Frea Project

Joint Action plan - Activity 1.5

**“*Model of intervention - Toolbox*”**

Model step

SYNTHESIS ON FUNDING OPPORTUNITIES GUIDE

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# Model step

A standard model based on financial advice documents, enterprise creation quick referral guide, synthesis on funding opportunities, communication tips&tricks, project management templates, handbook for actors will be developed. The set of tools will form a complete “toolbox”. In this document you will find a Guide on main financial opportunities, with a particular focus on tourism.

# SYNTHESIS ON FUNDING OPPORTUNITIES GUIDE

## 2.1 EUROPE

The EU plays a complementary role in tourism policy by supporting and coordinating actions taken by member states.

Tourism has suffered an unprecedented shock due to the coronavirus pandemic, which has drastically reduced tourist flows and, consequently, the revenues of companies operating in the sector. The European Commission has launched measures and put forward proposals to mitigate the impact of this crisis.

Beyond the immediate shock, the tourism sector is facing other longer-term challenges related to its green and digital transformation, competitiveness, sustainability and resilience.

For the period 2021-2027, several programmes are planned that could be used to finance actions in the tourism sector, under direct or shared management, including those created to mitigate the impact of the pandemic.

**GUIDE TO EU TOURISM FUNDING**

The Commission has published an online guide on EU tourism funding. This guide highlights the wide range of funding programmes funded by the new budget, the 2021-2027 MFF and Next Generation EU. These resources support the transition to a more digital, sustainable and inclusive EU.

The guide helps to find appropriate funding. Contains links to the relevant EU programme websites with latest developments (such as annual work programmes or calls for proposals) and further details per programme.

To get inspiration, you can also see concrete examples of projects funded by previous EU programmes. The guide is available in all EU languages through a high quality machine translation tool.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide_en>

Below is an overview of the EU funding sources for tourism in 2021-2027 and the types of actions supported on the basis of Annex I to the [European Court of Auditors' Special Report 27/2021: EU support to tourism.](https://www.eca.europa.eu/Lists/ECADocuments/SR21_27/SR_EU-invest-tourism_IT.pdf)

**Creative Europe programme**

EU programme to support the cultural and creative sectors, including the audiovisual sector. Funds cooperation projects or platforms, including cultural events in the form of music and performing arts festivals; film festivals and markets; promotion of the city through culture; Development of the creative aspects of sustainable cultural tourism and the design and fashion sectors, and promotion and representation of these sectors outside the EU.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/creative-europe-programme_en?prefLang=it>

**Digital Europe programme**

EU programme to support the digital transformation of European society and economy. Its ultimate objective is to support the strategic autonomy of the European single market. Funds the creation of data spaces: [Common European Data Space for Cultural Heritage](https://digital-strategy.ec.europa.eu/it/news/commission-proposes-common-european-data-space-cultural-heritage) (support to digital transformation of the European cultural heritage sector) and Common European Mobility Data Space (support to interoperability); and the [European digital innovation pole network](https://digital-strategy.ec.europa.eu/it/activities/edihs) (including support for SMEs in the tourism sector in their digital transformation).

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/digital-europe-programme_en?prefLang=it&etrans=it>

**Programme Erasmus+**

EU programme in the fields of education, training, youth and sport. These are key areas that support citizens in their personal and professional development. It also supports projects on mobility, skills development and employability of young people in tourism, digital skills in cultural heritage, hospitality learning and innovation research in the tourism sector.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/erasmus_en?prefLang=it>

**Programme LIFE**

EU programme to fund environment and climate action projects. Tourism activities related to the green transition may benefit from the programme. In particular, tourism projects supporting the circular economy, energy efficiency and renewable energy measures as well as climate neutrality may be eligible.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/life-programme_en?prefLang=it>

**Horizon Europe programme**

Research and innovation framework programme, starting 2021-27. It has a budget of around EUR 95.5 billion for the period 2021-27 (at current prices), including EUR 5.4 billion from NextGenEU to stimulate economic recovery and make the EU more resilient for the future, and a strengthening of EUR 4 billion.

The programme promotes the development of new approaches, concepts and practices for sustainable, accessible and inclusive cultural tourism (research activity in cluster 2).

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/horizon-europe_en?prefLang=it&etrans=it>

**Programme InvestEU**

EU programme promoting investments to strengthen tourism’s competitiveness, sustainability and value chains; sustainable, innovative and digital measures that could help reduce the climate and environmental footprint of the tourism sector. Potential beneficiaries: tourism enterprises; SMEs; regions and local authorities.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/investeu_en?prefLang=it>

**Single Market Programme (SMP)**

EU programme which aims to provide member countries with the tools to recover from the COVID-19 crisis. The ultimate goal is to make the single market stronger and more resilient. Annex 2 focuses on improving the competitiveness of enterprises (including the tourism sector), in particular SMEs, and supporting their access to markets.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/single-market-programme-smp_en?prefLang=it>

**INTERREG EUROPE Programme 2021-2027**

Interreg Europe is the Programme which supports regional and local governments across Europe to improve the design and implementation of regional, local and territorial development policies. It promotes experimentation and the exchange of knowledge and experience in this area, particularly by public authorities, management authorities, agencies, research institutes and thematic organisations.

<https://www.interregeurope.eu/>

**INTERREG EURO-MED 2021-2027 Programme**

Interreg Euro-Med 2021-2027 aims to contribute to the transition towards a climate-neutral and resilient society, fighting global changes that impact on the resources of the Mediterranean while ensuring sustainable growth and the well-being of citizens.

<https://interreg-euro-med.eu/>

**INTERREG IPA ADRION 2021-2027 Programme**

IPA ADRION acts as a political promoter and innovator of governance, promoting European integration between partner states, exploiting the rich natural, cultural and human resources surrounding the Adriatic and Ionian Seas and improving economic cohesion, social and territorial in the Programme area.

<https://www.interreg-ipa-adrion.eu/>

**INTERREG ITALY-CROATIA 2021-2027 Programme**

The Italy-Croatia Cross-border European territorial cooperation programme is the financial instrument that supports cooperation between the regions of the two Member States bordering the Adriatic Sea, through actions aimed at: Finance the exchange of knowledge and experience, develop and implement products and services for pilot actions, support investments through the creation of new business models, test the feasibility of new policies among regional and local stakeholders. <https://www.italy-croatia.eu/web/italy-croatia>

**IPA III 2021-2027 Programme**

The Pre-accession Assistance Programme (IPA III, the third edition of the Instrument for Pre-Accession) supports candidate and potential candidate countries in transforming their societies, their legal systems and economies along the path to EU membership. It is an investment in the future of the EU, making Europe safer and more prosperous by supporting the stability and prosperity of its closest neighbours.

<https://eur-lex.europa.eu/IT/legal-content/summary/ipa-iii-the-instrument-for-pre-accession-assistance-2021-2027.html>

**European Regional Development Fund and Cohesion Fund (FESR/FC)**

ERDF: investments to strengthen the long-term environmental and socio-economic sustainability and resilience of tourism, transforming the sector through lessons learned from innovative solutions;

FC: investments related to the tourism sector in the environment and trans-European transport networks, especially in regions with a strongly dependent economy on tourism.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/european-regional-development-fund-erdf-and-cohesion-fund_en?prefLang=it>

**European Social Fund Plus (FSE+)**

The ESF+ has a total budget of over EUR 99 billion. It invests in people, creating and protecting job opportunities, promoting social inclusion, combating poverty and developing the skills needed for digital and green transition.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/european-social-fund-plus-esf_en?prefLang=it&etrans=it>

**European Agricultural Fund for Rural Development**

The common agricultural policy (CAP) under the European Agricultural Fund for Rural Development (EAFRD or the so-called second pillar) supports the economic viability and viability of rural communities through development measures. Investments related to the tourism sector included in the [National Strategic Plans of the Common Agricultural Policy](https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans_it).

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/european-agricultural-fund-rural-development_en?prefLang=it>

**European Maritime Fund, Fisheries and Aquaculture (FEAMPA)**

The Fund supports actions and investments that contribute to the protection of aquatic biodiversity and sustainable, low-impact fisheries and aquaculture. It also promotes the supply of healthy and quality fish products to European consumers. It finances tourism-related projects such as ecotourism, fishing tourism, local gastronomy (fish and seafood restaurants), accommodation facilities, tourist routes, diving, as well as support for local partnerships in coastal tourism.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/european-maritime-fisheries-and-aquaculture-fund-emfaf_en?prefLang=it>

**Fund for a just transition (JTF)**

The Fund aims to reduce the social and economic costs of the transition to a climate-neutral EU economy by supporting diversification of economic activity, Creating new business opportunities and helping people to adapt to a changing labour market.

Financing for tourism SMEs: investments in fixed assets or intangible assets.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/just-transition-fund-jtf_en?prefLang=it>

**European Globalisation Adjustment Fund for workers expelled from employment (FEG)**

The European Globalisation Adjustment Fund (EGF), set up in 2007, helps people to find a new job through further education or training or helps them to start their own business.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/european-globalisation-adjustment-fund-displaced-workers-egf_en?prefLang=it>

**REACT-EU**

Under NextGenerationEU, REACT-EU provides an additional €50.6 billion (at current prices) for assistance to promote development in the context of the COVID-19 pandemic and its social consequences, as well as to prepare a green recovery, digital and resilient economy.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/react-eu_en?prefLang=it>

**Recovery and resilience device (RRF)**

The Facility is the core of the European recovery plan, NextGenerationEU. It finances reforms and investments in EU countries from the start of the pandemic in February 2020 until 31 December 2026.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/recovery-and-resilience-facility_en?prefLang=it>

**Support from the European Bank for Reconstruction and Development (BERS)**

The projects funded by the EBRD cover a wide range of sustainable practices and related market trends in the tourism sector. Of the 39 EBRD operating countries, 12 are located within the EU. There are 3 programmes with particular relevance for the tourism sector.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/support-european-bank-reconstruction-and-development-ebrd_en?prefLang=it>

**European Investment Bank support (BEI)**

The European Investment Bank is the financial arm of the European Union. The EIB offers loans, guarantees, equity investments and advisory services and operates both in the EU and worldwide.

<https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide/support-european-investment-bank-eib_en?prefLang=it>

**The EU’s tourism dashboard**

The EU Tourism Dashboard is an online knowledge tool developed by the European Commission, aimed at promoting and monitoring (1) green and digital transitions and (2) the socio-economic resilience factors of the European tourism ecosystem.

The dashboard provides visualizations of tourism relevant data and indicators collected from reliable and available sources concerning the tourism ecosystem, To enable profiling and monitoring of progress made by EU countries towards EU policy objectives. The indicators of the EU Tourism Scoreboard are organised under the green, digital and socio-economic policy pillars. In addition, the dashboard offers a set of basic tourist descriptors to provide further context for the characteristics of tourist destinations in terms of demand, supply and tourist offer. The dashboard currently covers all EU-27 Member States, Iceland, Norway and Switzerland and is aimed at tourism decision makers and operators as a main public to guide policies and strategies in the tourism ecosystem.

The current public version of the dashboard is the result of a consultation process launched in mid-2021, at the request of the Council of the European Union. EU Member States and other international organisations have contributed to the consultation and will continue to monitor and advise on the development of the EU Tourism Scoreboard.

The EU Tourism Scoreboard was developed by DG GROW and the Joint Research Centre, with the collaboration of Eurostat, the Environment DG and in consultation with the EU Member States through the Advisory Committee on Tourism. The European Commission would like to thank the following organisations for their contributions in the form of data or advice: euro control, European Travel Commission, Organisation for Economic Cooperation and Development, United Nations World Tourism Organization and Foundation for Environmental Education.

<https://tourism-dashboard.ec.europa.eu/?lng=it&ctx=tourism>

**Rural toolkit**

Rural toolkit is the comprehensive guide to EU funding and support opportunities for rural areas in the European Union. The objective is to help local authorities, institutions and stakeholders, businesses and individuals to seek out and exploit existing EU funds, programmes and other funding and support initiatives and to promote development in rural areas.

Rural toolkit provides practical information, examples and direct links to existing programmes. Applications must be submitted via the official web pages of each initiative.

The guide is part of the European Commission’s long-term vision for stronger, connected, resilient and prosperous rural areas in the EU. It shows how the initiatives and practices supported by EU funding programmes and policies can help rural communities revitalise their territories.

<https://funding.rural-vision.europa.eu/?lng=en>

## 2.2 Montenegro

**MINISTRY OF TOURISM**

Sources:  
<https://www.gov.me/en/article/incentives-for-investors-in-the-tourism-sector-in-montenegro>  
<https://www.gov.me/en/article/central-tourist-register>  
<https://investitor.me/2022/01/14/top-10-turistickih-projekata-koji-se-trenutno-realizuju-na-crnogorskom-primorju/>

Tourism is a strategic economic branch of the Montenegrin economy. Until 2020, which is characterized by the outbreak of the COVID-19 pandemic, from year to year, the tourism sector had recorded an increase in the number of tourists and overnight stays, investments, and final revenues.

The key indicators from the report of the World Travel and Tourism Council (WTTC) for Montenegro, which refer to 2019, are the following: total (direct and indirect) contribution of the tourism and travel sector to gross domestic product (GDP) was 30.9%, the total contribution to employment was 31.9%, and the share of tourism in total exports was 52.6%. If we look at the data for the period from 2009 to 2019, it can be stated that the number of tourists increased by 119%, the number of overnight stays by 91%, and the total revenue by 92%. Statistics also show that over 90% of tourist visits are in the coastal region and mainly during the short summer period (June-September).

In order to further develop tourism to ensure employment increase, raise living standards, ensure more balanced regional development, but also improve the global recognizability of the country, the Government of Montenegro opted for continuous sustainable development of tourism, focusing on efficient use of resources, promoting Montenegro as sustainable, inclusive, green and smart tourist destinations. When creating a strategic approach, it is important to respect the constitutional provision that Montenegro is an ecological state, as well as the framework provided by the adoption of the National Strategy for Sustainable Development of Montenegro until 2030, which includes the principles of sustainability from the United Nations Agenda for Sustainable Development until 2030.

Montenegro is recognized as a country rich in natural diversity in a small territory, a country of contrasts of North and South, with five national parks, five UNESCO World Heritage Sites, six nature parks, two marine protected areas, three Ramsar sites and numerous lakes, with rich cultural and historical and multicultural heritage, authentic gastronomy, and whose potentials have not been adequately and sufficiently valorized so far, in order to create a year-round tourist destination. In order to achieve the above in the best possible way, the Concept of the Spatial Plan of Montenegro until 2040 for the field of tourism was used for the development of this Strategy in order to harmonize them. In other words, the project teams for the preparation of both documents directly cooperated, exchanged data and visions in the direction of defining common positions on the development of tourism in Montenegro. In that sense, the visions for the development of tourism clusters in this Strategy are fully compatible with the visions for the development of the regions defined in the Concept of the Spatial Plan of Montenegro until 2040.

Despite the progress made in the previous period, tourism has not developed in accordance with the principles of sustainability and preservation of the environment and resources. Among the goals of this Strategy, in addition to the segment of sustainability, special attention was paid to challenges such as: reducing seasonality with diversification of products and services, reducing regional development imbalance, improving the tourist experience, increasing the number of high-capacity accommodation in the Central and Northern region, improving accessibility by transport, implementation of innovative solutions and modern technologies, improving destination management, improving destination promotion, strengthening public-private partnerships, all in correlation with the strategic goals of the Government of Montenegro aimed at raising living standards.

In order to achieve better results in the tourism sector, it is necessary to diversify products and services. It can be achieved through continuous work on the sustainable use of all natural and created potentials that Montenegro has. By diversification, the product would exceed the offer of “sun and sea”, as Montenegro is most often perceived as a tourist destination, and that would result with extended tourist season and balanced regional development, reducing the pressure on the coast, while respecting the principles of sustainable development of the destination. Tourism, as the dominant development branch of Montenegro, is of key importance for achieving economic stability. As such, it promotes the further development of complementary industries, mostly agriculture and food industry, transport, trade, and construction. Complementarity with other sectors is the basis for wider coverage and further concretization of development plans, activities and measures that apply to the entire economy.

The global crisis in 2008 significantly affected the destabilization of tourism in Montenegro. In that year, the Montenegro Tourism Development Strategy until 2020 was adopted. This Strategy defines the strategic goal of tourism development, which reads: By applying the principles and sustainable development goals, Montenegro will create a strong position of a global high-quality tourist destination, tourism will provide the Montenegrin population with enough jobs and raise living standards, and the country will generate revenue in a stable and reliable way. However, the strategic and operational goals of the Strategy have not been implemented, as evidenced by numerous inherited problems and the situation in which tourism in Montenegro is, which is partly caused by the global economic crisis.

The Ministry of Economic Development has initiated the development of a new Montenegro Tourism Development Strategy 2022-2025 with the Action Plan. The Strategy refers to a four-year period due to more efficient strategic planning of tourism development in the conditions of altered reality, in accordance with the current pandemic and other potential challenges. The Strategy is an umbrella strategic document, which identifies opportunities for further development of tourism, taking into account the principles of sustainability, compliance, potential, development needs and requirements of the economy, domestic and foreign markets.

During the drafting of the Strategy, trends in the international market were taken into account, as well as the health and economic crisis caused by the COVID-19 pandemic. Therefore, it seems that it is the right moment to, in addition to the recovery of tourism, pay attention to the creation of a new development and management model. In this regard, Montenegro Tourism Development Strategy 2022-2025 with the Action Plan defines the directions of tourism development, with the development of competitiveness and better positioning of Montenegro on the global tourism map. The Action Plan defines key measures and activities as well as their holders, and envisages deadlines and financial framework for their implementation.

The preparation of the document included a wide range of stakeholders, at the state and local level, partners from the public and private sector - relevant ministries and other institutions with public authority, academia, the National Tourism Organization of Montenegro and local tourism organizations, tourism, business and tourism associations, the NGO sector, but also international actors such as the World Bank, the European Bank for Reconstruction and Development (EBRD), the German Agency for International Cooperation (GIZ) and the UN Development Program (UNDP). During the preparation of both the text of the Strategy and the Action Plan, it was taken into account that specific activities and projects of other relevant ministries (transport, energy, utilities, etc.) that are in the function of tourism development, are in principle presented in the Action Plan of this Strategy, because their specific and detailed implementation is the subject of the scope of work of relevant ministries, with a tendency to avoid overlapping in terms of inter-ministerial cooperation and taking into account cross-cutting documents.

The engagement of the United Nations World Tourism Organization (UNWTO) should be especially emphasized, since it followed the entire process of drafting the Strategy and with its suggestions and reports made by experts, contributed to harmonizing the goals of this Strategy with UNWTO goals and current, very demanding, present and future trends in the international tourism market, analyzing the Montenegrin market as well. Due to all of the above, the Strategy is internationally recognized.

Partnerships at all levels are envisaged for the implementation of the Action Plan measures, especially at the level of public and private sectors, because only through synergy, as well as comprehensive networking of a large number of stakeholders, tourism can fully contribute to Montenegro's economic prosperity.

**• EU programs and funds**

The existence of this strategic document creates an opportunity, and in many segments it is a precondition for applying for funds offered by various international sources of funding. Therefore, the Strategy represents a perspective for the use of many financial potentials, both for the relevant ministry, or other institutions of the public administration system, and other tourism actors who have so-called cross-cutting activities related to this Strategy.

In 2006, the European Union established the Instrument for Pre-Accession Assistance (IPA) , with the aim of supporting institution building, implementing key reform processes on the path to the EU accession, but also supporting socio-economic development. So far, projects financed by IPA funds through the financial perspectives of IPA 2007-2013 (IPA I) and IPA 2014-2020 (IPA II) have been implemented and are still being implemented in Montenegro, and IPA 2021-2027 (IPA III) is being prepared. IPA also includes support provided through regional programs and instruments, such as the Multi-Beneficiary IPA Program, the Western Balkans Investment Framework and the EU Programs, as well as through cross-border and transnational cooperation programs. The IPA function is to assist countries which are in negotiations with the EU in achieving sustainable development and poverty rate reduction, and is also a preparation for the use of EU structural and cohesion funds, which are available after accession to the European Union.

Under the IPA I and IPA II programs, support was implemented through several components / sectors. Tourism is not recognized separately anywhere, but the components / sectors have been comprehensively defined, so many projects in the field of tourism have been financed from these funds.

Under the IPA I financial perspective (2007-2013), the European Commission has allocated a total of EUR 235 million to Montenegro through 5 components. Under the IPA II financial perspective (2014-2020), the European Commission has allocated EUR 279.1 million of support to Montenegro, directed through 8 components within which numerous projects in tourism have been implemented. When it comes to IPA III, funds available for all Western Balkan countries for the financial perspective 2021-2027 will amount to more than 14 billion euros.

Apart from the IPA program, in the previous period Montenegro has participated and will continue to participate in some other EU programs, including Horizon 2020, Creative Europe, Erasmus +, COSME, Europe for Citizens, European Program for Employment and Social Innovation (EaSI), IPARD II and III, etc., which are also relevant in the field of tourism.

The same as before, beneficiaries of funds for tourism projects can be non-profit entities with public authorities at the national and local level, NGOs, associations and unions, universities, and other non-profit entities whose activities are harmonized with the subject of the project.

The following are some examples of projects in the field of tourism whose implementation is underway, and within the European Territorial Cooperation Program, which includes partners from Montenegro:

**• Projects financed from trilateral programs**

Due Mari - Next Generation Tourism Development / May 15, 2019 – November 14, 2022/ , is a thematic project within the Interreg IPA CBC Italy – Albania - Montenegro program. The total budget of the project is 5,206,934.15 euros. On the Montenegrin side, the partners are the Ministry of Economic Development and the National Tourism Organization of Montenegro, and the Ministry of Education, Science, Culture and Sports is an associate partner. The aim of the project is to synchronize the economic development of tourism, taking into account the advantages of the program area, through the use of smart technologies and better presentation of local and regional cultural and natural sites. Specific contributions for Montenegro are: collecting data from 270 tourist (cultural and natural) localities in Montenegro in the form of 360◦ videos and photos, creating a Due Mari virtual route, posting data on a common virtual V3D platform, new website of the National Tourism Organization of Montenegro, joint Strategy and Action Plan on Sustainable Management of the Due Mari platform and route, guidelines on the use of innovative digital media in joint promotion through the Due Mari tourism platform, exchange of experiences and modernization of the tourist offer, creation of a new tourist offer, etc.

WRECKS4ALL - Protecting Underwater Heritage Through its Digitalization and Valorization as a Novel Touristic Offer / August 15, 2020 – August 14, 2022 / , is a project implemented within the second call of the Interreg IPA CBC Croatia – Bosnia and Herzegovina – Montenegro. The total budget of the project is 1,016,778.32 euros. Project partners from Montenegro are the University of Montenegro - Faculty of Maritime Studies and the Tourism Organization of Municipality of Bar, and other partners are the Tourist Board of Herzegovina - Neretva Canton and the University of Split - Faculty of Maritime Studies. The main goal of the project is the valorization of the underwater cultural heritage of the eastern Adriatic in order to create a more diverse tourist offer and sustainable use of the cultural heritage of the cross-border area.

ePATH - Endemic Pathway /November 01, 2020 – October 31, 2022/ is a project implemented within the second call of the Interreg IPA CBC Croatia – Bosnia and Herzegovina – Montenegro. The total budget of the project is 1,540,375.30 euros. The partners in the project are the Public Enterprise of Hutovo Blato Nature Park from Bosnia and Herzegovina, the City of Makarska from Croatia and the Public Enterprise for Coastal Zone of Montenegro. The main goal of the project is to improve the tourist offer and preserve the natural and cultural heritage of the cross-border area by developing new natural and cultural trails.

ĆIRO II - Cross-border Thematic Tourism Destination: Old Narrow Gauge Railway / September 01, 2020 – August 31, 2022/ , is a project implemented within the second call of the Interreg IPA CBC Croatia – Bosnia and Herzegovina – Montenegro. The total budget of the project is 1,770,362.68 euros. The project partners are the Agency for Construction and Development of Herceg Novi, the municipality of Ravno - Bosnia and Herzegovina and the municipality of Konavle - Croatia. The main goal of the project is to strengthen and make the offer of the neighboring areas of Herzegovina, Dubrovnik-Neretva County and the Bay of Kotor more diverse, through the tourist development of the old narrow gauge railway called ĆIRO. In Montenegro, a part of the bicycle path on the Sutorina - Njivice route will also be reconstructed, as well as the road to the old railway station of Sutorina.

HeritageREVIVED - Preservation, Valorization and Promotion of Cultural Heritage on the Outskirts of Urban Areas /October 15, 2020 – October 14, 2022/ , is a project implemented within the second call of the Interreg IPA CBC Croatia – Bosnia and Herzegovina – Montenegro. The total budget of the project is 1,965,441.19 euros. The project is implemented by the Municipality of Ulcinj in cooperation with partners from Bosnia and Herzegovina (PI Development Agency of the West Herzegovina County and City of Ljubuški) and Croatia (City of Solin and County Road Administration Split). The project aims to promote and create a more diverse tourist offer of the cross-border area through revitalization and sustainable use of neglected cultural heritage.

CUHaCHa - Enhancing Sustainable Tourism Development through Culinary Heritage / August 15, 2020 – August 15, 2022/, is a project implemented within the second call of Interreg IPA CBC Croatia – Bosnia and Herzegovina – Montenegro. The total budget of the project is 710,946.24 euros. The project partner from Montenegro is the municipality of Tivat, and other partners are the Zadar County Rural Development Agency, Croatia, the Ministry of Education, Science, Culture and Sports of Herzegovina-Neretva Canton, Bosnia and Herzegovina and Zadar Canton, Croatia. Research of culinary heritage, recipes and old methods of food preparation, creation of culinary heritage trails, equipping traditional kitchens, one in each partner country which will promote the culinary heritage of project areas in various cooking classes, are just some of the project activities.

**• Projects financed from bilateral programs**

Cult Bike Route / July 15, 2021. – January 15, 2022/ is a project implemented within the second call of the IPA Cross-Border Cooperation Program Serbia – Montenegro. The total budget of the project is 299,898.00 euros. The partners in the project are the Ministry of Education, Science, Culture and Sports of Montenegro, the Discover Serbia NGO from Priboj and the Students’ Association of the Faculty of Transport and Traffic Engineering, Belgrade. The aim of the project is to develop a new cultural cycling route - CULT Bike Route - which connects Eurovelo 8 with Eurovelo 6/11.

Cultural heritage - Treasure of Cross Border Region , is a project implemented within the second call of the IPA Cross-border Cooperation Program Montenegro – Kosovo. The total budget of the project is 421,066.31 euros. The project is being implemented by the municipalities of Gusinje and Peja. The goal of the project is to contribute to the valorization of the cultural heritage of the Prokletije region by establishing new cultural routes and trails as a new tourism product and offer in the target area. The project will also engage and improve the knowledge and skills of people from rural areas to provide tourism services.

Katun Roads of Montenegro and Bosnia and Herzegovina /June 05, 2020 – June 04, 2022/ , is a project implemented within the second call of the IPA Cross-border Cooperation Program Bosnia and Herzegovina – Montenegro. The total budget of the project is 466,530.53 euros. The project is implemented by the National Tourist Organization of Montenegro, Sarajevo Regional Development Agency SERDA, Faculty of Agriculture and Food, University of Sarajevo, Municipality of Fojnica and Regional Development Agency for Bjelasica, Komovi and Prokletije. The general goal of the project is to diversify the tourist offer of the cross-border area on the basis of natural and cultural heritage, with an emphasis on rural areas, i.e., katuns.

**• Mediterranean program**

SMARTMED - Empower Mediterranean for Smart Tourism /September 01, 2019 – September 30, 2022/, is a project that is being implemented within the Interreg Med Program, and the Ministry of Economic Development participates as an IPA partner. The goal of the SMARTMED project is to develop the Mediterranean as an attractive, smart and inclusive destination. The main challenges that the SMARTMED project has to face are the pronounced seasonality and the lack of effective cooperation among the key tourism strakeholders. Seasonality is reflected in high concentration of tourism turnover in time (in a specific, short period of the year, mainly in the summer months) and space (coastal area and a certain number of coastal towns). The main result of the SMARTMED project is the definition of a new business model of SMART tourism. In addition to the leading partner of the project, the Ministry of Tourism and Sports of the Republic of Croatia, 12 other partners are participating in the project. The total budget of the project is 3,000,000.00 euros, of which 2.55 million euros are co-financed from the European Regional Development Fund. The budget of the Ministry of Economic Development is 35,000.00 euros.

Alter Eco Plus - Alternative Tourist Strategies to Enhance the Local Sustainable Development of Tourism by Promoting Mediterranean Identity /June 01, 2021 – June 30, 2022/, is a project that is being implemented within the Interreg MED program, and the Ministry of Economic Development participates as an IPA partner. The total budget of the project is 400,000.00 euros, and the budget of MED is 50,000.00 euros. The partnership agreement for the Alter Eco Plus project was signed between the Ca 'Foscari University of Venice - Department of Economics, as the lead partner and the Valencia Institute of Building, the Government of Catalonia - Directorate General for Tourism, Development Agency of South Aegean Region - Energeiaki S.A., Ministry of Economic Development Montenegro, Dubrovnik-Neretva County - Department for Economy and Maritime Affairs, as partners. The task of the project is to find the optimal way to overcome the shortcomings and improve the capacity in the sustainable development of tourism by determining the “carrying capacity limit” for tourist places.

**• European Green Deal**

The European Green Deal 2019 is a development strategy goals of which are also implemented in the development documents of Montenegro. Its goal is to transform into a righteous and more prosperous society, with a modern, resource-efficient and competitive economy, with reduced CO2 emissions, where economic growth is separate from resource use. The aim of this strategy is to protect, but also to encourage human, social, natural and economic capital, and to help achieve the UN sustainable development goals in the countries.

All 27 EU member states have bound to transform the EU into the first climate-neutral continent by 2050. In order to achieve the above, they have committed to reduce greenhouse gas emissions by at least 55% by 2030, compared to the levels from 1990. The idea is to review every existing law on climate values, and also to lay a stronger foundation for the circular economy with the new legislation.

The overarching aim of the European Green Deal is for the European Union to become the world's first climate-neutral bloc and encourage more active action in a number of different sectors, including construction, energy, transport, agriculture and food production, and so on.

As the main driver of economic development and investment in Montenegro, the tourism sector is directly and indirectly responsible for a large part of GHG emissions, especially those originating from transport and accommodation facilities. In this regard, in cooperation with UNDP, Montenegro has implemented an innovative project - Towards Carbon Neutral Tourism in Montenegro funded by the GEF. The project aimed to contribute to the reduction of greenhouse gas emissions (primarily CO2) in the tourism sector and significantly reduce the negative impact on the environment. Support was granted to 32 investment projects introducing energy efficiency measures and using renewable energy sources, while about 30 hotels received a green certification and thus contributed to reducing CO2 emissions, while raising public awareness of the importance of nature protection and climate change at the same time. The project helped establishment of Eco Fund that will support the implementation of sustainable projects under the polluter pays principle.

The Economic and Investment Plan for the Western Balkans, adopted by the European Commission on October 6, 2020, aims to encourage the region's long-term economic recovery, support green and digital transition, strengthen regional integration and moving closer to the European Union. The investment plan will be a key driver that will enable public and private investments of European and international financial institutions in the region. Among other things, the Plan defines the priority of “private sector competitiveness”, in order to provide conditions for increasing the amount of grants while guaranteeing capacity to support the private sector while mobilizing aid for sustainable rural development.

**• Regional cooperation**

The strategic goals presented by the Europe 2020 Strategy are further developed through the South East Europe 2020 Strategy, the Strategy for the Adriatic and Ionian Region, the EU Strategy for the Danube Region and the Central European Initiative, but from the aspect of the region, their potentials and advantages that can provide faster and sustainable economic growth and development, while removing recorded barriers at the same time and overcoming weaknesses that are barriers to development.

The EU Strategy for the Adriatic and Ionian Region (EUSAIR) includes nine countries in the Adriatic-Ionian region: Italy, Greece, Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, North Macedonia and Albania. The main goal is the accelerated socio-economic development of the Adriatic-Ionian macro region through enhanced cooperation among the nine countries in the fields of transport infrastructure, energy, blue growth, and tourism and biodiversity conservation, while maximizing the contribution of tourism to growth and employment and promoting cooperation between EU countries, especially by exchanging good practices.

The European Union Strategy for the Danube Region (EUSDR) was adopted in the field of regional connection and cooperation of the Danube region, which includes 14 countries: Austria, Bulgaria, Germany, Hungary, Romania, Slovakia, Croatia, Serbia, Moldova, Ukraine, The Czech Republic, Slovenia, Montenegro and Bosnia and Herzegovina. The strategy is based on four pillars and 11 priority areas, where for the field of tourism development, the importance of connecting people and countries through culture and tourism within priority area 3 (To promote culture and tourism, people to people contacts) is especially emphasized.

Central European Initiative (CEI) - In 2021, Montenegro continued its presidency of the Initiative, which began in 2020, which confirmed its commitment to regional cooperation, further progress in EU integration process, development of good neighborly relations, as well as active engagement in numerous project activities within the Initiative. In the period marked by the COVID-19 pandemic, regional cooperation has gained importance, and the effectiveness of the Initiative in strengthening partnerships with all CEI member states, the Secretariat and other relevant regional actors is ensured through constructive dialogues and project-oriented cooperation in strategic areas. Montenegro is the first country since the establishment of the CEI to chair the Initiative for two years in a row.

All these activities and projects in which special emphasis is placed on synchronization with EU legislation and funds will contribute to more efficient and effective economic and sustainable development of tourism, i.e., improving the position of Montenegro on the international economic scene. According to the report of the World Economic Forum on the competitiveness of travel and tourism for 2019, Montenegro was ranked 67th out of 140 countries in terms of competitiveness and was better positioned compared to the countries of the Region (Table 1).

**IMPLEMENTATION OF PRIORITY PROJECTS IN THE FIELD OF TOURISM**

The implementation of priority projects in the field of tourism refers to: **valorization** of localities in the areas of Bjelasica and Durmitor; construction of a tourist complex, marina and supporting infrastructure of Porto Montenegro – Tivat; construction of the tourist complex of Portonovi, Kumbor, Herceg Novi; construction of the tourist complex of Luštica Bay, Tivat; construction of the tourist complex of “Plavi horizonti“ - Tivat; reconstruction of the Mamula fortress on the island of Lastavica, Herceg Novi; construction of the “Kraljičina plaža” Hotel – Sveti Stefan, Budva; tourist valorization of a part of the property of HTP “Ulcinjska Rivijera”, AD Ulcinj – “Bellevue” and “Olympic” hotels and construction of the tourist complex of “Montrose” (“Ritz Carlton Montenegro”).

When it comes to the tourist valorization of localities in the area of Bjelasica and Durmitor, we emphasize that the lease agreement for the location of the former military tourist resort Mediteran in Žabljak and the lease agreement for the location of the mountain center of Kolašin 1600, Kolašin have entered into force, and initiated activities on the preparation of project documentation and other activities of importance for the beginning of the implementation of investment obligations. At the location of the Kolašin 1600 ski center, the construction of a hotel and tourist complex with a total value of 77 million euros is planned and the project activities are proceeding according to the planned dynamics. Work continued on the “K16” Hotel and the construction of the apartment building Q has begun. When it comes to the project on the site of the military-tourist resort Mediteran in Žabljak, it is important to note UNESCO opinion. In the meantime, the investor filed a lawsuit for damages due to the impossibility of building the project.

In connection with the implementation of the Portonovi project, 2021 was marked by the opening of the first and only “One & Only” hotel in Europe, which officially started on May 1, 2021, and during the summer tourist season and the Portonovi resort and One & Only hotel recorded a high occupancy rate, which amounted to up to 90%. We would like to point out that in the course of the implementation of the Portonovi project so far, according to the data submitted by the investor, almost 800 million euros have been invested, of which slightly less than 20 million euros in 2021.

Also, the year 2021 was marked by significant investment activity within the Porto Montenegro project, i.e., the beginning of the construction of the Boka Place five-star hotel with 240 accommodation units, which will be managed by Kerzner International. This is a project whose investment exceeded the agreed amount of 450 million euros, so far 788 million euros have been invested in the project, of which 58.2 million euros in 2021.

In the previous period, significant activities were implemented within the Luštica Bay project, so since the beginning of the implementation, 293 million euros have been invested, and in 2021, 27.2 million euros. In 2021, the preparation of project documentation for the construction of a new 5-star hotel with a capacity of 200 accommodation units has begun, and several villas and residential buildings have been built in the “Marina Village” and “Centrale” apartment complexes.

Also, the construction of a hotel of museum character on the island of Lastavica - Mamula Fortress continues, which is taking place in accordance with strict conservation conditions, where the total amount of investment in the project exceeded 20.9 million euros.

Regarding the implementation of the “Kraljičina plaža“ Hotel project, after the construction application was made on November 1, 2019, construction works on the hotel began, and the project was included in the List of development projects in the field of tourism within a special investment program of special importance for economic and business interest of Montenegro (November 7, 2019). So far, 11.5 million euros have been invested in the project, and the total planned investment in that project is 73 million euros.

Tourist valorization of a part of the property of HTP “Ulcinjska Riviera”, AD Ulcinj - Bellevue and Olympic hotels in the southernmost Montenegrin municipality has significantly improved the tourist offer, and the “Karisma Hotels Adriatic Montenegro” Ltd. Company invested 24 million euros and fulfilled its investment obligations, within the first and second phases of the investment, according to the reports of the Controller (“PwC”).

After formalizing the cooperation with the renowned brand, the Montrose project was renamed “Ritz Carlton Montenegro”, and the previous period was characterized by activities aimed at building the necessary infrastructure, as a precondition for building a future luxury tourist complex, in accordance with the Lease Agreement. According to the data received from the investor, 34 million euros have been invested in the project since the beginning of the implementation.

Implementation of development projects on the improvement of tourist infrastructure

Implementation of development projects on improvement of tourist infrastructure, includes activities primarily in ski centers in Bjelasica and Komovi, Durmitor and Hajla, but also natural attractions - Đalovića cave, which include construction of new lifts, ski slopes, artificial snow systems, base stations, access roads and supporting infrastructure, as well as the necessary measures for their implementation.

Therefore, work continued on all construction sites in the north of Montenegro, which were preserved during the winter period, in accordance with the planned activities. This is supported by the data that the Public Works Administration has achieved investments in these projects in the north of the country in the amount of over 5.75 million euros, as of September 30, 2021.

In general, it is important to emphasize that the most important infrastructural activities take place in the north of Montenegro, in the mountains of Bjelasica and Komovi, Hajla and Štedim, Durmitor, as well as in Đalovića gorge. So far, over 86 million euros have been invested in these projects.

For the development of three ski resorts in the area of Bjelasica and Komovi - Kolašin 1600 in Kolašin, Žarski in Mojkovac and Cmiljača in Bijelo Polje, the multi-year budget plans significant investments in infrastructure development at these sites, and so far a total of over 52.4 million euros has been invested, as of September 30, 2021.

After the opening of the “Kolašin 1600” Ski Center in February 2019, which put into operation a cable car with a capacity of 2,600 skiers per hour, worth 8,979,740 euros, with infrastructure that serves over 10 km of ski slopes, final works are underway as well as the construction of a new K7 cable car worth 8,998,000 euros, which will connect two existing ski centers, accompanying ski slopes along the K7 cable car, as well as activities at the new substation to power the new cable car and contracted construction of a garage for ski resorts in Kolašin. Also, we are working on the preparation of the project of water supply of the new mountain center and snowing of the existing and new ski slopes. On the implementation of this project, 24,483,576 euros have been spent so far, of which in 2021, as of September 30, 1,526,480 euros.

So far, 10,731,423 euros have been invested in the future “Žarski” Ski Center, of which 49,003 euros in 2021, as of September 30. Investments were invested in the infrastructural works of the access road of Vragodo-Vrioci-Žarski katun, in the preparatory activities for the implementation of the secondary electric power infrastructure and water supply of the service facilities of the base station. Also, the construction of a cable car worth 8,990,700 euros is underway, as well as accompanying ski slopes in the length of about 9.5 km, worth 1,899,700 euros.

When it comes to the future “Cmiljača” Ski Center, activities are underway on the construction of road, electricity infrastructure, cable cars from the accompanying 3 km of ski trails, as well as the base station, which is planned to be completed in October 2022. So far, 17,031,448 euros have been invested in the implementation of this project in the total infrastructure of this ski center, of which 91,784 euros in 2021, as of September 30.

Intensive activities are underway to create infrastructural preconditions for the valorization of the Đalovića cave, which is located on the territory of the municipality of Bijelo Polje. So far, 15,181,093 euros have been invested in the construction of infrastructure, of which 3,423,305 euros in 2021, as of September 30. Works on the construction of the cable car and gondola and road and electricity infrastructure are in progress. Also, works are underway on arranging the interior of the cave itself. Reconstruction of the local road of Gubavač - Bistrica in Bijelo Polje, with a bridge over the river Bistrica, construction of a visitor center and regulation of the riverbed are also contracted works whose implementation takes place within this project.

In the current period, 8,817,344 euros have been invested in the infrastructural equipment of the future “Štedim – Hajla” Ski Center, of which in 2021, a total of 30,548,856 euros as of September. In this ski center, works are underway on the implementation of projects for the construction of a ski lift with accompanying ski slopes, a base station facility, as well as works on road infrastructure.

The special purpose spatial plan for the Durmitor area was adopted in 2016, which was the basis for initiating the planned activities on the Savin Kuk project. So far, 9,815,015 euros have been invested in the infrastructure of this project through the Capital Budget (a large part of this amount refers to the purchase of a cable car that is not installed on Sava Kuk, but was repurposed to Bjelasica by the Government Decision), of which in September 2021, a total of 111,137.00 euros. All further activities related to the contracts carried out by Public Works Administrations for ski infrastructure construction projects at the Savin kuk ski resort in Žabljak have been temporarily suspended, in accordance with UNESCO guidelines. In order to continue investment activities and improve the offer at the Savin Kuk ski resort, a Program Task was drafted to prepare a Feasibility Study for the reconstruction of the old or construction of a new cable car with the existing cable car route on the Savin Kuk cable car, Žabljak, and in December a new tender was announced for the preparation of a Feasibility Study for the reconstruction of the old or construction of a new cable car with the existing cable car route on Savin kuk, Žabljak, conducted by the Ministry of Economic Development.

The competent Ministry of Culture and the UNESCO Office, as an organizational unit of the Ministry, will be involved in the challenges related to the protection of UNESCO sites in Montenegro during investment activities.

Investments that are not implemented

In addition to the successful conduct of investment activities, in general, a number of privatizations have not been completed in accordance with contractual obligations, specifically:

“Cristal Rivijera” Hotel, Petrovac

“As Perazića Do” Hotel

“Galeb” Hotel, Ulcinj

Purchase and sale agreement of the “Grand Lido” Hotel and “Lido” Apartments, Ulcinj

Location of the former “Jadran” Hotel in Ulcinj

Sale contract of 59,4516 % of the share capital of the HTP “Boka” JSC company, Herceg Novi – “Vektra Montenegro” Ltd, Podgorica

“Jezera” Hotel, Žabljak

“Planinka” Hotel, Žabljak

However, it is necessary to further carry out activities on the valorization of the localities in question and resolving their status through legal proceedings. They represent a significant potential that through adequate investment activities would become recognizable tourist complexes that would be the drivers of high quality tourism development, which would provide many benefits for the municipalities in which they are located, and for the overall tourism industry.