the cultural heritage of the area. Some of them have the status of cultural monuments and are protected by the government. The whole region of Diber has a large number of these constructions, which are recently renovated and becoming available for visitors and tourists. The most prominent ones



are: "Kulla e Kazaferit" in Gollobordë, "Kulla e Sufe Tollës" in Lura, "Kulla e Sale Markës" in Zogje, "Kulla e Sufe Laçit" in Gjurrë-Reç, "Kulla e Bibe Doçit" in Lura, "Kullat e Hoxhës" in Muhurr, "Kulla e Bajram Dodes" in Tejmallë, gate decoration of "Kulles se Cen Puces" in Sopot, "Kulla e Riza Lushës" in Arras.

In particular, onto Municipality of Klos territory there are 21 cultural monuments, which increase the attraction of the domestic and international visitors. Most influence over

generating new arrivals are: the castle of Petralba, the castle of Xibri, the Bridge of Vasha (along with other

7 Venetian bridges, not all in good condition), and the house of Pjetër Budi, monuments which date back to the 15th century.

All these monuments belong to Category I as ‘constructions with outstanding values and of special importance for the cultural heritage.’ According to the decision Law no. 9048 Dt. 07.04.2003 "On cultural heritage" amended, Article 28.



Also this area is distinguished for the typical Matjane Towers, which are still inhabited by many local families, especially in the villages of Gurrë and Xibër. Generally those structures served as impressive residential houses (banesa) for rich landlords, warlords, tax collectors and merchants performing a rural&urban lifestyle. Therefore, a sophisticated blend of the all-time defensible Albanian tower house.

To the left: (kulla), still existing quite intact in Klos Municipality.

Figure 18 below summarises the manmade attractions in a form of traditional houses-tower. Investigating the condition and available information of the towers in regards to the level of attraction to the tourist’s serious gaps have been identified. Namely, many of these monuments are privately owned and regular life is ongoing on the site. No conservation has been undertaken so many of the monuments prior proclamation as category 1 have been altered and loss of their authenticity. On the other hand, having locals on site can be turned into an advantage, offering innovative tourist attraction mix, one of accommodation and local interaction, the main two aspects of adventure travel.

Figure 18: historic man-made Towers Houses of Klos

No.	Name of of the monument	Category	location				ANNOUNCEMENT DATA
			Village	NJ. A.V	Municipality	QARKU	INSTITUTION
1	Kalaja e Skënderbeut (Petalbe)	I	Guri bardhë	Xibër	Klos	Dibër	ministry of education and culture /nr.1886/ dt.10.06.1973
2	Kalaja e Xibrit	I	Xibër	Xibër	Klos	Dibër	ministry of education and culture /nr.1886/ dt.10.06.1973
3	Ura në hyrje të fshatit Dars	I	Dars	Klos	Klos	Dibër	ministry of education and culture / Urdhëres/ 08.01.1977
4	Ura e Vogël tek	I	Gur i Bardhë	Xibër	Klos	Dibër	Ministry of education and culture/



	Gurrat e Kodrës						nr. 786/1/ 05.11.1984
5	Ura e Gurit të Hoxhës	I	Gur i Bardhë	Xibër	Klos	Dibër	Ministry of education and culture/ nr.2509/1/ dt. 30.06.1983
6	Ura e Vashës mbi Lumin Mat	I	Fshat	Klos	Klos	Dibër	Ministry of education and culture/ nr.2509/1/ dt. 30.06.1983
7	Kalldrëmi i vjetër tek Gurra e Kodrës	I	Gur i Bardhë	Xibër	Klos	Dibër	Culture and arts committee/ nr. 8/ dt/18.12.1987
8	Rrënojat e Kishës dhe Varri Monumental i Suçit	I	Suç	Suç	Klos	Dibër	Ministry of education and culture / Urdhëres/ 08.01.1977
9	Banesa e Rexhep Karait (Prone e Sinan Allushit)	I	Dars	Klos	Klos	Dibër	Ministry of education and culture / nr.1886/ dt.10.06.1973
10	Banesa e Asllan Hutës (Prone e Shefqet Gjashit)	I	Plani Bardhë	Klos	Klos	Dibër	Ministry of education and culture / Urdhëres/ 08.01.1977
11	Banesa e Jakup Kurtit	I	Plani Bardhë	Klos	Klos	Dibër	Ministry of education and culture / Urdhëres/ 08.01.1977
12	Banesa e Bajram Allushit	I	Klos-katund	Klos	Klos	Dibër	Ministry of education and culture / Urdhëres/ 08.01.1977
13	Banesa e Rexhep Lleshit	I	Klos-katund	Klos	Klos	Dibër	Ministry of education and culture / Urdhëres/ 08.01.1977
14	Banesa e Abdi (Veli) Domit	I	Gur i Bardhë	Xibër	Klos	Dibër	Ministry of education and culture / Urdhëres/ 08.01.1977
15	Banesa Shaqir (Elmaz) Dezhgiut	I	Gur i Bardhë	Xibër	Klos	Dibër	Ministry of education and culture / Urdhëres/ 08.01.1977

A good part of these monuments is along the currently build Arber highway, which increases the accessibility and the potential increase of the tourists. However, the investment projects in the respective infrastructure are necessary for these attractions to be more accessible. On the other hand, Klos local government envisages the establishment of tourist info points with leaflets/brochures on main cultural attractions in each village, which will help increase the information availability. The bridge with the highest potential as manmade attraction is considered "Vasha Bridge" located between the villages of Klos and Guri i Bardhë. It connects the two banks of the Mat River and has been the only mean of communication upstream of the Mat River. The bridge is with an arch 11 m long, the space between the two legs is 7 m and the height of the arch from the water is 7 m. Both sides of the vaults are reinforced with iron hooks. Vasha Bridge is visited by many Albanian and foreign tourists, even a small sign saying "Vasha Bridge" is placed by Czech tourists. Ali Sina's family is the only family living at the bottom of the two slopes, a working family that maintains the access road to bridge one they opened by themselves. Many more bridges from the same period are placed



in the area but in poorer shape and with lesser attraction or grandiosity as Ura Vasha. In addition to the bridges, a particular attraction made by Gjon Kastrioti family in XIII-XIV century is the White Stone Castle (Petralba) located below the village of Guri i Bardhë (White Stone) and above the village of Fshat on a mountain ridge with a height of 778m.

Nowadays Petralba Castle has become a tourist attraction and a place much visited by locals as legend says that the national hero Scanderbeg has been born there. From the Castle one can see the whole

surrounding area, the view is simply stunning. The landscape that Gurri I Bardhe offers is a combination of history and nature, making the village already part of the project of 100 tourist villages in Albania.

In the area there also few more Castles which more or less are in ruins as are made of stones and are not considered as significant factor of attraction for increase of tourism activity.

The envisaged potential impact on the tourism development of the thematic destination of DH-Klos lies in the natural attractions *as per* ATTA definition of adventure travel, two of the main aspects are natural environment and physical activity in the outdoors. Both municipalities' possess vast territory of untouched nature, a truly rare potential nowadays.

In the perspective of tourism growth under the label of adventure travel, natural attractions can be defining asset. Combination of grand mountains, vast green terrain, valleys, rivers and inhabited villages are main characteristic of the thematic destination of DH-Klos. Fundamental condition for marketing adventure travel in rural areas amongst other requires manpower to facilitate the activities along proving interaction with local population. Both DH and Klos fulfil the latest. It is fair to confirm that both municipalities share similar natural attractions, as presented in details below, which can be separated from the regular offer in the wider region as a micro destinations for adventure travel.

In particular, onto Municipality of Demir Hisar there are 41 settlements out of which 38 are rural and with inhabitants. All of the settlements are wrapped up in lush nature, some at the foot of the mountains and some in valleys towards the neighbouring Bitola. In regards to tourism development, natural attractions nearby living villages possess greatest potential. In DH, those villages, upon vast consultations with locals and further research, are Smilevo, Sloestica, Slepce, Babino, Golemo Ilino. They all are bordering with mountainous terrain providing direct access to naturally evolved hiking trails. In addition, woods surrounding DH are rich in forest fruits and mushrooms. Grand mountains include Ilinska Planina and Bigla, mountains that have generated increased interest in conquerors of their summits of 1908m.a.s.l and 1864 m.a.s.l high



accordingly; Plakenska mountain and Busheva Mountain also are touristic potential once further organization of the trails, off road, hiking, biking, is done. In terms of natural sites, the gorge of the Crna Reka (Black River) by the village of Zeleznec are presenting the springs of the river and have been mapped and marked along with information as a of touristic attraction. A mix of natural and manmade attraction are the whirlpools (valavici) in the village of Sloeshtica as they are attracting more and more visitors due to the organized touristic offer in terms of rest area and restaurant at site. There is a local

legend that the marks of the Alexander the III horse hoof can be seen on a cliff nearby. DH villages (Virovo, Velmevci, etc) also have natural assets like Sloestica whirlpools but the sites are not complemented with additional content. In the past and rarely nowadays the whirlpools were used for washing the traditional blankets made of wools used in the households for cover or as a mats. DH area is very much rich in rivers and accordingly fishing sites at Crna Reka. So far, the restaurant in the village of Babino is creating the market advantage of the local river as it encompasses fishpond on site offering pleasant outdoor area along with fish menu.

Klos municipality shares similar natural attractions. The relief is characterized by mountain ranges, mountain ridges and ridges, isolated mountain plateaus, hills, river valleys, necks and pits. From the hydrographic point of view, there is the great river of Mat and a series of lakes, of which the most famous are Natural glacial lakes such as, White and Black Lake, Lake Balgjaj, etc. The glacial lakes like Balgjaj and the Lake of Flowers are unique natural attractions which have been quite a lot visited by the end of the '90 as organized visits from schools and universities were done. Nowadays it is a site of tourism potential due to the spectacular nature at but also along the way to the Lake.



Balgjaj Mountain in the Municipality of Klos is located above the villages of Kurdari and Patin. The view that this mountain offers while standing in it, is truly amazing, intertwined with vegetation, water and mountains. Klos remains a municipality with a very rich forest nature and accessible parks like that of Mali me Gropa, Dajti and Balgjaj lakes - which make it a municipality with a very rich green territory.

**Additional comments:**

*As a general observation is that existing research on the natural attractions in both DH and Klos reveal information's of academic value while mapping its practical potential in tourism development is lacking. Adventure travel requires exact technical data regarding the outdoor activities like hiking, trekking, off road routes, horseback-riding etc. thus more specific information developed by experts in the separate areas should follow indicating most viable touristic products.*

### 1.9. Activities

Consultations among locals engaged in tourism activities revealed that all touristic offer regarding outdoor activities (one investigated under the CB Plan) is individual and not consistent throughout the year. Namely, onto the territory of DH a mountaineering club Bigla exist and runs moderate touristic activities in terms of hiking and trekking. 85 km of marked trails are managed by the Club and are offered as 4 separate experiences: 1<sup>st</sup> trail is Demir Hisar-Lake Strugovo, 12 km; 2<sup>nd</sup> trail starts from village of Golemo Ilino to the summit Liska and the Sveti Ilija Monastery in total length of 22 km; the 3<sup>rd</sup> trail is of multiple possibilities as it offers hiking, biking and off-road experience, it starts from the village of Golemo Ilino and ends in the village of Virovo following the mountain range of 33 km.; 4<sup>th</sup> trail is with greatest touristic potential as it starts from the village of Slepce (near by the location of the Sveti Jovan Preteca Monastery)and goes through

thick forest in the shades ending at the historic village of Smilevo. On top of these 4 ready-to-sell trails the Bigla Club has additional 80 km of trails which require touristic evaluation, development and marking.

In addition to the above, off road services are offered by the local association for extreme sports and alternative tourism JEEP TURNEJA which can be delivered at the trails of 33 km; 52 km and 28 km.

Local guides are not licensed so far but some of the locals, mostly members of the mountaineering club Bigla offer mountain guiding to small groups of tourists or families. Languages offered are Macedonian and English.

Horseback riding is yet another newly introduced activity offered in the area by the Mr. Goce Trpcevski Tito, from the village of Sladuevo who also offers B&B accommodation at his ethno-house and farm.

The library of Babino, AL-BI offers literary readings and debates as well access to the vast written archive presenting the history of the people of DH who are most famous storytellers in the country. The owner, Mr.Stevo Stepanovski offers quite attractive walks in the near forest archaeological site – the ancient foundry, visit to the Dragon cave, concerts at the yard amphitheatre, etc.

Fishing is also an activity, currently not framed in a commercial offer but exists as self-organized outdoor activity.

Mount biking is also self-organized activity currently even one adventure travel agency from the town of Bitola offers guided biking tours and rent of MTB to the destination of DH. There is one Genuine experience that is successfully functioning from last year, offered on the platform: <https://genuinexperiences.com/experiences-view/d8a861d7-9883-402e-9a58-01853c7cface>

The two new experiences from the village of Suvodol: Sheep grazing & tobacco collection with cooking traditional Turkish specialties (more than 200 old recipes) with hosts, one Orthodox, one Muslim family.

A family in Virovo possessing historic watermill and valavici, would like to offer unique experience on their farm (tasting traditional cornmeal and washing woollen rugs) however both two experiences require further development top reach ready-to-sell stage. Testing goat cheese in the village of Velmevci is yet another local experience to be finalised for market. At APG, hosts are offering visit to the Gallery/exhibitions; Mentored classes in painting and cooking as part of team building activities for Embassies, Universities, companies, etc., residencies of different types as well.

Onto Klos territory currently not many activities are offered in an organized manner to the tourists.

At the camping site in the village of Suc, Mr. Gent Gjinaj offers off-road experiences. Also, local guide at the Camp is taking international visitors to the Glacial Lakes and on the mountain trails. Even not licensed few guides are offering guided tours to the Balgjat Lake are working individually and are not in strict business relation to any tour/travel company. They use immediate channels to advertise their services like at the accommodation facilities front desk. Languages in tours are English and Italian.

There is great potential for mount biking and trekking, as well fishing. Several small businesses during the process of consultations as well as tourism business ideas workshops, informed on the maturity of their activities such as: cheese making, honey bee tasting, culinary classes, horse and donkey back riding.

### **1.10. Amenities**

As elaborated above, amenities investigated by the CB Plan are of particular interest to the adventure tourism development potential onto both municipalities. As far for accommodation, general observation is that it encompasses moderate amenities within but one that can be expected in rural setting. Food is of great attraction potential as both territories still can offer healthy and homemade food no matter if served in the ethnic restaurants or in B&Bs. Internet access is provided in every facility (apart from few B&B accommodations where is part of the unique offer-meaning offering peace and online detox)





### 1.11. Key Imagery and Footage

Below are presented photos of the destination taken both by professionally engaged and private travellers. Importance of the destination imagery and footage lies in the effect to the brand of the destination. In that respect the imagery out in the public via various channels of communication would be consistent with the destination: key assets offered experiences and attractions.



Left up: Ura Vasha (Klos); right up: Crna reka springs



below left: Sladuevo, Black river (Crna reka)  
down right: Petralba Castle (Klos)







Klos in autumn (above);



Camping site at Klos, AI, 2 following photos.

As presented on the footage publicly available, the theme throughout is the lush nature in all different seasons including natural and manmade



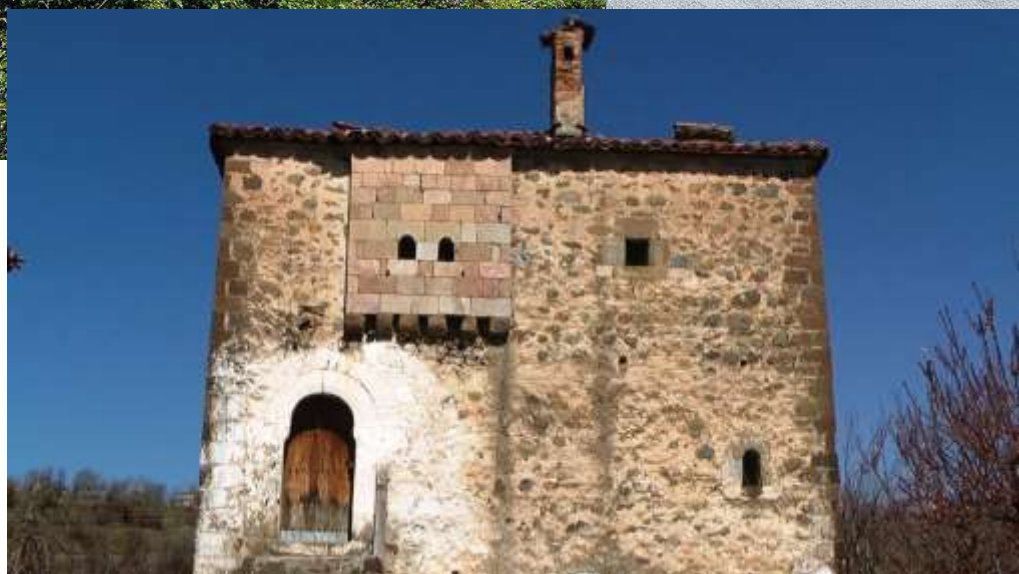
attractions. Key assets like accommodation, attractions, natural and manmade sites/cultural and historical



monuments or landmarks are dominant in the destination imagery and footage. More of the key assets are photographically presented throughout the document. Notably, several photos are taken by tourists as a postcards rather than an attraction to engage with in terms of receiving new and unique information, physical activity or interaction with the locals. On the following page more images are attractions and various activities of the locals; engaged in traditional way of food production, collecting herbs, bee production, farming, etc. Furthermore, the photos show various traditional crafts that are still part of everyday life both in villages onto DH and Klos municipalities. Also, food offered at the destination is significantly present in the public both in photo and video material. Imagery and footage are accessible on various portals, web pages, etc, social media. There is no specifically designated online media that promotes tourism /activities in the destination in an organized or commercial manner.



village of Zeleznec, DH area,  
traditional architecture  
(above)



(right) traditional house in  
Kurdari village, Klos area





traditional rakija making



Traditional honey bee production



Welcoming locals offering homemade food and vegetables





Visiting local sheep farm (above left)



(above right) Making traditional pie  
“zelnik”



Horse school & farm B&B house at  
Sladuevo (left)

Dominating colours of the DH-Klos imagery are green and blue. It is almost consistent at every footage no matter photo, video or promotional content for the destination. The colour scheme related to the destination promotes key assets and main attractions, being nature and cultural sites. As green colour is firmly linked with nature and the environment in most people’s minds it also associates with honesty and freshness. Blue arouses feeling of calmness and purity. As colour psychology plays a role into the marketing activities of a destination, especially in the element of promotion, having same colours dominating both DH and Klos can be used as a basis to form marketing material for joint promotion of the destination.

## 1.12. Key Source Markets and Consumer Segments

**Visitors:** Data related to the arrivals onto the territory of Demir Hisar in north Macedonia and Klos in Albania are gathered indirectly via consultations and interviews with locals engaged in tourism activities and are presenting indicative numbers. Statistical authorities in both countries do not collect data on the level of the both municipalities in regards to number of arrivals, overnights or tourist spending.

Furthermore, information on the type of the visit, if the visit of the destination is sole purpose or part of larger /round trip etc is circumstantial

As a general conclusion, feedback provided by tourists (national or foreign) is positive and relates to the spectacular nature and tasteful local food as well the local hospitality. In regards to length of stay, locals report that national tourists mostly stay 1-2 days or long weekends whether international tourists usually visit the destination as part of a longer trip to the wider region of Albania or North Macedonia.

In regards to the **Demand for** experiences/attractions/products/ services in the DH-Klos destination, tourists mainly ask for information about natural and manmade attractions, guiding, marked trails for hiking, collection of herbs and mushrooms, cooking classes. The most popular attractions like the Valavicite in Sloestica, the Library AL-BI at Babino, the fish restaurant at Babino, the springs of Crna River in Zeleznec, the Slepce Monastery (all onto DH territory) and Balgjaj Lake, Petralba Castle, Ura e Vashe, Tower Houses, the guest house of Tower of Muarem - Tourist Complex in the village of Gurrë (all onto Klos territory) are reported as main drivers of the arrivals in the destination DH-Klos.

The available indicative data is presented below at the Figure 19.

Source Market	Consumer Segment	Reason for Visit?
Capital cities Skopje and Tirana	Families with young children	Walks in nature, weekend in nature, local attractions like monasteries, castles, ethno restaurants  *Klos Museum as well Petre M. Andreevski Memorial Room are expected to be reason for visit once opened
Neighbouring cities like Bitola, Prilep, Kicevo and even Resen in North Macedonia	Couples, family people, families, friends	Day trips to visit local attractions, try tasteful local food at ethno restaurants, buy local produces
EU countries	Individual travellers, couples, friends, young travellers, organized groups visiting the destination <i>en route</i>	Hiking in nature, visit to the natural attractions like glacial lakes of Balgjaj, valavicite in Sloestica, interaction with local people
Australia and USA	Families, individuals who have roots in the destination	Local attractions, villages of their roots, ethno restaurants,

		natural and mostly cultural sites
Young adventurers from various countries	Young people in small groups or individuals or private groups independently organized	Nature, hiking, exploring the mountains, natural sites, villages, biking trails
Undefined (various origins)	Small number in totals, mostly individuals or small groups, companies, associations, scientific groups- academia, artists, diplomats	Team buildings, seminars, scientific research, artists' residencies for literature, music, painting, photography (local and international guests)

### 1.13. Key Communications Channels

[Identify the key communication channels used by your destination to communicate to your existing/potential visitors. This may be digital such as websites, social media or EDMs, consumer and trade shows, publications, VICs, radio, TV, etc.]

Channel type	Coverage of Destinations Assets	Advantages	Disadvantages
<p>Web pages:</p> <p><a href="http://www.bashkiaklos.gov.al">www.bashkiaklos.gov.al</a></p> <p><a href="http://www.demirhisar.gov.mk">www.demirhisar.gov.mk</a></p> <p><a href="https://www.macedonia-timeless.com/eng/cities_and_regions/cities/demir-hisar/">https://www.macedonia-timeless.com/eng/cities_and_regions/cities/demir-hisar/</a></p> <p><a href="https://www.manastirslepche.mk/">https://www.manastirslepche.mk/</a></p>	<p><i>not a single web page cover the destination DH-Klos assets jointly; ones that cover the DH or Klos separately cover 65-85% of the assets in average in terms of info available or presentation of number of assets</i></p>	<p>Main advantage of these web pages are that are presenting accurate information on the key assets in terms of historic and cultural data as most of them are public i.e. owned by the municipalities</p>	<p>The web pages are not developed in easy-to-use manner and are in poor aesthetics, so are not tourist attractive. Furthermore, no regular update is undertaken; no commercial info is present that are relevant for visitors like opening hours of the attractions/assets/services</p>
<p>Social media</p> <p>Two profiles ( fb and insta) are promoting the DH-Klos destination as one :</p> <p><a href="https://www.facebook.com/DiscoveringHiddenAttractions">https://www.facebook.com/DiscoveringHiddenAttractions</a></p> <p><a href="https://Instagram.com/discoveringhiddenattractions">https://Instagram.com/discoveringhiddenattractions</a></p> <p><a href="https://www.facebook.com/villagebabinomacedonia/">https://www.facebook.com/villagebabinomacedonia/</a></p> <p><a href="https://www.facebook.com/villagesloeshtica/">https://www.facebook.com/villagesloeshtica/</a></p>	<p>Most of the social media like fb and Instagram are designated to one or few micro destinations of DH-Klos</p>	<p>Appealing photos, undiscovered sites, great presentation of people experience at the site, presenting</p>	<p>Not commercially engaging, not providing precise info on the destination, serving as teasers</p>

<a href="https://www.facebook.com/Slepce-Petite-Paris-106005590605">https://www.facebook.com/Slepce-Petite-Paris-106005590605</a> <a href="https://www.facebook.com/groups/1033906346773218">https://www.facebook.com/groups/1033906346773218</a> <a href="https://www.facebook.com/groups/438266682933364">https://www.facebook.com/groups/438266682933364</a>	and focused on general promotion	activities versus just attractions	
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#### 1.14. Market and marketing aspects

UNWTO forecasted that international arrivals or outbound travelers worldwide will reach up to 1.8 billion by 2030 thus securing the tourism as one of the fastest growing economic activities fostering overall development, introducing new investments, generating income and new employment. In terms of figures in 2017 the economy of the tourism worth 10.4% of global GDP securing 313 million jobs, or 9.9% of total employment around the globe (WTTC, 2018).

Trying to capture the trend that was uprising until the COVID 19 pandemic worldwide, countries, destinations and businesses are fiercely competing for the greater piece of the inbound tourism or non-resident visitors by shifting the traveling experience from being just a trip to an experience thus maximizing the profit by offering attractions by the local residents while preserving their own traditions and natural environment. Current inbound market to the destination of DH-Klos cannot be assessed in view of trends or predictions, setting indicators for arrivals growth or destination demand solely because of the fear disruption following travel restrictions and general fear due to COVID 19. Most evident is the new wave of domestic visitors to the destination of DH-Klos, that being arrivals from capitals to the rural parts of the countries evident in the spring/summer 2020. The last is reported by locals engaged in tourism activities in the rural parts of the destination as official statistical institution do not count/report on the level of the municipalities subject of the CB Plan.

Based on the interviews, the greatest portion ( up to 95%) of the total arrivals in 2020 count to the domestic tourism encompassing all market segments within the national economy: families, couples, friends, private groups, small organized groups; traveling per one day visit, long weekends, holiday, event attending. Most of the visits included at least one physical activity like walking in nature, hiking, biking, horseback-riding.

In comparison, the destinations within the CBC area offering similar experiences (villages around Prespa Lake, around Ohrid Lake, villages in the foothills of National parks, mountainous villages) also counted great increase of domestic visitors in 2020 due to the travel restrictions abroad. Thus, trend forecast cannot be based upon extraordinary external influence however latest tendencies can be employed into developing strategic direction for destination development and further promotion.

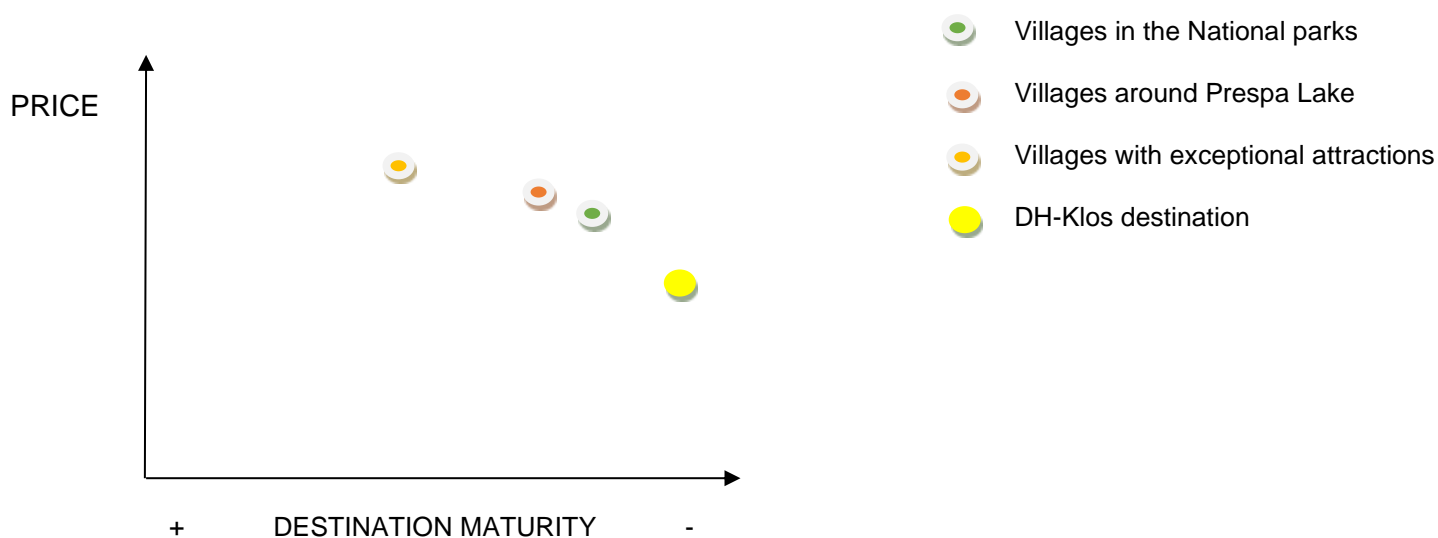
Demir Hisar and Klos areas separately experienced “first time arrivals” or “explorers” who visited the destination out of less choices to travel to due to the national borders being closed or due to the general fear of travelling abroad in time of uncertainty. Most of the first time visitors were from the capital or bigger cities within the country resulting in great promotion of the destination within the national borders. This trend found the local service providers unprepared in terms of size and diversity. Existing facilities were not able to accommodate arrivals resulting in loosing income in the visitor economy as the visitors were restricted to day travel mostly. In addition, poor organization on the ground and lack of promotion led to underuse of the outdoor experiences both in DH and Klos. Only few guided tours were reported, to the hiking trails, and only few adventure experiences executed like off road adventure and horseback riding. Events like Concerts at the Amphitheatre at AL-BI, Babino, various exhibitions in Cultural home “Ilinden” in DH and at APG, summer festivals of folklore in Klos are annually held.

### 1.15. Review of the marketing mix used in tourism sector of the CBC area

The cross-border region (**CBC area**) located in the southern part of Europe, has a good Geo-Strategic position. The extraordinary cultural and natural heritage of the CB region recognized all over the world for its uniqueness and diversity (part of it is recognized as UNESCO world heritage) can offer a powerful contribution to sustainable development and tourism growth. The amplitude of its landscapes, mountains and Lakes is reflected in the myriad of local traditions, land uses, languages, local arts, crafts and customs. Following the above, the marketing mix (product, price, place, promotion and positioning) of the destination on the level of the CBC area varies from high-end leisure mass travel market to low-cost individual rural adventure market.

In that regards, the CB Destination plan for DH-Klos will explore only comparable products (trip packages inclusive of accommodation, F&B, local experience, two days) in type and economic potential. In particular, rural tourism of yet not fully mature destinations. CBC area is extraordinary rich in live and fairly accessible villages that are starting to organize local population around building visitor economy. In addition to the 2020 trend contributed in exploring hidden attractions in both North Macedonia and Albania, discovering villages with potential to grow into destination. Yet, most visible rural destinations prior 2020 are one with defined marketing mix which can be subject of comparison and evaluating the competition: Prespa Lake rural surroundings; National parks villages, villages with exceptional natural sites or man-made attractions.

The DH-Klos destination positioning on the market of incoming travel in the CBC area is investigated against pricing compared to the maturity of destinations meaning destinations that are most visible to ones in the process of growth and promotion. Maturity in this analysis presents in which stage the comparable destinations are in terms of the life cycle of their tourism products; having the most visible and most promoted destinations at the left side of the destination maturity axis and ones still developing on the right side. Compared destinations are also determined as competitors as per similar offer in terms of type and accessibility to the geographical location.



*Figure 20: Market position of the Experiences/attractions/products/services offered in the rural CB area in relation to pricing and maturity of the destinations.*

Following the above analysis all three clusters of destinations compared to DH-Klos are positioned higher in terms of price and left on the stage of maturity, meaning that all comparable destinations are more visible, have left the stage of undiscovered destination, have established recognized products which price is market acceptable. All of these destinations still have stages of the life-cycle to reach prior full maturity meaning that they can still develop the destination and manage it to maximize its potentials and provide income for the local population. In comparison, DH-Klos is at far right at the maturity scale meaning it is a destination developed far below its real potentials. The price position reflects the visibility of the destination i.e. promotion, meaning the product is under-priced due to several factors one of them lack of promotion.

Following the destination audit all experiences/attractions/products/services present on the territory of Demir Hisar and Klos are fresh and newly developed offering a new trip for the tourists. Even the attractions present (Natural, Heritage (Cultural), Purposeful-Built (Man-Made) and Events) may not present innovative touristic offer in terms of category, yet all attractions have high factor of attractiveness due to its quality of being new. In addition to their novelty the destination in geographical sense bears the label of undiscovered territory, holding places yet to be visited. Both municipalities, Demir Hisar and Klos are familiar to potential tourists within the national borders but there is no evidence of broader-regional or international promotion of the destination.

In the previous sections of the CB Plan, the rest of the elements of the marketing mix were analysed: Place (the destination footprint), Product (assets, attractions, amenities, accommodation and activities), Positioning (Key Source Markets and Consumer Segments) and Promotion (Communication channels).



## 2. DESTINATION DIRECTION

### 2.1. Tourism Business environment

Setting the destination direction, the DMP focuses on determination of the competitive advantage of the destination as well to the development goals providing a set of activities to be undertaken both by private and public stakeholders. The last provides identification of opportunities for all tourism sector stakeholders (public, private, civil) to participate and contribute to the overall tourism development process.

Beside the destination analysis a broad consultation with the local stakeholders provided set of concrete actions presented below at 3.11 and furthermore in details in Annex 2 as Report to support the development of a destination management process in the selected destinations, by providing relevant info from local stakeholders (both public and private) on tourism potentials in the CB area of Demir Hisar (NMK) and Klos (AL) municipalities.

DH-Klos business environment in relation to tourism is investigated as one destination. Given the destination is thematic, an adventure destination, the location of the tourism activities is in two countries. Still, as elaborated throughout the DMP, DH-Klos is considered one destination offering the possibility of one trip in two countries. Similarities extend to the investigation of the business environment allowing for execution of PESTEL analysis at the level of the destination instead of the level of the location. Several methods are available throughout literature to analyze tourism business environment of a destination (Global forces model, PEST model, SWOT). For the purpose of consulting the destination direction, SWOT and PESTEL analysis of the DH-Klos destination are employed. In particular, PESTEL analysis presents the external factors affecting the business in tourism of the destination revealing the advantages and disadvantages of the business environment. SWOT analysis on the other hand helps in determination of the destination (internal) strong and weak aspects thus providing base for the vision and mission of the destination. Knowing the competitive advantage, the analysis is offering USP (unique selling proposition), one that should serve as Key message for stakeholders at the destination from product design to launch and full implementation. Furthermore, it helps in determining the goals of the destination management indicating the promotional, financial and educational resources needed to support the DMP implementation particularly in reference to any priority areas.

PESTEL analysis below explore the external factors influencing the tourism business in the destination. It takes into consideration the factors related to tourism and ones relevant because of the competitive destinations providing conclusions of the advantages and disadvantages of the destination on the market.

Figure 21: PESTEL analysis

P	E	S	T	E	L
Political factors of the destination	Economic factors of the destination	Social factors of the destination	Technological factors of the destination	Environmental factors of the destination	Legal factors of the destination
CB area stability Easy border crossing Tourism is national priority area	Taxes VAT ( 6% in Albania, 5% in North Macedonia) Higher Income levels of incoming visitors	Middle aged workforce in DH/young in Klos Low mobility of the workforce	low technological attraction of the destination low IT development basic IT infrastructure	Vast natural untouched green areas Low quality of the environment, actions to protect and conserve	respect of the principles and values of the rule of law, legislation linked to European standards,

Tax incentives		Moderate level of unemployment,		biodiversity, availability of natural resources,	Moderate functionality of law institutions,
Grants and subsidies for businesses	Traveling models (individual booking, self-organized trips)	simple lifestyle,		low effort to implement renewable energies	High respect for private property rights,
Bureaucracy		moderate educational level,		solutions, low recycling of used products,	
Corruption	Intensive investments in Klos	low foreign languages circulation,		Existence of protected areas and zones.	Variations in the tourism regulations and hospitality categorization in DH and Klos
	Cost of utilities	solid society values, high tolerance to religions			
	Interest rates	positive attitude towards quality and saving			

As per the above PESTEL analysis, tourism business environment of the destination DH-Klos is influenced by similar external factors affecting the growth potential. In particular, political factors are mostly favorable to the destination as both governments implement measures to support strategic goal of tourism development. Subsidies and various grants are available to local tourism business enhancing the locals to engage or continue with tourism activities. In addition, economic factors like VAT, low cost of utilities, high income of the visitors in comparison to one at the destination, interest rate of loans, etc. are also in favor of the destination tourism business. On the other hand, bureaucracy and corruption still endanger the business activity. Following the social factors, the environment is more negatively influenced as the population in DH is ageing and has low mobility of the workforce. On the contrary in Klos, the workforce available is young and mobile but lack in specific education and foreign languages, important to tourism activities. Most favorable factors to the destination are vast natural assets still untouched even the environmental situation presents low awareness to the pollution and use of renewable energy solutions.

Tourism business advantages are inclusive of political and economic support, cheap utilities and logistics at the destination, young workforce in Klos and natural attractions. Disadvantages comprise of bureaucracy and corruption of the administration, low level of specific expertise and foreign languages. Simple lifestyle and rather cheap services in comparison to the incoming visitors' income can be treated as favorable to the tourism business environment of the destination.

In addition to the PESTEL analysis, local businesses engaged in tourism activities strongly articulated their need to be coordinated or even guided by the strategic approach in tourism development. In Klos especially, local businesses environment is more dynamic than in DH and people are stressing the need for developing strategic goals and receive proper guidance and support in tourism businesses. In contrast to DH where investments are few in the rural areas regarding tourism businesses in Klos there is (as reported) evident will for further investments in tourism related businesses but businessmen are lacking in proper guidance and support in their efforts. In particular they are requiring business support activities in coordination with the local government and based upon strategic development of the tourism in the area. Furthermore, the local private stakeholders are in need of guidance towards the strategic objectives if ones are already determined but as well to actively participate in updating the strategic planning of the tourism development in this, as they reported, crucial times for overall development of Klos due to the new road construction i.e. Arber highway connecting Tirana to North Macedonia via Blate crossing.



On the other hand, all relevant stakeholders of Demir Hisar reported that extensive mapping and assessing of tourism potentials has been done and strategic direction for further development of tourism in the area is done. To follow achieving the set goals, private stakeholders especially reported the need for financial support in investments while the public stakeholders stressed the need for national government support in the tourism related infrastructure.

Both Dh and Klos stakeholders shared innovative business ideas that require follow up and business development support in order to build up the local business environment.

SWOT analysis (Figure 22 below) is conducted as to assess the strong and weak aspects of the destination of DH-KLOS. Cross-matching the findings with the consultations of local stakeholders, the DMP communicate the goals for the Destination. The same goals should be incorporated in the activities of all stakeholders included in the destination development & management, starting from the planners (public stakeholders) and the executers (private sector).

Strengths	Weaknesses
<p>Undiscovered destination</p> <p>Rural peaceful environment</p> <p>Vast green area untouched</p> <p>Natural and home-made food</p> <p>One trip-two countries</p> <p>Easy crossing of border</p> <p>Good accessibility</p> <p>Lower prices</p> <p>Hospitable people</p> <p>Adventure and outdoor activities</p> <p>Boutique style accommodation</p> <p>Spectacular natural sites</p> <p>Mountains and lakes</p> <p>Easy interaction with locals</p> <p>Unique stories</p>	<p>Moderate use of English</p> <p>Network availability (wi-fi)</p> <p>Promotion</p> <p>Specific touristic info availability and accuracy</p> <p>Standardization of the touristic services (accommodation, transport)</p> <p>Marketable local experiences</p> <p>Online guiding applications (hiking, bike riding)</p> <p>No Recycling practices</p> <p>Small number of licensed guides</p> <p>No renting of bikes at site</p> <p>Limited number of activity organizations/clubs at the destination.</p>

Opportunities	Threats
Travelling in small and private groups (due to COVID 19 grouping restrictions)	
Trend to travel in nature	Language barriers
Adventure and outdoor physical activities in traveling	Ecological negligence
Trend to travel to discover new destinations	COVID 19 / pandemic general fear to travel
Instagram destination	Low mobility (DH)
Unique experiences	Lacking Cultural conservation

As per the SWOT analysis, the destination of DH-Klos major strengths lie in the location, natural and cultural sites and people of the destination. All potentials to grow into marketed destinations are in place and need to be further employed by converting the opportunities in real actions. Namely, the global trends for individual travel or private travel or travel in small groups to undiscovered destinations can be captured by eliminating the weaknesses such as weak promotion and above all lack of organization of the tourism activities on the level of destination rather than on a level of individual businesses. Instead of individual promotion, the DMP consults on organized and unified promotion of the rural destination offering adventure and outdoor activities. Working onto the weaknesses would include investing in local guides as well as into the capacities of the local stakeholders dealing in tourism. Developing trip packages should involve the private sector and byers/travel agencies as the destination should be sold as one trip (package) – two countries. Also, promotion via innovative and online media should target trending individual travels as per B2C model attracting them to visit.

## 2.2. FOCUS

Following the research, marketing analysis and findings at the destination, the focus of the destination can be determined to the main visitor economy business of individuals, private and small group adventure travelers.

## 2.3. VISION

A tourism vision statement should follow upon agreed focus of the destination. For a destination is essential to engage stakeholders with a common direction for destination management. A tourism-specific vision allows how tourism in a destination should be planned, developed, managed and marketed over time.

**Vision of the destination:** DH-Klos will be internationally recognized as travel destination of two countries welcoming people in rural areas of untouched nature and home-made food offering outdoor adventures to detox from the urban life.

## 2.4. MISSION

Destination mission is to help travelers to detox from the urban life.

## 2.5. Unique selling proposition

Elaborated above (1.14.1 Review of the marketing mix used in tourism sector of the CBC area) DH-Klos destination faces competitors within the CB area offering similar products to the same target in varying market segments and with higher prices. Attractions in the competitive destinations are similar and the destination maturity is higher than the DH-Klos. Nevertheless, not one of the competitors offers one trip - two countries. Furthermore, the price sensitivity of the market segments targeted as adventure individuals, small or private groups is high as they tend to travel on budget which is consistent with the current touristic marketing mix of the DHG-Klos destination.

Summarized, unique selling proposition is based on features/characteristics that make the DH-Klos destination better than the competitors within the region.

<b>Unique selling proposition of the DH-Klos destination</b>	
What makes DH-Klos unique?	Two countries-one trip
What is the essence of the destination?	Simple pleasures in peaceful villages surrounded by nature
What triggers the travellers to the destination?	Tasteful food, hospitable people, peace & relaxation in the nature, physical activities like hiking, biking, spectacular views, interaction with locals
What is the tourist's opinion of the destination?	Undiscovered, private, green and hospitable
<b>Detox from the urban life into the green villages of the Balkans</b>	

The above USP is to be the key message incorporated into everyday operation of all stakeholders in both municipalities of DJH and Klos. As the UPS is communication within the local business environment it is created to target the external audience as its primary role. The difference is that the service providers or the local stakeholders implement the UPSP, meaning they should act in a way to keep the strong selling points of the destination continuously such as being peaceful, green, hospitable, tasteful food etc., all that has been identified as a strong side and also features creating competitive advantage such as one trip-two countries and lower prices (1.1. Pricing strategy) for touristic service. On the other hand, using the USP in the marketing activities should address the target directly, relating to the market segment (see next section 2.11 on market segmentation) as it delivers the value proposition for the end customers i.e. the tourists. The value proposition for the tourists is that the destination experience will help them to detox from the urban life meaning it will not only provide travel but the destination will also improve their overall being offering green peaceful stay infused with natural ingredients and homemade food.

DMP consults on having a strong USP which in the same time serves as core content of the value proposition. The difference between USP and VP is that the first one communicates the competitive advantage while the second delivers the value that the destination adds to the overall experience for the tourists. The marketing literature defines the USP as part of the Value proposition, if the destination should provide value to the arriving visitors; it should incorporate the USP / a unique selling point to sell to the tourists. The USP is the main point on which the value stands.

## 2.6. Determining the Value Proposition

Value proposition (VP) to the contrast of the Unique selling proposition (USP) it focuses on the value that the product/service adds to the customer. If the USP stresses the competitive advantages of the destination, the VP states the value of the destination, a value that they will receive if choose to travel to the destination. In the case of DH-Klos the added value is the travel as in addition to their detox from urban life as advertised by the USP they will be able to enjoy the traveling into the region of the Balkans meaning having the added value to see and experience more than just the detox involved at the destination hubs. The VP was tested against potential travellers and proved with high score. The detailed scoring is presented at Annex 3. Value proposition of DH-Klos destination is as follows:

### **Travel to the green villages of the Balkans to detox from the urban life**

Visit two countries in one trip and enjoy simple pleasures in nature, most tasteful home-made food, listen to the storytellers of the welcoming people of North Macedonia and Albania

The value proposition (see Annex 3) scored 42 out of maximum 45 which support the strength of it and its alignment with the core value of the destination. In the same time, it is based on the unique selling proposition validating the competitive advantage to be communicated to the byers i.e. tourists.

## 2.7. Goals and Objectives

During the process of the development of the DMP 4 workshops were held with over 30 stakeholders' both from public and private sector of the destination as a separate consultancy service aimed exclusively to provide input from the local stakeholders of DH-Klos destination to the DMP analysis resulting in recommendations. In addition, findings from 4 capacity building activities held within the frame of the project "Discovering hidden attractions" by the project partners Art Point – Gumno and FLAG were analysed and considered upon presenting the short and mid-term goals of objectives for the destination (Annex 4, full text available)

Presented goals are integrated from the findings from both municipalities and refer to the strategic direction of the destination as one thematic adventure destination:

- Organizing coordinated promotion of the cultural attractions of the destination
- Promotion of local gastronomy and degustation of authentic local food;
- Development of active tourism (mountain sports);
- Mapping and promotion of archaeological locations;
- Developing destination hubs (traditional villages like Smilevo, Sloestica, Babino, Slepce, Virovo in DH, Dars, Guri I Bardhe, Gurra e Madhe, Kurdari, Mishter, in Klos;
- developing brand of the destination

- enhancing environment;
- Improving the network coverage in some parts of the destination;
- Improving the road infrastructure
- Renovation of cultural assets /castles / sites
- Tourist signage;
- Increasing capacity of the local stakeholders in tourism related activities
- Continuous learning/transfer of experience from successful destinations
- increasing the number of bed availability in the destination
- diversifying the touristic local experiences
- increasing the number and quality of the local guides
- setting up a DMO/project office to promote the destination
- setting up a business support organization in Klos

## 2.8. Milestones

The DMP approach includes Milestones instead of specific Action plan towards reaching the goals and objectives due to the lack of coordinative body/platform to moderate the unique process of destination development and management. Furthermore, monitoring and evaluation of specific task execution cannot be achieved without responsible body/organization to oversee the coordinated actions towards common vision of the destination. Nevertheless, the DMP (below) presents a pipeline of projects proposed by the local stakeholders to be implemented separately or in a more coordinated manner leading towards some of the set objectives.

Milestones on the other hand are necessary to make progress toward goals and move up the destination development to the next phase when stronger coordination and even formal organization of the destination management is required. As milestones are reached, those stakeholders who are “tasked” with achieving a goal can see progress, assess new complications or opportunities that have emerged, and make adjustments to plans and procedures before moving forward.

Milestone	expected completion	responsible
Building up a DMO / organizations platform dealing with tourism development	2022	Municipalities and private sector with support of International community (EU project)
setting up online touristic platform for coordinated promotion of the destination	2022	DMO/organization platform
Incentives for tourism local businesses	2022	Municipalities DH and Klos

Tailored trainings for service providers	2022	DMO/Municipalities/business support organizations
moderating the process for organization of the activity clubs/individual service providers	2022	DMO
Trainings and certifying local guides in foreign languages	2022	DMO
Determining the a hubs of the destination, villages with greatest marketability ( size of bed available, activities, services)	2022	DMO
Sharing/transferring experiences from other similar successful destinations	2023	DMO /projects
Capacity building for existing local providers	2020	DMO /projects
Improving the basic infrastructure/accessibility to the destination hubs	2021	municipalities

As presented above it is evident that the destination is in the need of unified and coordinated approach of all tourism development activities in order to reach added value on top of the separate investments. In that respect, it concludes that an organized effort should be translated into a single organization (no matter the legal form, an NGO/business support organization or public-private partnership of even informal platform or coalition of organizations) to be tasked with the implementation of the DMP for the destination. Furthermore, a designated organization could serve as a generator of specific ideas and projects towards achieving the set goals for the destination. The designated organization, a destination management structure, would also act as a platform for coordination between the public and private sector steering the joint activities towards destination development. Marketing activities in the initial phase of the DMP implementation would also be implemented by the specific DMO.

In addition to the milestones, the process of consulting the public and private sector concluded with specific project ideas to be implemented in the destination. Below are presented ones coming from the private sector and ones that are indicative for developing larger projects in cooperation with public sector.

## 2.9. Pricing strategy

The price is the value that the tourist and provider establish to enable an exchange. For tourists/consumers, the price they are willing to pay equals the expected satisfactory experience. On the other side, the service provider seeks to cover his production costs and obtain the desired benefits. However, there is no pricing strategy at the destination where still there is no demand. DH-Klos area is still in its early phase of tourism development and the demand is not the primary pooler of the service offer. The destination employs multi-stakeholder approach in developing its marketing mix one of which aspect is the pricing (marketing mix is composed of product, place, price, positioning and promotion) Recognized pricing strategies like Dynamic pricing, Price skimming, Competitors based pricing, etc. are more are more alike to be employed for a product that is already on the market and promotion is ongoing. For new products, the literature advises on Penetration pricing strategy, however, this strategy encompass pricing lower or equal to production cost which in the case of DH-Klos would be not possible to employ as the product is not sold by one service provider alone. On the contrary, the product in the case of a DH-Klos destination is comprised of several and various services such as accommodation, guiding, transport, local experiences, food, outdoor adventure etc. As the goal of the DMP is to create a strategic direction for the multi-stakeholder platform of the DH-Klos destination, pricing strategy is elaborated in relation to the to the travel package encompassing various elements presenting indicative pricing frame.

The purpose of the pricing strategy in this stage of the destination development is to attract visitors and up to a certain degree to generate repetitive arrivals. Successful implementation of the pricing strategy requires multi-stakeholder platform to adopt the indicative frame and employ it in each separate pricing of the individual services. In that way, the travel package overall price will remain within the pricing frame consulted by the pricing strategy.

As elaborated in the 2.11 section on segmentation and positioning DH-Klos destination currently is offering travel packages with lower prices than destinations identified as competitors. Yet the arrivals are still below the destination Tourism Carrying Capacity (TCC). TCC is defined by WTO as the maximum number of tourists that can visit a destination at a certain moment without causing destruction of the physical, economic, sociocultural environment and an unacceptable decrease in the quality of visitors' satisfaction, meaning that number doesn't always equal to the number of available beds in the destination.

Nevertheless, the analysis of the destination accommodation availability showed that the numbers of beds are far below the destination potential and current arrivals in any case do not reach the TCC of the destination.

Pricing strategy should work along with other elements of the marketing mix securing that the product/package that is offered is price competitive especially within the CB area.

Furthermore, pricing strategy should take into consideration the place of the product and offer pricing within the range of the cost of the inputs into the product such as fixed costs (utility, salaries, property taxes, etc)

Positioning is also an element that determines the pricing as the price range should match the income levels of the market segments targeted as potential tourists to the destination.

Promotion of the destination as a place for relaxation in nature and get-away from the urban life offering simple pleasures also affects the pricing strategy. As the destination is promoted as undiscovered nature oasis that provides local experiences such as hiking or trekking with a rural accommodation, pricing strategy should relate to the experience offered and expected value for it.

Taking into consideration all of the above aspects, DH-Klos pricing strategy should be based on a Cost plus margin calculation as the win-win concept both for local providers and providing value for the tourists. The pricing strategy proposed is excluded of provisions of a "middleman" or in the case of the DH-Klos destination an intermediary entity like travel agency or tour operator working directly with local providers of services. In the last case the pricing should encompass those costs as well or reduce the margin top the service providers. Further research should follow as the destination is set in two different economies and the coordinated pricing of the travel package could suffer different national market trends.

## **2.10. Market segmentation**

As the DH-Klos destination is still at its starting phase of tourism development and has very limited foreign market presence, the analysis is devoted to market segmentation and positioning, as those findings are precondition in optimizing the marketing strategy.

According to the general acknowledgment that no discussion is needed over people's different taste, it follows that every tourist should be observed individually as they are all drawn to a certain destination due to various reasons of taste, ranging from pure leisure to a very specific enjoyment.

However, another acknowledgment is that tourism industry can not in any case serve each and all travelers individually which leads into the market segmentation; furthermore, market segmentation in tourism can be used by all stakeholders from restaurants and hotels, small or large international tour operators and finally destinations as the case elaborated by the DMP is. This section elaborates on

geographical, demographical and psychographic (lifestyle) characteristics of the incoming travelers to DH-Klos destination.

Outbound market should be observed as a pool of many different smaller markets formed upon different personal characteristics of each customer thus enabling the destinations to excel in serving the needs per specific group or market segment.

When choosing the tourists from abroad in particular, destinations should determine whether they will select the market based on country borders or will investigate different market segments internationally wide addressing common needs of travelers.

For inbound tourism destinations, like DH-Klos it is easier to start segmenting the market based on its database of arrivals which in this case would be the data gathered from local stakeholders. Not following only the data/arrivals from 2020 as it presents exceptional circumstances and cannot be used as indicator for future target value setting, local stakeholders report on arrivals per category rather than per geographical location. Aside the returns by the migrants (nationals who live in foreign countries and return mostly in summer to visit friends and relatives, VFR) no arrivals have been reported as per particular country of origin. Data presented (???) on arrivals per country of origin on regional level, Pelagonija and Diber, support the evidence from the field research that tourist's origin from various countries with tendency of more arrivals from European countries and the neighboring countries such as Greece and Kosovo. Limitation of the data analysis must be recognized as both regions, Diber and Pelagonija attract great portion of the cited numbers of visitors in the major touristic hubs like Bitola and Diber.

As the scope of this segmentation is already geographically narrowed to the outbound travel market of European countries and one close to the borders of North Macedonia and Albania, the segmentation effort should be focused on identifying the different groups of individual tourists, middle sales entities such as tour operators, travel agencies (traditional or online companies)

Based on the previous elaboration of accessibility to the destination, one of the key issues in determining whether foreign arrivals will be attracted by the destination is the possibility of direct flights to/from Skopje International Airport and St. Paul in Ohrid, both in N. Macedonia and Nene Teresa Airport in Albania.

Research conducted for incoming travel to both North Macedonia and Albania proved that European tourists would prefer direct connection to the final destination rather than connecting f/multiple flights. Furthermore, few low cost air flight operators are providing cheap direct flights from both countries (WIZZ AIR and Germanwings, Blueexpress, etc).

Market segmentation based on categories instead on geographical clusters allows for targeting potential tourists within and out of national borders as well. In that respect, market segments should categorize potential visitors using factor analysis. Analysis of the lifestyle factors of the visitors of previous years must be acknowledged as of limited influence as the evidences from the field are limited to the reports by the local stakeholders. Also, the factor analysis incorporated data from the 2020 as to obtain evidence on the lifestyle factors in the national visitors.

Elaborated above (1.12) on Key Source Markets and Consumer Segments present at the destination, all categories no matter the country of origin, were further analyzed using factor analysis. Four types of visitors were identified based on their lifestyle preferences such as: nature lovers, cultural explorers, active sporty visitors and adventure seekers. Obviously, lifestyle factors are not forming alone the tourist preferences as external factors also influence greatly their behavior and final decision for visiting a destination. Further analysis based on age, gender and family affiliation revealed that tourists arriving at the destination are mid-aged, mostly in family relations or young and have affiliation to the group of friends. Another group is represented by older age visitor organized into touristic groups.

Following the market segmentation based on geographical, demographical and psychographic (lifestyle) analysis, the DH-Klos destination should target the potential visitors from the market segments of: mid-income families who love the nature and local experiences, younger people traveling to discover destinations for active holiday, older people traveling organized by intermediary (travel agencies) for



cultural exploration of “new” destinations and individual travelers seeking adventure in non-touristic destinations.

## 2.11. Marketing and advertising plan

Prior setting the indicative marketing budget and advertising plan, current destination marketing industry trends are elaborated as to serve as general frame for the specific activities of the marketing plan for DH-Klos. The marketing plan of the destination should be executed by a coordinative body/DMO so its implementation can have the effect of unified and strong communication with the audience. Second aspect is, as per ToR requirements a indicative marketing budget should be consulted by the DMOP along with indicative advertising plan which is always build per organisation. Namely a marketing plan indicative budget cannot be developed on the level of the destination given the variety and the number of stakeholders’ both public and private. In that respect, the DMP focuses on marketing plan to be utilized by a DMO or any other body responsible for the overall destination promotion.

DMP in particular elaborates on the use of the SOCIAL MEDIA as main channel for communication and marketing of the DH-Klos destination following the current industry trend worldwide.

With instant, real-time access to Instagram photos, TripAdvisor reviews, influencer-sourced list & calls and user generated content, the traveller’s path to purchase is no longer linear. Instead of selecting a destination first, following by traditional planning research and purchase, they seek travel inspiration and advice through friends, family and influencers as part of their social sphere.

Social media is a top priority in driving awareness and familiarity to the destination of DH-Klos to consideration set of new visitors. Below are presented few trends characterizing the current marketing of the destinations.

### 2.11.1. Destination Marketing Industry Trends

- Content – authentic and engaging content – is the strongest tool for a DMO to build engagement, advocacy, and positive word of mouth recommendations. The key to engaging content is telling a story about your destination and its local culture. The trends to watch when creating a content marketing strategy include:
- Instagram (IG) Stories: IG stories launched in 2016 and have grown 11 times faster than standard Feed posts, and comprise 47% of all IG content by major brands (Block Party via Destination Think). ‘Stories will soon outperform the traditional news feeds of TV in terms of engagement and growth’ (Destination Think, 12/21/18).  
Changing algorithms: social media platforms change their algorithms all the time. DMO’s need to consider a strategy that diversifies your channels and focuses on your organization’s goals for that platform. Facebook has become more about quantity and commercialization rather than a place to connect with friends and family. Viewership has slowed in recent years while its ad revenue jumped by 42%.
- Influencers: Not all influencers are created equal and can be difficult to determine who is a high-quality influencer that will get your content out to your target market. If the locals are supporting tourism and behind what the DMO is doing then it is effective to involve locals in marketing campaigns to effectively convey the culture and vibe of the destination.
- Search engine optimization and search marketing are more important than ever. When beginning to research a trip, 48% of North Americans use a search engine to conduct the initial search. Additionally more than half of travellers under 34 use a general search engine to check

lodging prices and find the best deal. A strong content marketing strategy should go across all platforms and include SEO/SEM marketing. Real-time optimization of campaigns should be an integral aspect of marketing campaigns on any platform.

- Understanding your audience, targeting, testing, adjusting, retargeting are a continual process during any campaign. Messaging and content crosses all platforms, tying your brand and message together seamlessly the entire way down the funnel.
- Travellers are visiting new destinations: 22% of participants of the global survey have seen a visible increase of visitors from new destinations.
- Requesting new experiences. Travellers are requesting for unique, once-in-a-lifetime experiences, mostly common amongst millennials. Ecological and educational tours are also in demands.
- Local history and culture experiences including walking tours continue to be a popular offering.

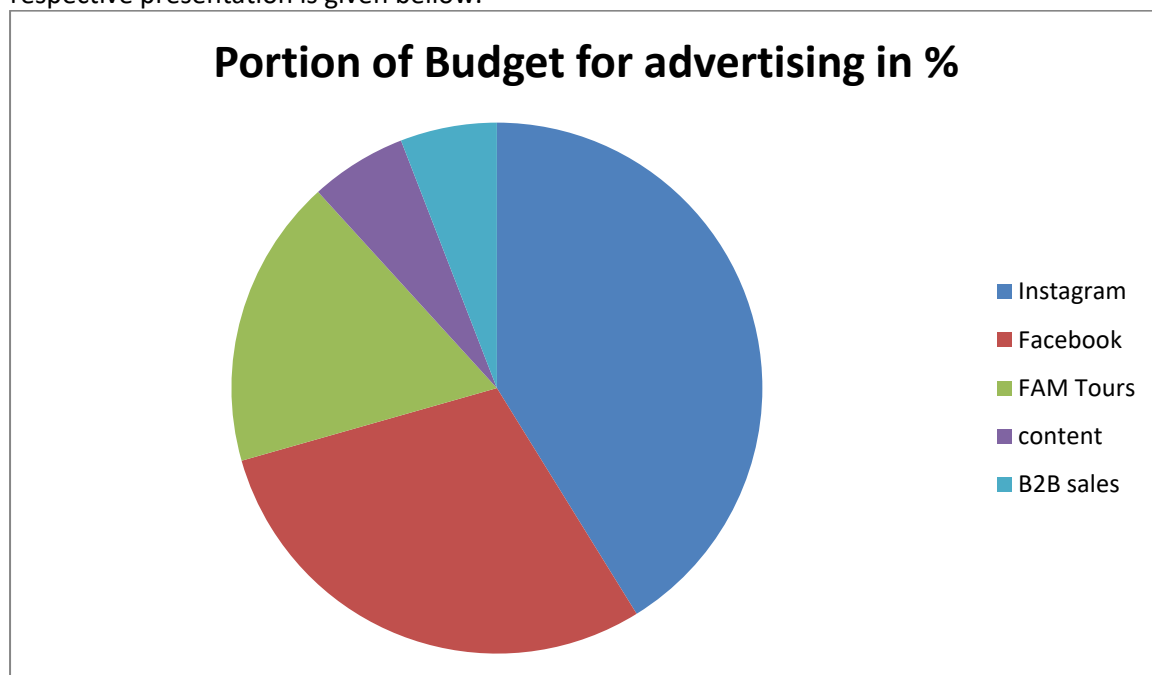
Following the above approach in the marketing of the destinations, DMP elaborates on the specific advantages on the social media channel taking in consideration the above trends.

- INSTAGRAM is a vital platform for visual storytelling. Nearly 2/3 of all users will be using Instagram Stories by the end of 2021. Instagram drives the most engagement per post compared to any social network—84 times more than Twitter, 54 times more than Pinterest and 10 times more than Facebook (SproutSocial). With 95% of Instagram’s users also on Facebook (Pew Research Center), cross-promotion of content will drive further reach and engagement. Nearly half of all Instagram users use the app to help them choose a travel destination. With Instagram’s dynamic ads for travel, and the growing use of the platform itself for shopping and booking travel, DH-Klos will explore ways to move travelers further into consideration and booking through this channel.
- FACEBOOK with over 2 billion monthly active users, Facebook maintains its position as the number one social media platform for reach. In combination with paid placement and promoted posts, the best way to drive social traffic for Facebook is to publish fresh, unique content. Over half of Facebook users say that their friend’s photos inspire their travel plans. As Facebook continues to expand its role in the travel space with the launch of app features like “City Guides” in 2017, a direct competitor to “Google Trips,” Facebook will more clearly join the ranks of TripAdvisor, Google, etc. in detailed trip planning. Keeping in mind opportunities with Facebook Stories, Facebook Live, 360 degree photos and video, as well as, augmented and virtual reality, DH-Klos destination can focus on new ways to engage with Facebook users .
- TWITTER The top reason people use Twitter is to discover something new and interesting, and travellers are using the platform for all phases of trip planning, and ultimately sharing travel experiences. Twitter users are 45% more likely than other social media users to post opinions about brands (AdWeek). Twitter is also where visitors turn for customer service, including travel planning resources and on-the-ground inquiries (80% of Twitter users access via Mobile and on-the-go). Twitter is a noisy social channel and the lifespan of a Tweet can literally be limited to a few minutes, however, as a real-time tool Twitter can be powerful for customer interaction and event engagement.
- YOUTUBE Travel videos are some of the most views on YouTube and the channel maintains its status as the second largest search engine in the world. Today, the platform reaches more 18-49 year-olds than any cable network in the U.S. (Hootsuite). With over half of YouTube’s views by mobile or tablet, content will keep in mind consumer viewing habits on these devices.

On top of the usage of Social media for marketing purposes, the DH-Klos destination should take in consideration traditional tools for promotion as well. One of the marketing tools used in B2B tourism business is organization of FAM (familiarization tours). It is a marketing tool to be employed for attracting the intermediaries at destination selling. In this cast, DMP suggested the target audience of travel agencies, tour operators and online travel agencies who engage in business activities directly with ground service providers such as accommodation facilities, activity clubs, restaurants etc. to form and sell travel package to the end client. This category offers their products/travel packages to organized groups, or in the case of DH-Klos to older people interested in culture (please see market segmentation).

- FAMILIARIZATION (FAM) TOURS should be a continued means of showcasing DH-Klos destination as the destination itself is at phase of starting its promotion. The DMO efforts are to recruit journalists and expose them to Demir Hisar and Klos rural areas and the surrounding regions. FAM tours are pre-arranged trips for journalist and tour operators who have initially shown an interest to the destination and are willing to join the promotional activities at the destination. Usually all related costs are covered by the organizer, a DMO or any other responsible body.

In a nutshell, marketing plan of the DH-Klos destination should be detailed and implemented by a unified body, a DMO or other responsible body for the destination promotion as a whole. Focus should be given to the Social media channels and FAM tours. In terms of indicative allocations per advertising activities, a respective presentation is given bellow.



As presented above, Budget for advertising in % includes investments in paid advertising on Instagram of up to 35%; Facebook 25%; FAM Tours 20% and B2B sales up to 15%. It is important to address the joint and complementary possibility for advertising via FB and Instagram as both social media channels are managed through same tools, meaning same produced content can be easily advertised on FB and Instagram or can be shifted accordingly the target audience the destination is addressing. The selection of content per channel should be developed in relation to the proposed market segment to be reached. In addition, the allocation for the FAM tours can be significantly increased by providing input of resources by the local providers of services as the promotion of the destination via this marketing tool is also a promotion for individual business. Intermediaries will eventually conclude travel packages inclusive of the local products/services offered by the private sector so consequently they should contribute to the

execution of the FAM tours as well. In the case of B2B marketing it is a pre-requisite that a single representative of the destination is communicating with the buying market. Approaching tour operators or travel agencies requires one unified voice of offer transmitted through single entity which can either be a DMO or local tour operator who acts in its own name selling the destination.

Regarding the content development, the destination can rely on the private content already available publicly to build personalized material for advertisement recognizing the author o/s of the content. Nevertheless, for strong and unified message across the advertising channels original media content should be developed accordingly the key guidelines set in the Unique selling proposition.

## **2.12. Visitor Impact Monitoring Framework**

This tool covers a range of processes and techniques for managing visitors, their activities, and their impacts, in specific areas. It is a key aspect of tourism management by both private and public organisations, especially in natural areas with special values that need protection. This DMP review presented info on vast natural assets in the destination and the level of its legal protection. In those terms, the special status of the natural assets in the destinations is limited to areas that are not under specific protection in terms of National Parks or NATURA 2000. Nevertheless, because tourism is related so essentially to natural areas especially in CB region, it is one of the major threats to biodiversity and natural resources. The challenge of sustainable tourism development is to make use of positive impacts of tourism in CB region, while enhancing and channelling the benefits into the right directions to local people, and to avoid or mitigate the negative environmental impacts.

Visitor management should always be related to overall destination management objectives. The investigation and analysis stages should identify the causes of impacts so that more intensive research and a monitoring framework can be set up if required. Visitor management has traditionally been based on the perceptions and interpretations of and driven by legislation or agency policy, for example, a National Park Management Plan. The involvement of stakeholders is possible in the review of relevant objectives, the selection of key monitoring indicators and input into related management strategies. Such involvement is particularly useful if there are many valid indicators of unacceptable impacts, in which case public input can identify which are the most relevant to stakeholders' perceptions of the most significant issues. In the case of DH-Klos there is yet no entity in control of the visitor impact on the level of destination but rather separate public stakeholders like the Public forest enterprise in Demir Hisar the Museum of Bitola (competent over the cultural assets in Demir Hisar) and the local self-government of Demir Hisar and Klos, all of them being separately competent over different aspect of natural or cultural impact protection. Different legal aspect as well implementation of controlling and preventions mechanism over the protected or managed natural and cultural assets in the destination of DH-Klos are out of reach or are by far technical and internal issues of every-day operations of the public organizations mentioned above. Furthermore, no other entity has the resources or competence to employ condoling mechanisms over the greatest assets of the destination. In addition, the destination is composed of two territories in two different countries having differences in the indicators and control mechanisms imposed by the above cited entities that are formally in charge in the VIM of the destination assets like nature and cultural legacy. It is therefore strongly advised that a further DMO works closely with the relevant protection organization to obtain input in the processes of visitor impact management.

On the other hand, having the objectives and goals for the destination management set by the DMP following process of consultation with public and private stakeholders on the site, the VIM can rely on joint perspective towards controlling the impact in a sense of destination carrying capacity. In that

respect, the DMP Visitor Impact Monitoring Framework (VIM) focuses on the impacts of visitors, and is location specific i.e. to the destination of DH-Klos in the context of the informal platform by the public and private stakeholders aiming to steer the destination development as per jointly set goals.

Carrying capacity, or the maximum number of individuals that an environment can sustain over time without destroying or degrading the environment, is determined by a few key factors: food availability, water, and space. In the previous headings of the DMP an analysis was conducted on the current arrivals onto the territory versus bed availability. In addition to the space available, provided input on food and water availability by the local stakeholders as well by the relevant information on public utility services in the destination it is conclusive that DH-Klos is far below its carrying capacity.

Furthermore, as per WTO definition “the maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic, sociocultural environment and an unacceptable decrease in the quality of visitors' satisfaction” analysis of the current arrivals and offered activities to the tourist satisfaction, DH-Klos also is far below the limit of its potential. The destination is still in its initial phase of its development (DH is more ahead having more defined products) and its offer surpass the demand. Currently no official data are available to determine specific number of carrying capacity of the destination as the calculation must encompass the current impact on the destination as a indicator for future forecast. In summary, the carrying capacity of the destination is far below its maximum while the VIM for its biggest attractions like natural and cultural asset5s is under formal controlling and management of public organizations present regionally or onto the destination. Special focus should be given to the sustainable tourism development of the destination as the assets carrying the biggest potential of destination development are natural and cultural attractions and local communities.

#### **2.12.1.1. Key Risks**

Below is summarized presentation of the key risks to the destination development encompassing major risks which have high or moderate to high impact over the tourism activities. As evident from Figure 23 below, factors that are caused by external origin like pandemics have high impact over the tourism but in the same time least control. In this case, the destination authority can only invest in diversifying the sources of income as it is stated to focus on the domestic visitors, from capital cities mostly, capturing biggest portion of the national inbound tourism. As 2020 proved this scenario has a moderate likelihood to be repeated yet destinations need to prepare risk management plan incorporating lessons learnt. In regards to language barriers which have great impact and moderate likelihood the DMP stresses the need for certifying local guides in most spoken non-national languages and matching the incoming markets such as English, German and French to mitigate the risk. Engaging the youth from the destination into development activities should be on continuous basis empowering them to start business on their own and carry the innovative processes. Environmental pollution is of high impact as the destination is promoted and sold as green, clean, offering relaxing time in nature inclusive of rich biodiversity and healthy food. This risk needs attention in its prevention and mitigation by several levels of authority including national legislation for environmental protection.

Risk	Likelihood	Impact	Strategy
Environmental pollution	likely	high	local authorities must employ legislation at practice, work on local's awareness for preventing the pollution of rivers and green areas
Language barriers	moderate	high	Investing in capacity building of local service providers especially guides and front desk
Youth not interested in tourism business	moderate	moderate	Investing in capacity building, providing incentives to start-ups, involving youth in development initiatives of NGOs
Closed borders due pandemics	moderate	high	Focusing on national tourists in promo activities

### 3. DESTINATION REQUIREMENTS

#### 3.1. KEY FINDINGS

- Demir Hisar and Klos can form a single thematic destination attracting same type of tourists. The theme across both municipalities is built up of rich culture and history, vast green unmanaged nature, undiscovered villages, calm and simple way of life, rural type of accommodation, simple outdoor activities like hiking and walking in the nature. Both municipalities offer excellent local food produced locally and home-made prepared. Hosts are welcoming and willing to engage in tourism activities. Theme wrapping up both territories in a single destination is rural tourism. In addition, the destination offers local adventures like off road and horseback riding but yet are not the core features of the destination.
- Access to both territories is moderate and it can be achieved via land and via air as both territories are close and well connected to the capital or cities (Ohrid) with airports. Local road infrastructure requires significant improvement especially to the villages in the destination. Highway Arber is great opportunity for significant increase of access of tourist to Klos area
- Accommodation is available from 70-100 beds in Demir Hisar to 170 in Klos. Still, many of the accommodation facilities (especially in DH) are not operational during all year. In addition, there are varieties in style and amortization offering different quality versus the actual categorization.
- Activities offered are interesting and executed with passion by the local service providers. Most ready-to-market are guided hiking and local experiences like cooking with locals and storytelling.
- Attractions are plenty, both man-made and natural. Key promoters of the destination attractions are: Petralba Castle and Ura e Vashe in Klos, \*Ethnographic - Historic Museum in Klos (to be opened by 2021) and Monastery Sveti Jovan Preteca in the village of Slepce, Valavicite in Sloestica, the library AL-BI in Babino and the Multifunctional \*Center in Sloestica including the Memorial Room of Petre M. Andreevski (to be opened by 2021).
- Amenities offered like local transport and internet connections are good and available in almost every place at the destination
- Few villages carry the greatest potential to promote the destination and drive the tourism related development: Dars, Guri I Bardhe, Gurra e Madhe, Kurdari, Mishter in Klos and villages of Slepce, Sloestica and Babino in Demir Hisar
- There are not statistical information regarding the size and structure of arrivals onto the destination
- Main visitors are foreigners, mostly from European countries and the neighbouring countries
- Last year the destination was re-discovered by national tourists mostly from capitals of Skopje and Tirana
- Tourists coming at the destination can be categorized in four market segments: mid-income families who love the nature and local experiences, younger people traveling to discover destinations for active holiday, older people traveling organized by intermediary (travel agencies) for cultural exploration of “new” destinations and individual travelers seeking adventure in non-touristic destinations.
- Pricing and market position is targeted at the low to mid income tourists
- Key communication channels with the tourists are online media, mostly websites. Most of them are not updated on regular basis and are not offering precise touristic information



- Imagery and footage available publicly are coherent and focused on the spectacular natural beauty and old traditional way of life in the villages symbolising peace and calmness
- Destination strongest aspects are nature, undiscovered villages in relation to tourism activities like leisure or active tourism, food and cultural attractions (historic sites)
- Destination weak points are lack of organized offer of the activities at site, poor promotion, not unified message with the audience

### **3.1.1. Main findings from survey questionnaires, workshops and consultation meetings with Demir Hisar and Klos local stakeholders**

- There is a significant potential and solid base for development of tourism in both municipalities, Demir Hisar, North Macedonia and Klos, Albania
- There was no big difference in perception about challenges and needs for tourism development in both municipalities. There is slight difference between the answers from the private and public sector
- Micro businesses with up to 9 employees, or individuals who are engaged in tourism or related economic sectors, are the main engine for tourism development in the municipality of Demir Hisar. Same size of enterprises is predominant in the municipality of Klos, where there is only one enterprise with between 10 and 49 employees
- On a business level lack of financial support was identified as a main barrier for performance of tourism enterprises in both, Demir Hisar and Klos
- According to representatives of both municipalities, the biggest challenges for having better access to financial resources are insufficient knowledge about utilization of EU funds. Representatives of both municipalities share an opinion that lack of skills for project proposals writing are the second challenge related to access to finance
- For the representatives of the private sector in both municipalities lack of financial support is also the most important barrier for tourism development, from a perspective of destination. This opinion was shared by the representatives of public sector in Klos, while employees in the municipality of Demir Hisar think that the biggest obstacle for tourism development is low level of awareness about the destination management process. For them the next important barrier is Lack of financial support, followed by the Lack of adequate leadership
- There is a need for strengthening cooperation and coordination among the local and regional stakeholders in the municipality of Demir Hisar. This was indicated by both, private and the public sector
- There is no shared opinion about the state of cooperation among the tourism stakeholders in Klos municipality, but the general opinion is that the cooperation satisfactory
- Besides the lack of financial support, the biggest barriers for tourism development in Demir Hisar, as stated by the surveyed respondents are insufficient promotion and marketing, lack of accommodation capacities, low awareness about environmental protection, lack of motivation and will for realization of ideas, inadequate human resources, lack of coordination and cooperation and inadequate tourism infrastructure (e.g. road, signalization)
- Three biggest barriers or problems for the development of tourism in the destination of Klos, according to business, are lack of accommodation capacities, lack of cooperation among the tourism stakeholders and lack of soil and product analysis laboratory. The public sector indicated different

barriers, such as lack of infrastructure, low financial income and lack of attractive tourism offer of products and services

- According to the survey questionnaire, it is evident that the participants are not placing the insufficient knowledge and inadequate skills high on a list of barriers for tourism development, which indicate low level of awareness of their own deficiencies
- For the respondents from Demir Hisar, the biggest shortages for development of tourism are marketing, branding and promotion of tourism potential and accommodation capacities. In Klos municipality, accommodation was also stated as one of the main shortages, together with the underdeveloped tourism infrastructure and attractive offer of products and services
- There are no organizations for tourism promotion on local level in both municipalities, although two of the respondents from Klos think that there is tourism association and one of them thinks that there is tourism network
- Strategic goal of the municipality of Demir Hisar is to become attractive tourist destination, based on rich cultural heritage, natural beauties, combined in one tourism offer
- Tourism related projects which are currently being implemented in Klos municipality are: Construction of an ethnographic museum, Improving the infrastructure in the area of Balgjaj, Construction of guesthouses in the area of Balgjaj and in the village of Kurdari
- There is variety of local tourism attractions in the municipality of Demir Hisar, but the most attractive ones are: traditional villages (Smilevo, Slepce, Sloeshtica, Babino, Vorovo), Monastery of St. John the Baptist, village of Slepce, Library AL-BI, Babino, International Center for Art and Sustainable Development Art Point-Gumno, Memorial house of the writer Petre M. Andreevski (one of the main project's results expected), Historical museum in the village of Smilevo, House and memorial of historical figure Dame Gruev, St. Petar and Paul Monastery
- Most important tourism attractions in the destination of Klos are Balgjaj's lake and Vasha's bridge. The participants also mentioned the Stone bridge and the medieval towers
- The most important factors for attracting potential visitors in the municipality of Demir Hisar are: rich historical and cultural heritage (religious tourism), natural beauties, hospitality of local people and authentic local food
- The most important factors for attracting potential visitors in Klos are the natural beauties and hospitality of local people
- Almost all of the respondents share opinion that main category of potential visitors of the municipality of Demir Hisar are foreigners, who would come either as individual visitors or in small groups between 5 and 15 people
- There is no consensus among the private sector from Klos, what types of visitors would be most interested to visit their municipality. However, the public sector agrees that foreign tourists would be most interested in visiting their destination
- According to the surveyed participants, in the municipality of Demir Hisar, the most important factors for support of tourism development are: exchange of experiences and cooperation with other destinations, improvement of tourism infrastructure, tourism promotion, business planning, networking and training on various topics
- According the representatives of business, the most important support needed for development of tourism in the municipality of Klos are improvements of infrastructure, tourism promotion and providing access to information about sources of finance. The public sector added also training on various topics

### 3.2. KEY RECOMMENDATIONS

#### (destination development & management)

Based on the activities and progress achieved during the implementation period it can be concluded that although public sector and private sector is not sufficiently developed, in both municipalities there is a high level of commitment by the local existing and potential tourism stakeholders further to engage in tourism development. For successful continuation of the destination management process in the cross-border destination the following recommendations have been made:

- A unique/single body or organization should be formed for continuous destination development and management involving all relevant stakeholders: public, private and development organizations from both sides of the border
- Investments in road infrastructure to the villages prioritising one serving as hubs of the destination
- Developing the hubs of the destination like Slepce, Sloestica, Babino in DH and Dars, Guri I Bardhe, Gurra e Madhe, Kurdari, Mishter in Klos with further focused promotion
- Shifting the promotion from DH-Klos destination to a destination hub designated promotion; promoting up to 3 villages per location offering the greatest portion of the eland services like accommodation and activities
- Securing sustainability of the newly built attractions: Klos Ethnographic – Historic Museum and Multifunctional Centre in Sloestica inclusive of Memorial Room of Petre M. Andreevski.
- Training and certifying local guides in few foreign languages
- Developing further the activities offered at site but also introducing new ones like fishing in DH and Klos and canoeing in Klos
- Investment in joint promo content and online promotion, unifying the social media advertising and presence, developing single site for destination touristic promotion and selling
- Increasing the bed availability in the villages in rural style
- Restoration and conservation of the cultural attractions
- Signage of cultural and natural attraction, especially in Klos
- Building up capacities of the NGOs for tourism promotion
- Touristic mapping of potentials inclusive of detailed and technical information on outdoor activities to the level of contact/service provider
- Recycling possibilities, removal of landfills, waste management improvement
- Financial support of tourism related projects - Further support of tourism development in both municipalities is needed through providing small sub-grants for implementing project ideas that were generated during the workshops in the frame of Discovering hidden attractions project. However financial support needs to be complemented by soft measures and technical assistance for strengthening human resources, especially because from the survey questionnaire it was evident that there is a lack of adequate knowledge and skills for effective design and implementation of projects in the field of tourism.
- Capacity building of the involved actors - To achieve sustainable results and higher impact in destination management financial support is not enough. Applying bottom-up approaches and increasing capacities of local stakeholders will enable concrete visible results to be achieved on regional or local level, which would further motivate them to further to engage fully in the DM processes. Training as a main instrument for capacity building need to cover topics related to destination management, improving the basic business and management skills, business planning, networking, creating partnerships, facilitation skills, project proposal writing, etc.
- Proper training needs assessment - One of the main preconditions for an effective DM process is that it is based on proper needs assessment. For the training programmes the content and delivery methods need

to be adjusted to the current knowledge and skills levels of the participants, and to address the real challenges that they face in their everyday work.

- Combining training with mentorship programs - In addition to a set training event, coaching is a process that helps the participants to learn better. It works because it is tailored to the group or individual receiving it. Coaching relates directly to the practical issues of the training participants coached and therefore will have a direct applicable learning effect. This ensures the relevance and sustainability of the assistance provided. While the training provides general information targeting wider group of participants, coaching is adapted to the one who needs it, in appropriate time and enables individual feedback. As a learning instrument it is not replacing training, but provides added-value, by complementarity, since it enables long lasting effects and improved performance if both are combined. Training and coaching go hand-in-hand. As training provides the representatives of the local stakeholders with the knowledge and techniques to develop their destination management and business skills, coaching helps install these skills by helping them apply them at work appropriately. As a result, coaching not only reinforces what the participants learn through training, but also opens the door to improvements that might not otherwise emerge, through constant feedback.
- Facilitation of cooperation and networking - Measures for improvement cooperation and coordination among the local and regional stakeholders, such as networking, participatory strategic planning for the destination, joint project development, etc. In addition, measures for developing joint tourism offer in the cross-border region need to be implemented.
- Strengthening horizontal and vertical cooperation - Parallel interventions on different levels, contribute towards strengthening both, vertical (between national, regional and local level) and horizontal (between public sector, business, civil society and academia) partnerships, and build trust among all stakeholders involved in DM.

In summary the most urgent recommendation is related to the human resources capacity building with focus on private sector, starting from local guides to accommodation facilities; providing incentives for private touristic developments in a form of grants, subsidies, tax releases locally. Forming of a single organization DMO is also pre-requisite for destination strategic development and management.

## ANNEXES

### Annex 1 Key data and documents

	Organisation	Strategies/Plans/Research
1	Municipality of Demir Hisar	Integrated Plan for local development of Demir Hisar Municipality 2019-2022
2	Municipality of Demir Hisar	Action Plan for tourism development of Demir Hisar 2021-2024 DRAFT version
3	Municipality of Demir Hisar	Strategy for tourism development of Demir Hisar 2021-2024 DRAFT version
4	Municipality of Demir Hisar	Demir Hisar profile 2008
5	Municipality of Demir Hisar	LEAP 2006
6	Municipality of Demir Hisar	Action Plan for tourism development of Demir Hisar 2008-2011
7	Centre for development of Pelagonija region	Program for development of Pelagonija region 2015-2019
8	Centre for development of Pelagonija region	Study for development of Pelagonija as a destination for adventure tourism
9	Bureau for regional development of North Macedonia	National strategy for regional development 2009-2019
10	Ministry of Economy of North Macedonia	National Tourism Strategy 2016 – 2021
11	Ministry of Economy of North Macedonia, sector Tourism	National Strategy for rural tourism 2012-2017
12	LRCP	Tourism Development Plans for Ten Destinations across North Macedonia Volume 1 – Methodology, Background and Market Analysis 2016
13	LRCP	Destination Development plan No.3 Pelagonija
14	Ministry for local-self-government, North Macedonia	IPA CBC PROGRAMME THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA - REPUBLIC OF ALBANIA 2014-2020
15	Municipality of Klos	Territorial Development Plan, PPV Klos 2016-2030
16	Municipality of Klos	General local plan of Klos Municipality 2016-2030
17	Diber region	Regional Development Strategy 2012-2016

18	Republic of Albania, Councils of Ministers	National Strategy for Development and Integration (NSDI II) 2015-2020
19	Ministry of Tourism, Albania	The Strategy for Tourism Development in Albania for 2019-2023
20	Ministry of Tourism, Albania	Integrated Program for Rural Development (IPRD) - The program of 100 Villages
21	Law on Tourism	Ministry of Economy, Republic of North Macedonia
22	Law on tourism 93/2015; 2017	Albania
23	LEGAL AND INSTITUTIONAL FRAMEWORK ON TOURISM, Albania 2018	Investment Council Secretariat, Albania
24	Study of natural and cultural heritage of the CBC region	Beyond Borders – Introducing Smart Tourism and Sharing Economy, an EU funded project
25	Study of Sustainable Tourism in Cross-Border Region	Beyond Borders – Introducing Smart Tourism and Sharing Economy, an EU funded project
26	The Traditional Tower Houses of Kosovo and Albania	Caroline Jaeger-Klein Vienna University of Technology, Department for History of Architecture and Building Archaeology
27	Study on Supply of Available Tourist Services and Tourist Potential in Cross-Border Region	Beyond Borders – Introducing Smart Tourism and Sharing Economy, IPA II CBC MK-AL funded project

**Report on consultancy services under the EU project “Discovering hidden attractions”**

November, 2020

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Submitted by:

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**Disclaimer**

Views and comments in this material are of the authors only and do not necessarily reflect the official opinion of the Contractor or the European Union.



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## 1. Introduction

The overall objective of the project “Discovering hidden attractions” is to promote cultural and natural heritage of the CB target destination as a tourism attraction by framing the existing natural and man-made potentials into a marketable and sustainable touristic offer. The project directly contributes towards creating more jobs opportunities due to an increase in local businesses driven by an increase in visitors to the CB target area.

The specific objectives are:

- 1) To increase the touristic attractiveness of the CB target destination as a point of interest, by implementing concrete measures defined by the project;
- 2) To develop at least 2 joint CB cultural and tourism products;
- 3) To diversify the CB target area tourism, offer by SME innovation;

In order to support the project activities, the municipality of Demir Hisar has contracted consultant to support the development of a destination management process in the selected destinations, by providing relevant info from local stakeholders (both public and private) on tourism potentials in the CB area of Demir Hisar (NMK) and Klos (AL) municipalities

The primary role of the consultant Aleksandar Karaev, is organizing and facilitating workshops and meetings with existing and potential tourism stakeholders in the selected cross-border destination.

This report summarizes the implemented activities and achieved results in the period from September 1<sup>st</sup> until October 15<sup>th</sup>, 2020, implemented for regional tourism stakeholders in the selected destination as part of the activities under the “Discovering hidden attractions”.

## 2. Overview of activities carried out and deliverables produced during the consultancy assignment

### Activities according to the ToR:

- A.1.1 Execute thorough preparation prior interviews with local stakeholders in terms of investigating the current situation in the tourism in the CB area of Demir Hisar (NMK) and Klos (AL) municipalities addressing both strategic documents and statistics
- A.1.2 Develop questionnaires for each of the target groups i.e. one for public stakeholders and one for private stakeholders
- A.1.3 Field visit to Demir Hisar area to conduct 2 WS / interviews with target groups

A.1.4 Online interviews with local stakeholders from Klos (AL)

A.1.5 Develop a final report on findings in English, no less than 6 pages

**Expected results:**

- At least 30 stakeholders from the CB area of Demir Hisar (NMK) and Klos (AL) municipalities have been interviewed on tourism development possibilities
- At least 10 relevant public stakeholders from the CB area of Demir Hisar (NMK) and Klos (AL) municipalities have been interviewed on local tourism development strategy / plans
- At least 20 private stakeholders (NGOs or business) from the CB area of Demir Hisar (NMK) and Klos (AL) municipalities have been interviewed on tourism business development possibilities
- One final report integrating the findings from local stakeholders from the CB area of Demir Hisar (NMK) and Klos (AL)

**A.1.1 Execute thorough preparation prior interviews with local stakeholders in terms of investigating the current situation in the tourism in the CB area of Demir Hisar (NMK) and Klos (AL) municipalities**

In the process of preparation for interviews and consultation meetings with local stakeholders the following strategic documents have been reviewed:

- Local Environmental Action Plan (LEAP) Demir Hisar
- Action plan for development of tourism (part of the Strategic plan for local economic development of Demir Hisar 2009 – 2013)
- Action plan for development of tourism 2008 – 2011
- Integrated Plan for Local Development of Demir Hisar 2019 – 2022
- Profile of Demir Hisar municipality
- Urban revision of Demir Hisar
- Draft national tourism strategy for Albania 2014 – 2020
- Tourism related documents from the Klos Municipality

Preparations were done in close cooperation with the representatives of municipalities and experts involved in tourism development in the selected CB destination.

**A.1.2 Develop questionnaires for each of the target groups i.e. one for public stakeholders and one for private stakeholders**

The survey questionnaire designed and conducted in the last week of September, serves as a base for collecting information for preparation of Cross - border destination development plan.

Two types of questionnaires were developed, one aiming at representatives of relevant stakeholders from the private sector and non-governmental organizations in the field of tourism and related sub-sectors, and second for the representatives of public institutions – municipalities of Demir Hisar and Klos.

The purpose of these questionnaires was to assess the current situation in identifying the main challenges and potentials for tourism development and preparation of Cross-border Destination development plan, for the destination of Klos, Albania and Demir Hisar, North Macedonia, from the perspective of different groups of stakeholders.

The overall questionnaire reflects the objectives of the project and consists of fifteen questions grouped in the following sections:

- a) *General information* - questions about the company/organization (legal status, size, background)
- b) *Challenges for business performance of tourism stakeholders* – questions related to factors that influence their overall performance and access to finance
- c) *Challenges for the destination as a whole* – questions from perspective of the destination, related to main barriers and shortages for tourism development
- d) *Potential and needs for support for development of the destination* – questions covering both, existing assets and potential project ideas for tourism development. In addition, needs for support of the destination have been identified.

The questionnaires were self-administered and distributed during the consultation meetings and workshops in both municipalities.

Filled questionnaires were obtained from a total of 33 respondents – 18 from Demir Hisar (12 private sector and NGOs, and 6 from public sector) and 15 from Klos (10 private sector and 5 from public sector).

### **A.1.3 Field visit to Demir Hisar area to conduct 2 WS / interviews with target groups**

- a) Interviews/consultation meetings with the existing and potential tourism stakeholders

Individual and small group consultation meetings were conducted in the municipality of Demir Hisar on 28 and 29 September 2020 with representatives of existing and potential tourism stakeholders who are expected to be involved in destination management process in their destination.

The consultation meetings were organized as semi-structured interviews, covering the following topics:

- Short overview of project activities;
- Identification/verification of key players and strategic documents in the field of tourism in each of the destinations;
- Identification of existing and planned capital investments in the field of tourism in each destination;
- Readiness and commitment of local existing and potential tourism stakeholders for supporting destination management process;

- Main tourism potential for development of the destination from supply side;

Table 1. Summary table of consultations

	Destination	Institutions/companies consulted	Interviewed person	Number of individual consultations
1.	Demir Hisar	Municipality of Demir Hisar	Marjance Stojanovski, Mayor Zlate Boshevski, LED Mishe Milosevski, Head of LED Julijana Talevska, LED Sonja Naumovska, Urban planning department, Emilia Geroska, Project manager	8
		Library AL-BI, Babino	Stevo Stepanovski, Founder	
		Off road, Sladuevo	Goce Trpcevski	
		NGO, Art Point-Gumno	Irena Andreevska, President	

b) Workshops Interviews/consultation meetings with the stakeholders

The first workshop was held in the House of culture in Demir Hisar on 29<sup>th</sup> September, with participation of 13 representatives of the local existing and potential tourism stakeholders - tourism related SMEs, non-government organizations and municipality of Demir Hisar – who are expected to play important role in destination management process in their destination.

The overall purpose of the Workshops was to identify main challenges and potentials for tourism development in the destination and to discuss potential project ideas for overcoming existing challenges. Much of what was presented during the workshops is supposed directly to assist the participants' work in the destination management process in their destination. In addition, intensifying communication and creating basis for strengthening cooperation between the local tourism stakeholders was also among the aims of the workshops.

The Workshops were structured according the following agenda:

09:45 – 10:00	Registration of Participants
10.00 – 10.15	Welcome and introduction to the workshop
10.15 – 10.45	Mapping of main potentials for tourism development
10:45 – 11:45	Identification of potential project proposals for tourism development
11:45 – 12:15	Conclusions and next steps

The workshops were organized in close cooperation with the representatives of the Demir Hisar municipality and partner organization "Art Point–Gumno", who provided valuable assistance in organization, especially taking into consideration COVID 19 measures.

The workshops have been moderated by the engaged expert, who was responsible for introduction to the topics, moderating the sessions, initiating active participation and discussion, managing group dynamics, achieving previously set objectives for the workshops, providing feedback, preparing documents - minutes of meeting, lists of participants, invitations, reports, etc.

The workshops were split in two parts:

- a) Plenary discussion - Mapping of main potentials for tourism development
- b) Small group work - Active participation of participants for providing their ideas for identification of potential project proposals for tourism development

Table 2. Summary table of results of the second part of the workshop for identification of potential project ideas

Potential projects for tourism development				
Most mature projects based on availability of resources and human capacities				
Culture and art	Participatory tourism	Nature and gastronomy	Active tourism	Other
Mapping and registering cultural historical heritage and archeological sites	Special experience at a sheep farm	Gallery of psychiatry art	Hiking, mountain bike at altitude of 1500-2000 m	
Setting up collection of archeological objects	“All from peppers” experience, including production of homemade Ajvar	Scent of a dream (handmade pillows for aromatherapy)		
Sloeshtica – cradle of culture and art of Macedonia		From the kitchen of Ilinska - Plakenska Mountain		
Project ideas that need further elaboration				
Mapping famous local people in the field of culture	Traditional whir pool washing of carpet and wool	From the pharmacy of Ilinska-Plakenska mountain	Mountain tours for picking seasonal forest fruits and herbs	Hunting predators (foxes, wolves, etc.)
Presentation of Turkish traditions (ethnic room)	Workshop for handmade traditional products	“Greet the birds of Ilinska and Plakenska Mountains”	Bird watching	Exhibition of old timers
Stories from our ancestors	Staffing animals	Meet the natural and gastronomy qualities of the village of Zhvan	Following migration paths of bears	Riding horses at historical Ilinden trail
Promotion of Demir Hisar writers “Demir Hisar cultural summer”		Presentation and degustation of Turkish authentic food		Traditional Symposium for archeology is being held

				on a yearly basis in Slepce Monastery;
Following the footsteps of St. Toma				International summer school for biodiversity monitoring
				Scientific tourism

#### **A.1.4 Online interviews with local stakeholders from Klos (Al)**

##### *a) Meeting with private sector (online) -08.10.2020*

The meeting with private sector of the Municipality of Klos was held on 08.10.2020 from 10:00 to 12:00 in the municipality offices. Ten representatives of the private sector, plus the project manager and expert from North Macedonia, discussed the planned topics by using ZOOM, a tool for online meetings.

Similarly, to the meetings in Demir Hisar, the main goal of the meeting was to identify main challenges and potentials for tourism development in the Klos municipality and to discuss potential project ideas for overcoming existing challenges. The meeting contributed towards better understanding of the challenges, needs and opportunities for tourism development.

There was a consensus that Klos municipality will benefit from the newly build highway that will connect Debar, North Macedonia with Tirana, Albania. Most of the representatives of the private sector are not directly involved in tourism, but have high expectations for expanding their business with arrival of visitors.

They are interested to promote traditional products and for that purpose their biggest need is setting up of the old Bazaar and the meat trade. For that purpose, they need a strategic plan that would provide directions for they to be able to plan their operations and to make more informed business decisions.

##### *b) Meeting with public sector (online) -08.10.2020*

The meeting with the representatives from the public sector was held in the Municipality of Klos on 08.10.2020 from 08:00 to 10:00.

In the beginning the Mayor Mr. Ilmi Hoxha, expressed his satisfaction with the project results and explained his vision regarding the development of tourism in the area of Klos. He was convinced that there is lot of potential for cooperation between the municipalities Demir Hisar, North Macedonia and Klos, Albania in developing joint tourism offer.

The participants provided valuable suggestions and recommendations for the most attractive tourism assets in their area. They stressed the poor infrastructure as main obstacles for tourism development in Klos municipality. They agreed that significant investments are needed for utilizing the great potential for tourism development, based on natural resources and rich historical-cultural heritage. According the

participants the potential visitors will be attracted by rich cultural values and history that in the past 300 years has left traces in castles, towers, bridges, tombs, traditional clothing.

#### **A.1.5 Develop a final report on findings in English, no less than 6 pages**

For ensuring that progress of the consultancy assignments has been followed and that final results have been properly registered, during the first week of October a draft report has been prepared. The report was finalized in the first last week of October, after implementing activities and collecting the inputs from tourism stakeholders from Klos, Albania and integrating the comments from the project partners. In addition to providing information about implemented activities and achieved deliverables, the report includes recommendations based on the lessons learned during the project implementation.

### **3 ANALYSIS OF THE SURVEY QUESTIONNAIRE**

This section will look at analysis of the survey questions, based on the following structure:

- a) Private sector and Non-government organizations in the municipality of Demir Hisar, North Macedonia
- b) Representatives of the municipality of Demir Hisar
- c) Private sector and Non-government organizations in the municipality of Klos, Albania
- d) Representatives of the municipality of Klos

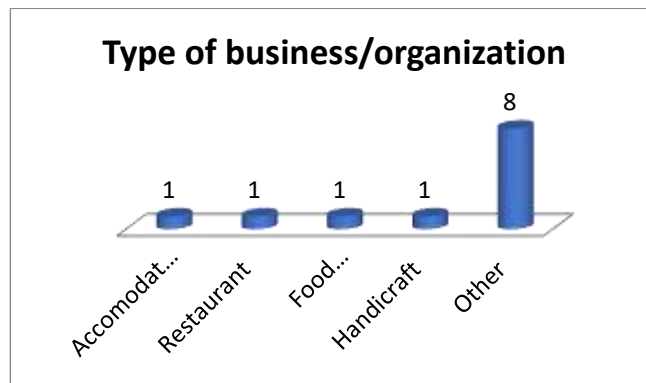
- a) Private sector and non-government organizations in the municipality of Demir Hisar, North Macedonia**

#### General information

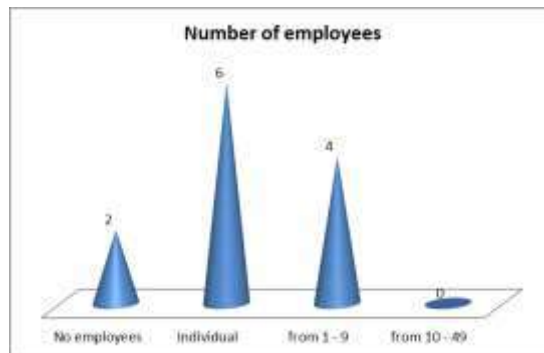
##### *Question 1 and 3 combined. Type of your business*

One-third of the survey participants were representatives of non-government organizations (NGOs), active in the field of promotion of rural development, tourism and or cultural heritage of the region. The rest were owners of accommodation capacity, traditional restaurants, production of traditional food (homemade Ajvar), production of wooden charcoal, sheep farm, handicraft and transport.





Question 2. Size of the enterprise (grouping based on number of employees)?



The fact that all of the surveyed participants either work as individuals, without a company (one-third), in a micro enterprise with one employee only, or an NGO without regular employees, indicates that in the municipality of Demir Hisar small scale business activities in the field of tourism are predominant.

#### Challenges and barriers for business performance and development of the destination

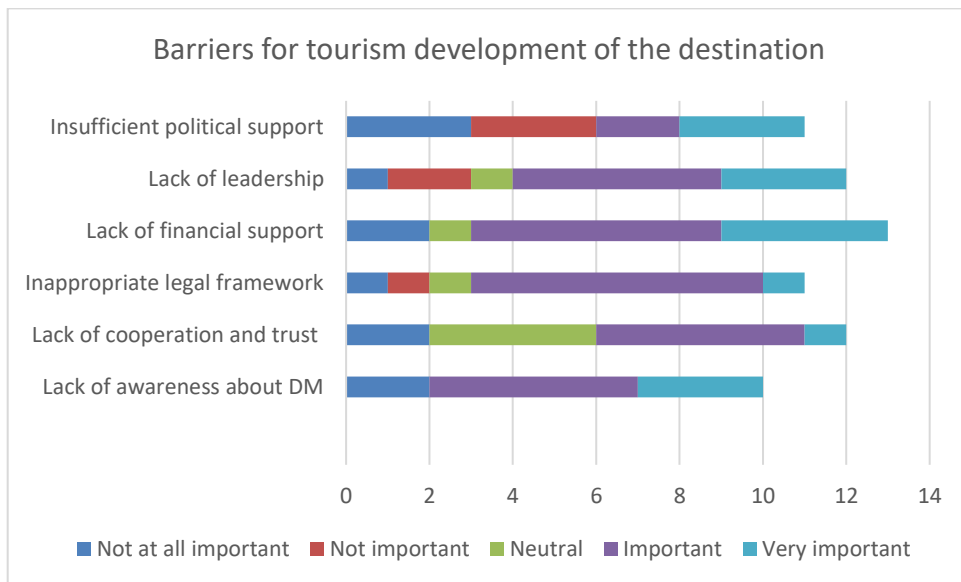
Questions 4 and 5 - Challenges for business performance of the enterprises related to tourism and access to finance

Seven out of twelve respondents stated lack of financial support as the most important challenge for conducting their operations. This was followed by Inappropriate Micro and SME support policy, insufficient cooperation with other businesses and/or institutions and Inadequate human resources (lack of tourism related knowledge and skills).

With regard to the access to finance, the most important challenge for the survey participants is Lack of knowledge for utilization of EU funds, followed by Lack of skills for business plan development and Lack of information for financing opportunities. Eight out of 12 respondents stressed that insufficient knowledge for utilization of EU funds is either very important or important.

Both questions were related to performance of the surveyed businesses, while the rest of the questions covered their perceptions about the development of the destination as a whole.

Question 6. Barriers for development of the destination



From perspective of destination, Lack of financial support is also the most important barriers for tourism development, as indicated by two-thirds of the respondents. The next important barrier that negatively influence tourism development is low level of awareness about destination management and lack of adequate leadership.

*Question 7. Cooperation among tourism stakeholders*



More than 40% of the respondents (42%) do not agree that there is an intensive cooperation among the stakeholders in the municipality of Demir Hisar. One-third is neutral and only 25% think that the cooperation is on a satisfactory level.

*Question 8. Biggest barriers for the development of tourism of municipality Demir Hisar*

When asked to state the three biggest barriers/problems for the development of tourism in their destination, without being given options, the respondents listed the following obstacles (from most frequently mentioned, to least):

1. Insufficient promotion and marketing (42%)
2. Lack of financial support (42%)
3. Lack of accommodation capacities (25%)

4. Polluted environment, bad solid waste management and low awareness (25%)
5. Lack of motivation and will for realization of ideas (25%)
6. Inadequate human resources with insufficient knowledge (17%)
7. Lack of coordination and cooperation (17%)
8. Lack of transport between local tourist attractions (17%)
9. Poor organization (17%)
10. No organization has supported tourism in the region before
11. Lack of mapping of tourism potentials
12. Lack of professional behaviour by part of the stakeholders
13. Poor infrastructure, especially local roads
14. Lack of understanding of team work, community development
15. Lack of awareness about rural tourism
16. Lack of ideas

*Question 9. Gaps and shortages for development of tourism in the municipality of Demir Hisar*

When asked about what is missing for development of tourism in their destination the surveyed participants indicated the following (from most frequently mentioned, to least):

1. Marketing, branding and promotion of tourism potential (92%)
2. Accommodation capacities (83%)
3. Tourism development strategy (67%)
4. Knowledge and skills in the field of tourism (58%)
5. Maintenance of tourism attractions (50%)
6. Underdeveloped tourism infrastructure (50%)

*Potential and needs for support for development of the destination*

*Question 10. Types of tourism organizations*

Two-thirds of the respondents are not aware of any type of tourism organization in their destination.

*Question 11. Most important tourism attractions in municipality of Demir Hisar*

According the surveyed participants the most important tourism attractions in the municipality of Demir Hisar are the following:

- Monastery of St. John the Baptist, village of Slepce - 5
- Library ALBI, Babino x 2
- Art gallery, Art Point-Gumno x 2
- New memorial house of Petre M. Andreevski which will be built by the project

- Restaurants Gorna Kukja, Slepce and Valaica, Sloestoca
- Villages Smilevo, Slepce, Sloestica, Babino, Vorovo
- Historical museum in the village of Smilevo
- House and memorial of historical figure Dame Gruev
- St. Petar and Paul Monastery
- Local experiences (Cultural heritage, Historical attractions, Mountains)
- Ethnic tower, village of Sloduevo
- Turkish mosque

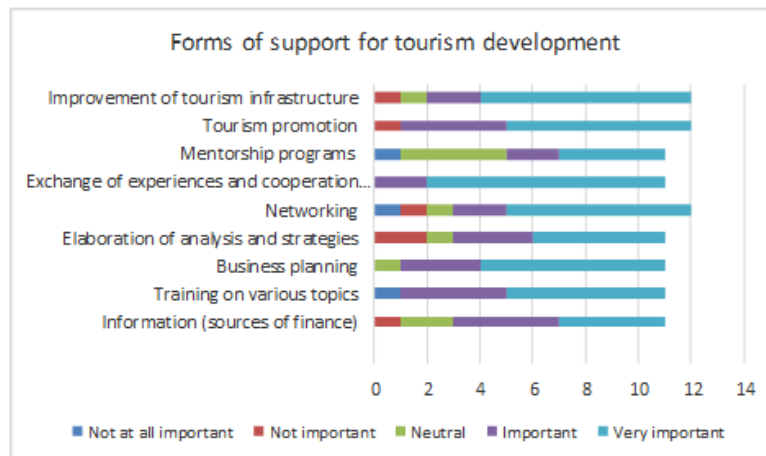
*Question 12. Factors for attracting potential visitors*

- Uniqueness of the region/unique stories and collections (33%)
- Rich historical heritage and cultural heritage (religious tourism) (33%)
- Natural beauties and clean air (33%)
- Hospitability (25%)
- Authentic local food (25%)
- Authentic village architecture (17%)
- Story of Miaks in Demir Hisar
- History from the Ilinden period
- Traditional national costumes in the village of Smilevo

*Question 13. Types of potential visitors for municipality of Demir Hisar*

Almost all of the respondents (92%) share an opinion that most interested to visit the municipality of Demir Hisar are foreigners, who would come either as individual visitors or in small groups between 5 and 15 people.

*Question 14. Types of support for tourism for municipality of Demir Hisar*



According to the surveyed participants, in the municipality of Demir Hisar, the following types of support are most important for for tourism development:

1. Exchange of experiences and cooperation with other destinations (75%)
2. Improvement of tourism infrastructure (66%)
3. Tourism promotion (58%)
4. Business planning (58%)
5. Networking (58%)
6. Training on various topics (50%)

*Question 15. Concrete proposals for potential projects for tourism development*

The following concrete proposals for potential tourism related projects were listed by the respondents:

1. Use of cultural-historical heritage (promoting local writers, cultural exhibitions)
2. Spiritual/religious tourism (62 churches and monasteries, seven with special importance)
3. Promotion of local gastronomy/degustation of authentic local food
4. Providing mentorship assistance to micro targeted concrete tourism experiences
5. Workshops for:
  - designing Miak costumes;
  - preparing traditional pastries “pitulici”
  - presentation of Turkish ethnic food
  - handmade local costumes
  - handmade jewellery
6. Gallery of psychiatrist art
7. Development of active tourism (mountain sports)
8. Mapping and promotion of archaeological locations
9. Museum for history and art exhibitions

10. Visit of traditional villages (Smilevo, Sloestica, Babino, Slepce, Virovo)
11. Environment related projects (Demir Hisar is a cradle for biodiversity (potential Natura 2000 area; IPA – Important Plant Area; IBA – Important Bird Area; important migratory corridor for wild animals, connecting two National Parks: NP Pelister & NP Mavrovo; Balkan Links area)
12. Preparation of promotional material
13. Improving the network coverage in some parts of the region
14. Improving the road infrastructure

**b) Representatives of the public sector - municipality of Demir Hisar, North Macedonia**

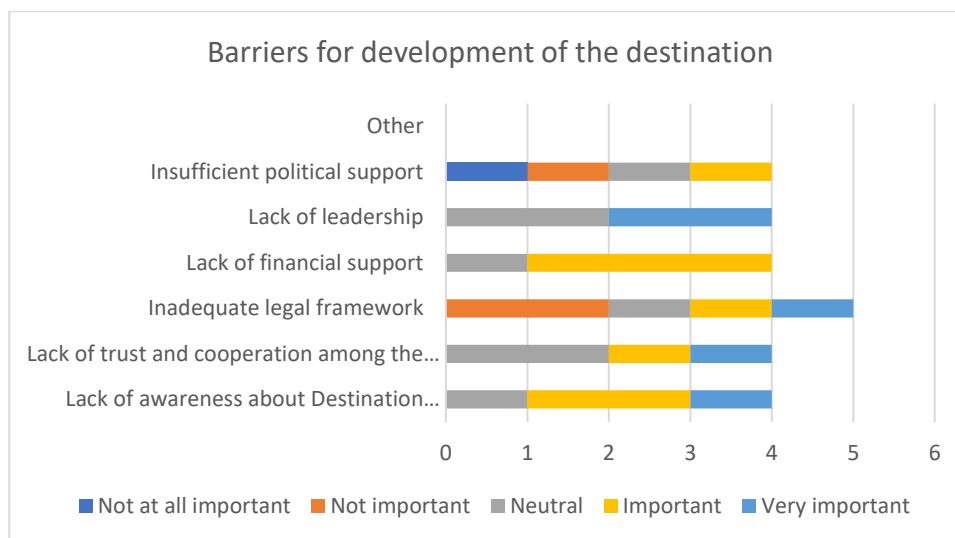
General information

Besides the Mayor of Demir Hisar the rest of the questionnaires were filled by representative of the Departments of Local Economic Development (LED) and Urban Planning

Challenges and barriers for business performance and development of the destination

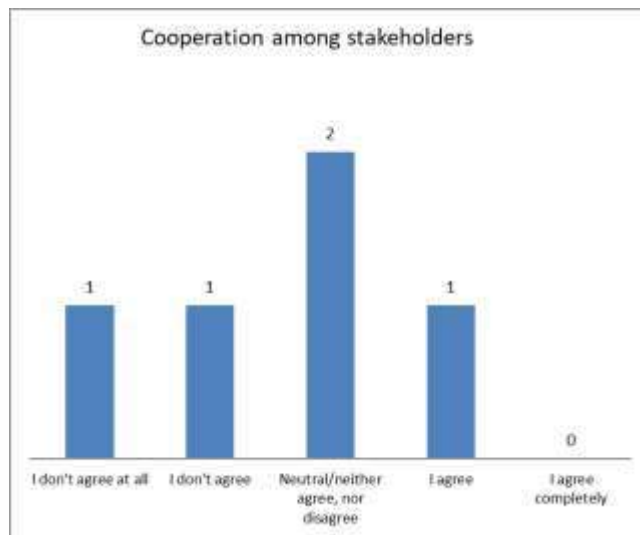
The biggest challenges for having better access to financial resources are insufficient knowledge about utilization of EU funds, lack of skills for project proposals writing and lack of information about financial possibilities.

*Question 5. Barriers for development of the destination*



From perspective of destination, Low level of awareness about the destination management process is the most important barrier for tourism development, as indicated by two-thirds of the participants. The next important barrier is Lack of financial support, followed by the Lack of adequate leadership.

*Question 6. Cooperation among tourism stakeholders*



Only one out of five respondents think that there is an intensive cooperation among the stakeholders in the municipality of Demir Hisar. Two are neutral, and two that do not agree that the cooperation is on a satisfactory level.

*Question 7. Biggest barriers/problems for the development of tourism of municipality Demir Hisar*

When asked to state the three biggest barriers/problems for the development of tourism in their destination, without being given options, the respondents listed the following obstacles (from most frequently mentioned, to least):

1. Insufficient cooperation among the stakeholders
2. Lack of financial resources for starting a business
3. Lack of tourism tradition
4. Insufficient accommodation capacities
5. Insufficient tourism infrastructure (road, signalization)
6. Lack of ideas
7. Lack of promotion and marketing
8. Lack of entrepreneurial spirit (lack of courage to start a business)
9. Lack of human resources

*Question 8. Gaps/shortages for development of tourism in the municipality of Demir Hisar*

When asked about what is missing for development of tourism in their destination the surveyed participants indicated the following (from most frequently mentioned, to least):

1. Marketing, branding and promotion of tourism potential (80%)
2. Accommodation capacities (80%)
3. Attractive tourism offer (60%)
4. Knowledge and skills in the field of tourism (60%)
5. Weak cooperation among the stakeholders (40%)

6. Underdeveloped tourism infrastructure (40%)

*Question 9. Types of tourism organizations*

All of the respondents from the public sector stated that there is no any type of tourism organization in their destination.

*Question 10. Strategic goal of the municipality* is to become attractive tourist destination, based on rich cultural heritage, natural beauties, combined in one tourism offer Current project that is being implemented is the one in the village of Sloestica

*Question 11. Most important tourism attractions in municipality of Demir Hisar*

According the surveyed participants the most important tourism attractions in the municipality of Demir Hisar are the Library ALBI, Babino and whirlpools, village of Sloestica. The next attractions mentioned were the monasteries (monasteries of St. John the Baptist, village of Slepce, St. Ilija, Gorno Ilino and St. Petar, Smilevo. Both traditions and the nature were mentioned among the tourism attractions.

*Question 12. Factors for attracting potential visitors*

The surveyed participants stated the nature as the most important factor for attracting the potential visitors. This was followed by hospitality, authentic local food, local products (e.g. honey, mushrooms), rich cultural-historical heritage and traditions.

*Question 13. Types of potential visitors for municipality of Demir Hisar*

Almost all of the respondents share an opinion that most interested to visit the municipality of Demir Hisar are foreigners who would come either organized in small groups (between 5 and 15 persons) or as individual visitors.

*Question 14. Types of support for tourism for municipality of Demir Hisar*





All of the surveyed participants, from the municipality of Demir Hisar agree that the most important types of support for tourism development are exchange of experiences and cooperation with other destinations and networking. These are followed by provision of information (for sources of finance, donor organizations, support programs, etc.) and improvement of tourism infrastructure. The rest - tourism promotion, business planning and training on various topics were listed as least important compared to other issues.

*Question 15. Concrete proposals for potential projects for tourism development*

The following concrete proposals for potential tourism related projects were listed by the respondents:

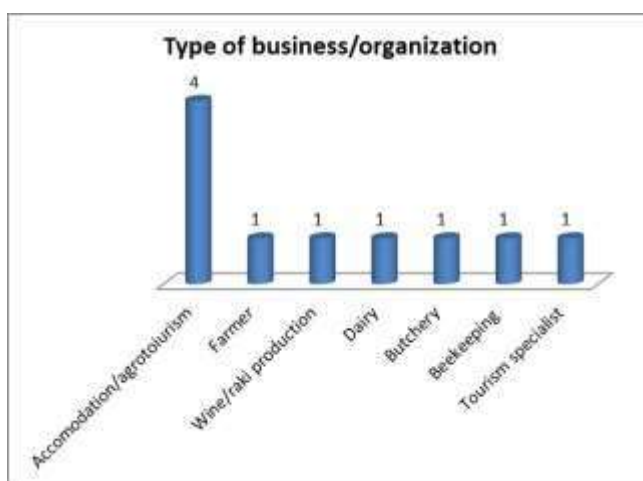
- Sloestica – tourism attraction
- Promotion of traditional food
- Actions for cleaning the environment
- Training for entrepreneurship
- Development of the infrastructure
- Tourism promotion
- Training on safety of visitors
- Training for tourism stakeholders who offer their services

**c) Private sector and non-government organizations in the municipality of Klos, Albania**

General information

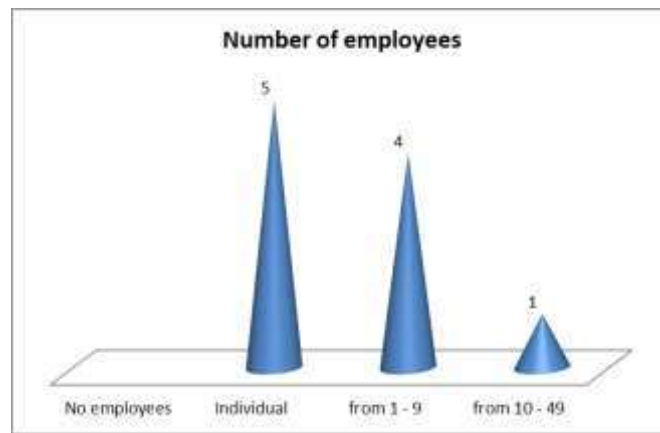
*Question 1 and 3 combined. Type of your business*

Besides one tourism specialist and four owners of guesthouse, camping or agrotourism, the rest of the surveyed participants were not involved in tourism business directly. They were engaged in wine production, beekeeping, butchery, dairy, and farming activities.



*Question 2. Size of the enterprise (grouping based on number of employees)?*

Except one who was representing small size enterprise (between 10-49 employees), all of the surveyed participants are either individuals or are owners of micro companies, employing between 0-9 employees.



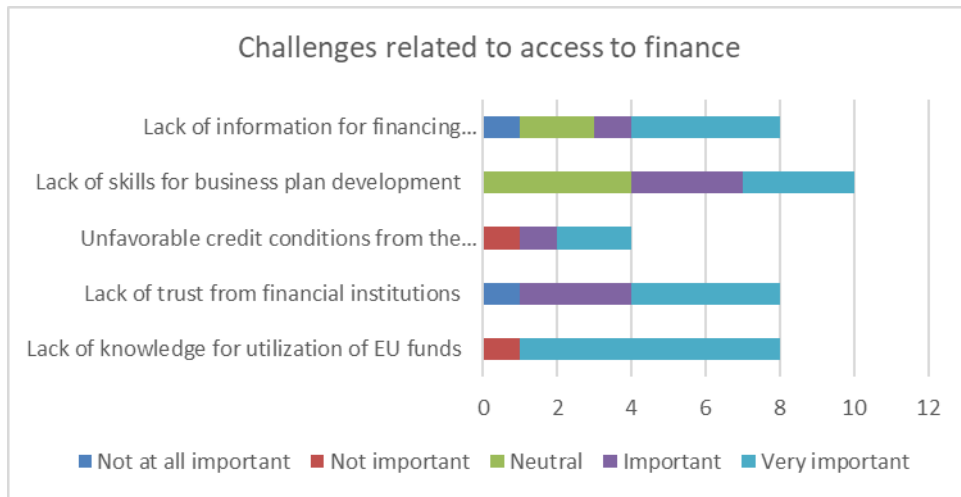
Challenges and barriers for business performance and development of the destination

Questions 4. Challenges for business performance of the enterprises



There is a consensus among the surveyed participants that the most important challenge for business performance is lack of financial resources. The next most important challenge is insufficient cooperation. These were followed by lack of strategic planning, lack of managerial and leadership skills, inadequate human resources (lack of tourism related knowledge and skills), inappropriate Micro and SME support policy. Lack of new ideas was indicated as the least important challenge.

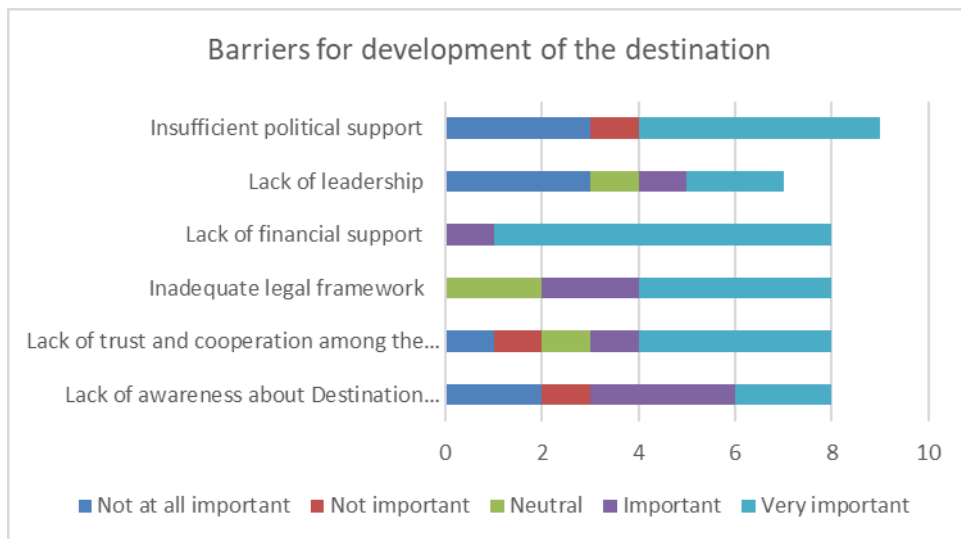
Questions 5. Challenges for business performance related to access to finance



Lack of knowledge for utilization of EU funds was indicated as the most important challenge related to access to finance. The second challenge is lack of trust from financial institutions. The participants also think that there is no sufficient information for financing opportunities. In addition, they are aware that they lack skills for business plan development.

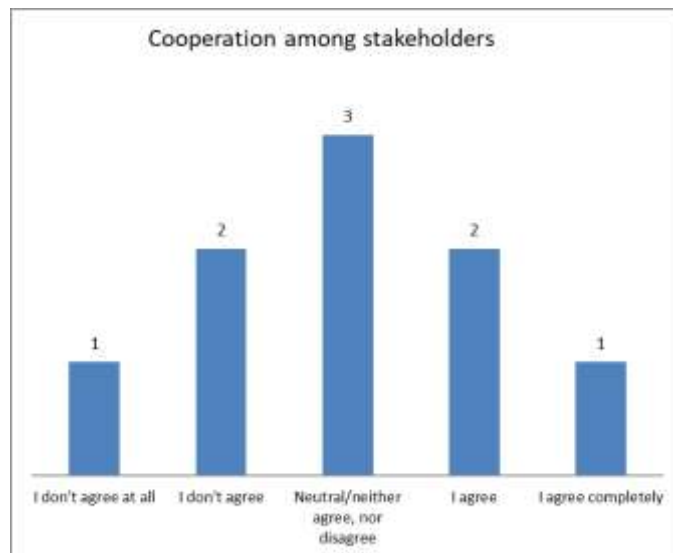
Questions 4 and 5 combined were related to performance of the surveyed businesses, while the rest of the questions covered their perceptions about the development of the destination as a whole.

*Question 6. Barriers for development of the destination*



From the destination point of view, lack of financial support is the most important obstacle for development, according to the respondents. The next biggest barrier is inappropriate legal framework. With regard to political support there are opposite views. While 60% of the respondents think that it is very important, the rest of them share an opinion that it is either not important or not important at all.

*Question 7. Cooperation among tourism stakeholders*



There is no shared opinion about the state of cooperation among the tourism stakeholders. One-third of the participants agree that there is sufficient cooperation, one-third are not satisfied, and one-third of them are neutral.

*Question 8. Biggest barriers/problems for the development of tourism of Klos municipality*

Three biggest barriers/problems for the development of tourism in the destination of Klos are poor infrastructure, lack of accommodation capacities and lack of cooperation among the tourism stakeholders. They are followed by lack of investments and lack of soil and product analysis laboratory. The survey participants also mentioned funds and assistance from specialists; nonexistence of a Bazar, lack of brand creation, lack of drinking water and lack of sectoral tourism strategy.

*Question 9. Gaps and shortages for development of tourism in the municipality of Klos*

When asked about what is missing for development of tourism in their destination the surveyed participants indicated the following (from most frequently mentioned, to least):

1. Underdeveloped tourism infrastructure
2. Marketing branding and promotion of tourism potential
3. Maintenance of tourism attractions
4. Accommodation capacities
5. Cooperation among the tourism stakeholders
6. Tourism development strategy
7. Knowledge and skills in the field of tourism

Two of the participants think that everything that is needed for development of tourism is missing.

*Question 10. Types of tourism organizations*

Most of the respondents stated that there is no local tourism related organization in the Klos municipality. According two of the surveyed participants there is tourism association and one of them thinks that there is tourism network.

*Question 11. Most important tourism attractions in municipality of Klos*

Most important tourism attractions in the destination of Klos are Balgjajt's lake and Vasha's bridge. The participants also mentioned the Stone bridge, medieval towers and mountain trails

*Question 12. Factors for attracting potential visitors*

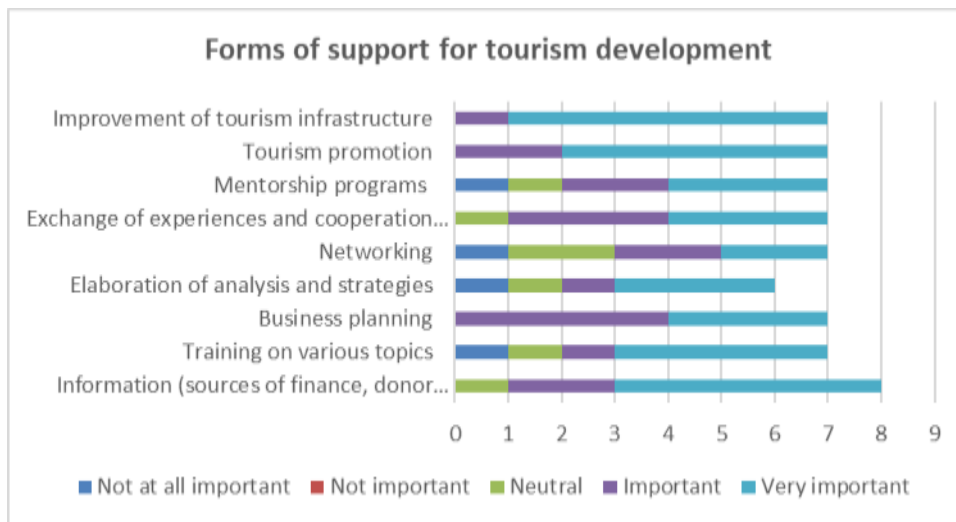
The participants understood this question as preconditions instead of factors. They listed the following preconditions that are necessary to be met, before attracting the visitors:

1. Infrastructure
2. Tourist guide
3. Drinking water
4. Construction of guesthouse
5. Tourism related investment
6. Joint bazaar
7. Market orientation of the locals
8. Marketing
9. Historical heritage
10. Traditional cooking
11. Natural beauties

*Question 13. Types of potential visitors for municipality of Klos*

There is no consensus what types of visitors would be most interested to visit the municipality of Klos. Five of the participants think that foreigners are potential visitors, three shared an opinion that domestic tourists would be most interested, one thinks big organized groups (more than 15 people) are most appropriate and one thinks all types of tourists.

*Question 14. Types of support for tourism for municipality of Klos*



The most important support needed for development of tourism in the municipality of Klos are improvements of infrastructure, followed by provision of information about sources of finance and tourism promotion.

*Question 15. Concrete proposals for potential projects for tourism development*

The following concrete proposals for projects for development of tourism in the Klos municipality were proposed:

1. Renovation of castles
2. Tourist signage
3. Setting up a joint Bazar
4. Marketing of tourist trails
5. Market orientation (entrepreneurship trainings)
6. Creation of a tourism association
7. Pharmacy with bee related medicine
8. Construction of a guesthouse near restaurants and tourist spots
9. Improving of infrastructures

**d) Representatives of the public sector - municipality of Klos, Albania**

General information

Five representatives of the municipality of Klos who filled the questionnaire work as Administrator, responsible for support in the development of the area and the improvement of the quality of life of the inhabitants, Director of Infrastructure and Services, responsible for improving working environments and service to citizens, Tax specialist, contributing to the coverage of government public expenditures, Veterinary Inspector - Protection of animals and their products and Tourism, Youth and Sports Sector Development of tourism.

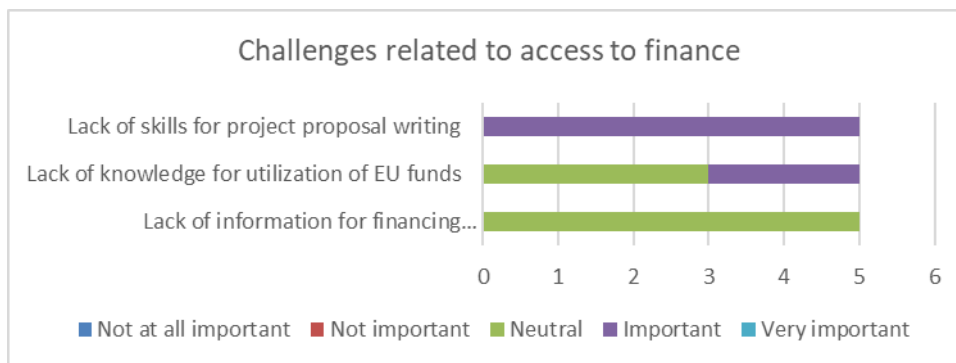
Challenges and barriers for business performance and development of the destination of Klos

*Question 3. Challenges for the organization related to tourism*



All of the respondents agreed that the biggest challenges for the municipality is insufficient financial resources. The second challenge according to them was inappropriate tourism support policy, which was followed by insufficient cooperation with other businesses and/or institutions. The surveyed participants also think that other important challenges are lack of strategic planning, lack of managerial and leadership skills and inadequate human resources (lack of tourism related knowledge and skills).

*Question 4. Challenges for the organization related to access to finance*

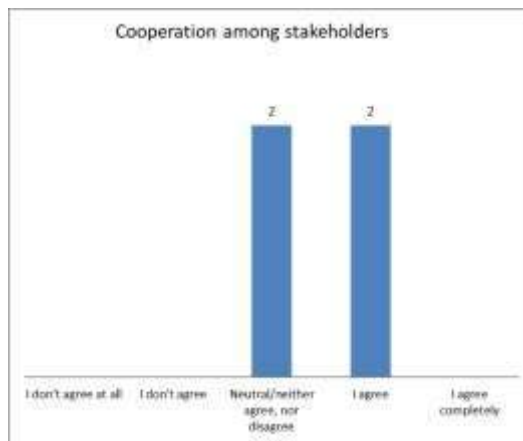


The biggest challenge related to access to finance is lack of skill for writing project proposals.

*Question 5. Barriers for development of the destination*

All of the participants agree that the lack of financial support is the biggest barrier for development of the destination. They also rate highly insufficient cooperation and trust among tourism stakeholders.

*Question 6. Cooperation among tourism stakeholders*



The general opinion of the surveyed participants is that the cooperation among the tourism stakeholders is on a satisfactory level

*Question 7. Biggest barriers/problems for the development of tourism of municipality Klos*

The biggest barriers/problems for the development of tourism in Klos destination according the participants are lack of infrastructure, low financial income and lack of attractive tourism offer of products and services

*Question 8. Gaps and shortages for development of tourism in the municipality of Klos*

Shortages for development of tourism in Klos municipality are attractive offer of products and services, knowledge and skills in the field of tourism, marketing, branding and promotion of tourism potential and underdeveloped tourism infrastructure

*Question 9. Organizations for tourism promotion*

No answers were provided for this question, but according to the interviews there is no such organization on local level.

*Question 10. Strategic goal of the Klos municipality or tourism related current activities and projects*

Tourism related projects which are currently being implemented in Klos municipality are the following;

- The project for the construction of an ethnographic museum.
- Improving the infrastructure in the area of Balgjaj
- Construction of guesthouses in the area of Balgjaj and in the village of Kurdari.

*Question 11. Most important tourism attractions in municipality of Klos*

According to the respondents the most important tourism attractions in Klos municipality are:

- Vasha Bridge
- Balgjaj Lakes



- Castle and the old towers of the Klos area
- Traditional clothing

*Question 12. Factors for attracting potential visitors*

The most important factors for attracting potential visitors are the natural beauties of the Klos area and hospitality of local people.

*Question 13. Types of potential visitors for municipality of Klos*

All of the survey participants agree that foreign tourists would be most interested in visiting their destination.

*Question 14. Types of support for tourism for municipality of Klos*

The most beneficial types of support for tourism development of Klos municipality are training on various topics, tourism promotion and exchange of experiences and cooperation with other destinations. The respondents also state provision of information (sources of finance, donor organizations, support programs, etc.) as an important type of support.

*Question 15. Concrete proposals for potential projects for tourism development*

The following concrete proposals for potential tourism related projects were listed by the respondents:

- Investing in ancient symbols in the 'written cave' paving the place with tiles 4 m wide and 50 m long with benches and gardens
- Financing the Castle of Ceruja
- Investments in towers or traditional clothing

## 4 FINDINGS

Main findings from survey questionnaires, workshops and consultation meetings are the following:

- There is a significant potential and solid base for development of tourism in both municipalities, Demir Hisar, North Macedonia and Klos, Albania
- There was no big difference in perception about challenges and needs for tourism development in both municipalities. There is slight difference between the answers from the private and public sector
- Micro businesses with up to 9 employees, or individuals who are engaged in tourism or related economic sectors, are the main engine for tourism development in the municipality of Demir Hisar. Same size of enterprises is predominant in the municipality of Klos, where there is only one enterprise with between 10 and 49 employees

- On a business level lack of financial support was identified as a main barrier for performance of tourism enterprises in both, Demir Hisar and Klos
- According to representatives of both municipalities, the biggest challenges for having better access to financial resources are insufficient knowledge about utilization of EU funds. Representatives of both municipalities share an opinion that lack of skills for project proposals writing are the second challenge related to access to finance
- For the representatives of the private sector in both municipalities lack of financial support is also the most important barrier for tourism development, from a perspective of destination. This opinion was shared by the representatives of public sector in Klos, while employees in the municipality of Demir Hisar think that the biggest obstacle for tourism development is low level of awareness about the destination management process. For them the next important barrier is Lack of financial support, followed by the Lack of adequate leadership
- There is a need for strengthening cooperation and coordination among the local and regional stakeholders in the municipality of Demir Hisar. This was indicated by both, private and the public sector
- There is no shared opinion about the state of cooperation among the tourism stakeholders in Klos municipality, but the general opinion is that the cooperation satisfactory
- Besides the lack of financial support, the biggest barriers for tourism development in Demir Hisar, as stated by the surveyed respondents are insufficient promotion and marketing, lack of accommodation capacities, low awareness about environmental protection, lack of motivation and will for realization of ideas, inadequate human resources, lack of coordination and cooperation and inadequate tourism infrastructure (e.g. road, signalization)
- Three biggest barriers/problems for the development of tourism in the destination of Klos, according to business, are lack of accommodation capacities, lack of cooperation among the tourism stakeholders and lack of soil and product analysis laboratory. The public sector indicated different barriers, such as lack of infrastructure, low financial income and lack of attractive tourism offer of products and services
- According to the survey questionnaire, it is evident that the participants are not placing the insufficient knowledge and inadequate skills high on a list of barriers for tourism development, which indicate low level of awareness of their own deficiencies
- For the respondents from Demir Hisar, the biggest shortages for development of tourism are marketing, branding and promotion of tourism potential and accommodation capacities. In Klos municipality, accommodation was also stated as one of the main shortages, together with the underdeveloped tourism infrastructure and attractive offer of products and services
- There are no organizations for tourism promotion on local level in both municipalities, although two of the respondents from Klos think that there is tourism association and one of them thinks that there is tourism network
- Strategic goal of the municipality of Demir Hisar is to become attractive tourist destination, based on rich cultural heritage, natural beauties, combined in one tourism offer

- Tourism related projects which are currently being implemented in Klos municipality are: Construction of an ethnographic museum, Improving the infrastructure in the area of Balgjaj, Construction of guesthouses in the area of Balgjaj and in the village of Kurdari
- There is variety of local tourism attractions in the municipality of Demir Hisar, but the most attractive ones are: traditional villages (Smilevo, Slepce, Sloeshtica, Babino, Vorovo), Monastery of St. John the Baptist, village of Slepce, Library AL-BI, Babino, International Center for Art and Sustainable Development “Art Point-Gumno, Memorial house of the writer Petre M. Andreevski (one of the main project’s results expected), Historical museum in the village of Smilevo, House and memorial of historical figure Dame Gruev, St. Petar and Paul Monastery
- Most important tourism attractions in the destination of Klos are Balgjaj's lake and Vasha's bridge. The participants also mentioned the Stone bridge and the medieval towers
- The most important factors for attracting potential visitors in the municipality of Demir Hisar are: rich historical and cultural heritage (religious tourism), natural beauties, hospitality of local people and authentic local food
- The most important factors for attracting potential visitors in Klos are the natural beauties and hospitality of local people
- Almost all of the respondents share opinion that main category of potential visitors of the municipality of Demir Hisar are foreigners, who would come either as individual visitors or in small groups between 5 and 15 people
- There is no consensus among the private sector from Klos, what types of visitors would be most interested to visit their municipality. However, the public sector agrees that foreign tourists would be most interested in visiting their destination
- According to the surveyed participants, in the municipality of Demir Hisar, the most important factors for support of tourism development are: exchange of experiences and cooperation with other destinations, improvement of tourism infrastructure, tourism promotion, business planning, networking and training on various topics
- According the representatives of business, the most important support needed for development of tourism in the municipality of Klos are improvements of infrastructure, tourism promotion and providing access to information about sources of finance. The public sector added also training on various topics
- In addition to providing valuable feedback and recommendations for the development of the destination, the participants in project activities listed the following concrete project ideas for the municipality of Demir Hisar:
  - Use of cultural-historical heritage (promoting local writers, cultural exhibitions, spiritual/religious tourism);
  - Promotion of local gastronomy/degustation of authentic local food;
  - Providing mentorship assistance to micro targeted concrete tourism experiences;
  - Workshops for: designing Miak costumes, preparing traditional pastries “pitulici”, presentation of Turkish ethnic food, handmade local costumes, handmade jewellery;
  - Gallery of psychiatrist art;

- Development of active tourism (mountain sports);
  - Mapping and promotion of archaeological locations;
  - Museum for history and art exhibitions;
  - Visit of traditional villages (Smilevo, Sloestica, Babino, Slepce, Virovo);
  - Environment related projects;
  - Preparation of promotional material and branding;
  - Improving the network coverage in some parts of the region;
  - Improving the road infrastructure
  - Various types of training for tourism stakeholders (entrepreneurship, safety of visitors, etc.)
- For Klos, the following concrete proposals for projects for development of tourism were proposed:
    - Renovation of castles (Ceruja);
    - Tourist signage;
    - Marketing of tourist trails;
    - Market orientation (entrepreneurship trainings);
    - Setting up a joint Bazar;
    - Creation of a tourism association;
    - Pharmacy with bee related medicine
    - Ancient symbols in the 'written cave' paving the place

## 5 CONCLUSIONS AND RECOMENDATIONS

Based on the activities and progress achieved during the implementation period it can be concluded that although public sector and private sector is not sufficiently developed, in both municipalities there is a high level of commitment by the local existing and potential tourism stakeholders further to engage in tourism development. The participants of the project activities, are very motivated to commit their own resources and apply the acquired knowledge and gained skills in their every-day work and are willing to share it with their colleagues and partners.

For successful continuation of the destination management process in the cross-border destination the following recommendations have been made:

1. **Financial support of tourism related projects** - Further support of tourism development in both municipalities is needed through providing small sub-grants for implementing project ideas that were generated during the workshops. However financial support needs to be complemented by soft measures and technical assistance for strengthening human resources, especially because from the survey questionnaire it was evident that there is a lack of adequate knowledge and skills for effective design and implementation of projects in the field of tourism.

- **Capacity building of the involved actors** - To achieve sustainable results and higher impact in destination management financial support is not enough. Applying bottom-up approaches and increasing capacities of local stakeholders will enable concrete visible results to be achieved on regional/local level, which would further motivate them to further to engage fully in the DM processes. Training as a main instrument for capacity building need to cover topics related to destination management, improving the basic business and management skills, business planning, networking, creating partnerships, facilitation skills, project proposal writing, etc.
- **Proper training needs assessment** - One of the main preconditions for an effective DM process is that it is based on proper needs assessment. For the training programmes the content and delivery methods need to be adjusted to the current knowledge and skills levels of the participants, and to address the real challenges that they face in their everyday work.
- **Combining training with mentorship programs** - In addition to a set training event, coaching is a process that helps the participants learn better. It works because it is tailored to the group or individual receiving it. Coaching relates directly to the practical issues of the training participants coached and therefore will have a direct applicable learning effect. This ensures the relevance and sustainability of the assistance provided. While the training provides general information targeting wider group of participants, coaching is adapted to the one who needs it, in appropriate time and enables individual feedback. As a learning instrument it is not replacing training, but provides added-value, by complementarity, since it enables long lasting effects and improved performance if both are combined. Training and coaching go hand-in-hand. As training provides the representatives of the local stakeholders with the knowledge and techniques to develop their destination management and business skills, coaching helps install these skills by helping them apply them at work appropriately. As a result, coaching not only reinforces what the participants learn through training, but also opens the door to improvements that might not otherwise emerge, through constant feedback.
- **Facilitation of cooperation and networking** - Measures for improvement cooperation and coordination among the local and regional stakeholders, such as networking, participatory strategic planning for the destination, joint project development, etc. In addition, measures for developing joint tourism offer in the cross-border region need to be implemented.
- **Strengthening horizontal and vertical cooperation** - Parallel interventions on different levels, contribute towards strengthening both, vertical (between national, regional and local level) and horizontal (between public sector, business, civil society and academia) partnerships, and build trust among all stakeholders involved in DM.

## 6 DELIVERABLES (ATTACHMENTS) OF DOCUMENTS RELATED TO THE ASSIGNMENT

### Annex 1. ATTENDANCE LISTS OF WORKSHOPS

(FA CBC funded project under EuropeAid/181486/DD/ACT/MK, Discovering hidden attractions)

Public sector participants, 28/09/2020, Demir Hisar

	name	Sector/position	Contact details	signature
1	Margarita Vitanovski	Mayor of Demir Hisar	gratorasivka@demirhisar.gov.mk	
2	Zana Iskanovski	LED of Demir Hisar Municipality	demirhisar@demirhisar.gov.mk	
3	Miha Mitrevski	Head of LED of Demir Hisar Municipality	miha.mitrevski@yahoo.com	
4	Juliana Tolonki	LED of Demir Hisar Municipality	miha.mitrevski@yahoo.com	
5	Serga Naumovska	Urban planning department of Demir Hisar Municipality	naumovska@yahoo.com	
6	Emilia Geroška	Project manager, Municipality of Demir Hisar	Emilia.geroska@gmail.com	

(FA CBC funded project under EuropeAid/181486/DD/ACT/MK, Discovering hidden attractions)

Private sector participants, 29/08/2020, Demir Hisar, 15-12H

	name	Sector/position	Contact details	signature
1	Iskrajko Ruzicki		096 720 330	
2	Amira Petreva		038/006 771	
3	Artemijan Samirović		078/502 405	
4	Artemijan Samirović		078 418 890	
5	Artemijan Samirović	AGE	025 305 295	
6	Genina Arsovska	NGO	071/334777	
7	Tomislav Petrović - 1478		020 694 054	
8	Tomislav Petrović		078/469 37	
9	Tomislav Petrović	NGO-NGO	071/602 281	
10	Tomislav Petrović		076 646 68	
11	Tomislav Petrović		075 305 936	
12	Tomislav Petrović		075 663 073	
13	Tomislav Petrović		025 710 67	
14				
15				



IPA CBC funded project under Europe4All/161486/00/ACT/16K, *Discovering hidden attractions*

Public sector participants, 08.10.2020, KLOS, Albania

	name	Sector/position	Contact details	signature
1	Shkërgim Deda	Specialist Tirana - Tuzos	dedashk@tuzos.com	
2	1207 BACA	Impersoni i rreze	0682540432	
3	Ramazan Ajashin	Reklamim, turizim	ramazanajashin20@gmail.com	
4	Jemine Dedolli	Director	0693050645 jemin.dedolli@tuzos.com	
5	Arvin Plumbi	Administratore	0656105586	
6				
7				


IPA CBC funded project under Europe4All/161486/00/ACT/16K, *Discovering hidden attractions*

Private/NGO sector participants, 08.10.2020, KLOS, 08.12h

	name	Sector/position	Contact details	signature
1	SPORR B. SHKURBI	SPORR B. SHKURBI	sporrb@shkurbi.com	
2	Elyza	Tranes	elyza@tranes.com	
3	Yamiraj Elhan	Plansi i shkolle	elhan@yamiraj.com	
4	Arjan	Grupi i shkolle	arjan@grupishkolle.com	
5	Alban C. B.	Bankim	068120590	
6	Albi	Shkollor	0682135324 albi@shkolle.com	

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IPA CBC funded project under EuropeAid/113340/D0/AC7/MK, Discovering Niševan attractions

Private/NGO sector participants 2015-2020, Niševan 10-12

	name	Setor/Institution	Contact details	signature
1	Flora Bank	Banka	068 244 221	[Signature]
2	COOP	COOP	068 356 456	
3				[Signature]
4	Projeat Organizacija	Projeat		
5			068 244 221	
6				

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## Annex 3 Testing Value Proposition

<p><b>VALUE PROPOSITION to be tested:</b></p> <p><b>Travel to the green villages of the Balkans to detox from the urban life</b></p> <p>Visit two countries in one trip and enjoy simple pleasures in nature, most tasteful home-made food, listen to the storytellers of the welcoming people of North Macedonia and Albania</p>
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Score / circle each on a scale of 1 (low) to 5 (high).

Low

High

Your score

1. Is it framed from the customer's perspective, instead of yours?	1   2   3   4   5	4
2. Is it superior? Would the value proposition surpass alternatives?	1   2   3   4   5	4
3. Can you deliver it? If not, could you build the capabilities needed?	1   2   3   4   5	4*capabilities can be built up
4. Does it align with your strategy?	1   2   3   4   5	5
5. Is it sustainable?	1   2   3   4   5	5
6. If so, for how long? How fast would competitors react?	1   2   3   4   5	5
7. Is it profitable to both the customer and to you?	1   2   3   4   5	5
8. Does it address the customer's areas of high interest?	1   2   3   4   5	5
10. Is it "communicable"? Can the customer understand it?	1   2   3   4   5	5
	<b>TOTAL SCORE</b>	<b>42</b>

## Annex 4 Findings and recommendations from 4 WSs on capacity building

(reports by experts engaged by APG and FLAG: Eva Kushova, Konstantin Ciriviri, Katerina Vasilevska and Alma Manderina in the frame of the project Discovering hidden attractions/ 2020)

<p><b>Findings</b></p> <p>Participants' proposals for –or existing touristic experiences in the CB destination Klos, Albania</p>	<p><b>Recommendations</b></p> <p>Experts' feedback (what needs to be done, proposed steps for establishing a sustainable touristic offer)</p>
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Low knowledge of existing touristic attractions in the area	More promotional materials and from Municipality, articles, and reportage from media
Very poor infrastructure, no roads, no signage to go and visit the cultural and natural attractions	Some roads and signage will be possible from this project. But Municipality should do more for the roads linking villages
Not rural tourism at all. In the training we had one wine business, and one honey farm and milk producer	New experiences should be creating such as wine tour, farming tour etc. A training to the businesses how to improve their products and invite locals to visit their farms
No agro tourism. Some poor restaurants, no good services	There are some restaurants in the area, but they need training to promote themselves, improve services and improve their products, in order to attract tourists. Training for food experience, cooking classes etc
Camping Suc- an existing tourist attraction, but needs training in different outdoor activities	Camping Suc is serving only as a stopping place, to accommodate, or to rest for a while, but more training should be offered to create experiences such as hiking, climbing, and exploring nearby nature
No information how to open a tourism business	Basic trainings how to open a tourism business, how to do a business plan, whom to target etc
No communication between local government and tourism businesses	They need information and clear orientation, what are the potential of the area, where to invest, what are the plans of local government for developing each area..
Existing hotels have very low knowledge in the field	They don't know selling platforms, such as booking, trip advisor etc... they don't know how to treat a tourist, what to improve. Need more training
For the existing tourists attractions	A plan from Municipality is needed to create not only infrastructure, transport but also to allow some businesses such as bars and restaurants to be built there, and some artisans to sell products
<p>Proposed steps for establishing a sustainable touristic offer in the Municipality of Klos, short list of activities to be undertaken</p> <ol style="list-style-type: none"> <li>1. Training for different groups of businesses according to their sector, hotels, tour operators, rural businesses: how to open a business, how to treat a tourist, how to improve services etc</li> <li>2. Investments in infrastructure – roads, drinking water, transport, mountain trails, new accommodation facilities, info point for tourists, signage for attractions</li> </ol>	

3. Help with funds, incentives from local governments to open new accommodation guesthouses close to tourists attractions, or help locals turn their houses in guesthouses
4. Cooperation between local stakeholders and municipality
5. Producing promotional materials from municipality, informing people for the potentials of their area

<b>Findings</b>	<b>Recommendations</b>
Participants' proposals for –or existing touristic experiences in the CB destination Demir Hisar	Experts' feedback (what needs to be done, proposed steps for establishing a sustainable touristic offer
Art Point Gumno	Expanding the accommodation capacity, creating conditions for the preparation of homemade traditional food. Room for realization of indoor workshops.
Goran Strezovski	Adaptation of guest rooms, construction and equipping of toilets, adaptation of a closed dining room, organization of a camping space.
Local mountaineering club	Training for professional mountain guides and training for setting up and marking hiking trails
Horseback riding club Gara, village Sladuevo	Improving accommodation Procurement of horses and equipment Indoor room for introductory trainings Foreign language training and soft skills
Zoja Bogojeska village of Sloeshtica	Increasing accommodation capacity Improving the conditions in the summer kitchen for preparing traditional food
Library AL-BI village Babino	Equipping a camping space Installation of infrastructure on the short hiking trail
Daniela and Peco Jolevski, village Virovo	Equipping a dining room for traditional food Equipping the mill for grain grinding workshops Adapting the rollers for educational workshops Foreign language training and soft skills
Restaurant Gorna Kuka village Slepche	Accommodation facilities Training for food experience in active tourism
Antonio Pavlovski mountaineer and cultural worker from the village of Slepche	Entrepreneurship training in mountain tourism and destination management development

	Mountain guide training Training for promotion in rural tourism
<p>Proposed steps for establishing a sustainable touristic offer in the Municipality of Demir Hisar, short list of activities to be undertaken</p> <p>As stated in the report:</p> <ol style="list-style-type: none"><li>1. Targeted trainings for human resources in mountain and rural tourism;</li><li>2. Investments in infrastructure - mountain trails, accommodation at home, tourist info center for users, tourist signalization;</li><li>3. Networking of local stakeholders;</li><li>4. Making traditional and modern informative and promotional material (guide book, maps, leaflets, mobile application);</li><li>5. Strong promotional strategy and its consistent implementation;</li></ol>	

## Annex 5 - Project pipeline *\*indicative*

- Providing mentorship assistance to micro targeted concrete tourism experiences;
- Workshops for: designing Miak costumes, preparing traditional pastries “pitulici”, presentation of Turkish ethnic food, handmade local costumes, and handmade jewellery;
- Gallery of psychiatrist art;
- Museum for history and art exhibitions;
- Preparation of promotional material and branding;
- Various types of training for tourism stakeholders (entrepreneurship, safety of visitors, etc.)
- Pharmacy with bee related medicine
- Ancient symbols in the ‘written cave’ paving the place
- Setting up a joint Bazar;
- Marketing of tourist trails for hiking and biking;
- Market orientation (entrepreneurship trainings);