

PROMOTING PRIVATE SECTOR EMPLOYMENT (PPSE) PROJECT, KOSOVO

IN COLLABORATION WITH

MINISTRY OF INDUSTRY, ENTREPRENEURSHIP AND TRADE

ASSESSMENT OF SUSTAINABLE TOURISM DEVELOPMENT INTERVENTION AREAS IN KOSOVO



SUSTAINABLE TOURISM

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FOREWORD

For nearly a decade, PPSE has been dedicated to developing and strengthening Kosovo's tourism sector, with a clear focus on fostering public-private partnerships that drive destination planning and promotion, tourism offer innovation, and sectoral growth. These successes have been underpinned by strong collaborations with private stakeholders, ranging from tourism businesses and agribusinesses to local artisans, farmers, and guides. Our journey has been marked by a commitment to innovation and sustainability. Partnering with SMEs, PPSE has not only elevated service quality but also promoted sustainable practices that are vital for long-term competitiveness. By prioritizing eco-friendly approaches, we have helped lay the groundwork for transitioning toward a green economy, ensuring that environmental stewardship becomes integral to business success.

Looking ahead, our focus sharpens on empowering Kosovar SMEs, business associations, and public institutions to embrace sustainability as a core operational principle. This commitment aligns with global trends and Kosovo's strategic objectives, particularly those outlined in the National Development Strategy 2030, Kosovo Tourism Strategy 2024-2030, the Green Agenda, and other strategic documents that also reflect our aspirations for European Union integration.

In partnership with the Ministry of Industry, Entrepreneurship, and Trade, PPSE has initiated a comprehensive assessment of Kosovo's tourism SMEs, evaluating their readiness to adopt sustainable practices and green transition principles. This initiative not only supports national development goals but also positions Kosovo as a proactive player in the broader European sustainability landscape.

As we navigate an era marked by climate change, the tourism sector must confront its challenges head-on. The path forward requires adaptive strategies and collective action from all stakeholders. By embedding sustainability into the core of tourism, we protect biodiversity, uplift local communities, and reinforce our shared responsibility to build resilient and thriving destinations. Sustainability is more than a guiding principle; it is the foundation of a future-ready tourism industry. It offers a pragmatic response to climate challenges while delivering broad benefits across communities, businesses, and ecosystems.

This study represents a collaborative effort, enriched by the insights and expertise of central institutions, municipalities, businesses, and associations. Through meetings, focus group discussions, and individual interviews, their insights have shaped the findings and recommendations presented here. Our aim with this study is to provide a strategic overview of the current landscape in sustainable tourism, including the challenges, regulatory frameworks, and institutional dynamics that shape it. Additionally, we present practical models, methods, and tools designed to support the implementation of sustainable tourism projects and innovations. By raising awareness, sharing knowledge, and mobilizing resources, we seek to catalyze progress toward a greener and more sustainable tourism industry in Kosovo.

We thank you for your continued partnership and invite you to join us in advancing the sustainable tourism agenda. Together, we can shape a future that balances growth with environmental responsibility, ensuring lasting benefits for all.

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EXECUTIVE SUMMARY

This report entitled "Assessment of Sustainable Tourism Development Intervention Areas in Kosovo," provides an in-depth analysis of the current landscape and future opportunities for promoting sustainable tourism in Kosovo. The study, conducted by the Promoting Private Sector Employment (PPSE) project funded the Swiss Agency for Development and Cooperation (SDC), in collaboration with the Ministry of Industry, Entrepreneurship and Trade (MIET), aims to assess the readiness of tourism SMEs to transition towards sustainability in alignment with the Kosovo National Development Strategy 2030, Kosovo Tourism Strategy 2024-2030 and EU integration goals.

To achieve this, the methodology employed included both desk-based research and qualitative primary data collection. The desk research involved a comprehensive review of national and international sources, and relevant EU policies. Primary data was collected through interviews and focus groups with key stakeholders, including government bodies, accommodation establishments, NGOs, and local communities. This qualitative approach focused on three key tourist destinations: Prishtina, Peja, and Prizren.

Sustainable tourism, understood in its holistic view as seeking to minimise negative impacts on the environment, economy, and society while maximising benefits for local communities, ecosystems, and cultural heritage, is at the heart of this study. It encompasses environmental sustainability through energy efficiency and waste management, socio-cultural sustainability through community engagement and cultural preservation, and economic sustainability by promoting local sourcing and economic inclusivity.

Kosovo, with its rich natural landscapes and cultural diversity, offers significant potential for tourism growth. The tourism sector has experienced notable expansion since independence, contributing significantly to the economy. However, challenges such as limited accommodation capacities and high informality impact the accuracy of tourism data and the overall development of the sector.

Key stakeholders in Kosovo's tourism industry include government bodies like MIET, MESPI, MCYS, and MAFRD, municipalities, private sector entities, and civil society organisations. These stakeholders play crucial roles in promoting sustainable tourism through policymaking, infrastructure development, and community engagement. While Kosovo has established a legal and policy framework, including the Law on Tourism, the Kosovo National Development Strategy 2030, and the recently approved Tourism Strategy of Kosovo with a vision until 2030 and the Action Plan for the years 2024-2026, implementation remains fragmented. National regulations often fail to address local needs effectively, but municipal-level strategies, particularly in Prishtina, Peja, and Prizren, show more promise by emphasising sustainability to preserve cultural and natural assets.

Green financing options are vital for supporting the sustainable transition of Kosovo's tourism sector. National banks like ProCredit Bank and Raiffeisen Bank offer green loans for energy efficiency and renewable energy projects. International and multilateral funding mechanisms, including those from the European Bank for Reconstruction and Development (EBRD) and donor initiatives like the PPSE project or the Fostering Employment and Growth Opportunities (FEGO) project, provide additional support, amongst others. However, more tailored financial products specifically targeting the tourism sector are needed to overcome the high costs associated with sustainability upgrades.

¹ <https://mint.rks-gov.net/Page.aspx?id=2,3,1658>

The readiness assessment of accommodation establishments reveals a varied landscape in sustainability practices. Urban areas like Prishtina show higher readiness compared to rural areas, where the high costs of upgrades, limited access to green financing, and lack of awareness and training on sustainable practices are significant barriers. Despite these challenges, several establishments have successfully implemented sustainable initiatives, highlighting the potential for wider adoption with adequate support. Examples include energy efficiency measures with the installation of solar panels, waste reduction practices, and community-based tourism projects, strengthening local value chains and creating local employment opportunities.

The study concludes that while Kosovo has made significant strides towards sustainable tourism, several challenges remain. Key recommendations include enhancing financial support and incentives, strengthening regulatory frameworks, increasing awareness and training, fostering stakeholder collaboration, leveraging local resources, supporting infrastructure development, promoting digital transition, and enhancing policy implementation. Specifically, developing accessible green financing options, introducing tax incentives, establishing robust environmental regulations, launching targeted awareness campaigns, and investing in eco-friendly infrastructure are essential steps towards achieving these goals.

By addressing these recommendations, Kosovo can build a more resilient and sustainable tourism sector, enhancing its competitiveness while contributing to environmental conservation and local community development. The successful implementation of these strategies will ensure that Kosovo's tourism industry not only thrives but does so in a manner that benefits the environment, the economy, and society at large. This holistic approach will position Kosovo as a leading example of sustainable tourism development in the region, aligning with global sustainability trends and EU integration objectives.



1. INTRODUCTION

This report entitled "Assessment of Sustainable Tourism Development Intervention Areas in Kosovo," provides an in-depth analysis of the current landscape and future opportunities for promoting sustainable tourism in Kosovo. The study, conducted by the Promoting Private Sector Employment (PPSE) project funded the Swiss Agency for Development and Cooperation (SDC), in collaboration with the Ministry of Industry, Entrepreneurship and Trade (MIET), aims to assess the readiness of tourism SMEs to transition towards sustainability in alignment with the Kosovo National Development Strategy 2030, Kosovo Tourism Strategy 2024-2030 and EU integration goals.

Kosovo's National Development Strategy 2030 sets the backdrop for PPSE's efforts, emphasising innovation, competitiveness, and a circular economy for a robust business environment. The tourism sector has seen legislative advancements and a push for sustainable development, aligning with global sustainability principles and EU policies. PPSE's decade-long work has contributed to green initiatives, supporting SMEs in adopting sustainable practices and technologies, crucial for Kosovo's integration into international markets and value chains.

The intervention's rationale is to analyse Kosovo's tourism SMEs' readiness for a sustainability shift, in line with the 2030 strategy and EU integration goals. The assessment identifies opportunities and challenges for local entrepreneurs, aiming to define interventions that support their transition to sustainable and environmentally friendly business practices, ultimately enhancing Kosovo's competitiveness and fostering economic prosperity within a clean environment.

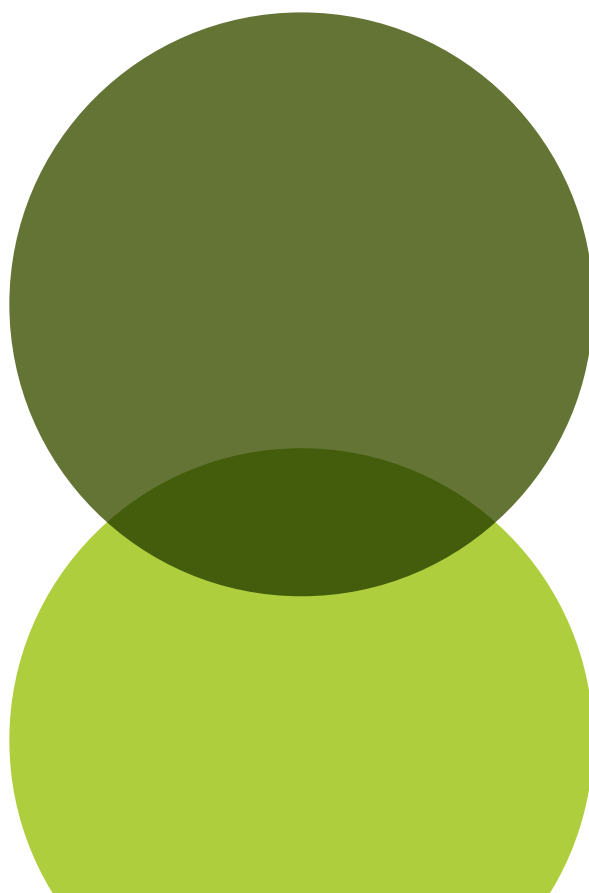
The document contains nine sections: 1) Introduction, including the Methodology, 2) Understanding of sustainable tourism, 3) Context of tourism development in Kosovo, 4) Stakeholder mapping, 5) Policies to support sustainable and green transition, 6) Green funding options and financial mechanisms, 7) Readiness assessment of accommodation establishments, 8) Opportunities to support sustainable and green transition, and 9) Conclusions and recommendations.

1.1 METHODOLOGY

The methodology for this study involved a combination of desk-based research and a qualitative approach to primary data collection.

Desk-based research

The desk-based research component included a comprehensive review of various sources at both national and international levels, with a particular emphasis on European Union documents. Sources included national reports such as Kosovo's National Development Strategy 2030, legal frameworks like the Law on Tourism, and strategic municipal plans. Industry-specific studies and academic research papers were also consulted to gather empirical data and theoretical perspectives on sustainable tourism development, the economic impact of tourism, and policy assessments relevant to the Western Balkans region. Additionally, international and EU documents, including the European Green Deal and the EU's Transition Pathway for Tourism, were reviewed to align the findings with broader policy directives. These are listed in the final bibliography.



1.1 METODOLOGJIA

Qualitative approach to primary data collection

The qualitative approach involved conducting interviews, meetings, and a focus group with key stakeholders and institutions related to the tourism sector. Initially, a focus group with all stakeholders was conducted to gain a general understanding of the local situation in the tourism sector, including sustainability issues and the circular economy. This was followed by individual interviews with stakeholders from the government, municipalities, accommodation establishments, NGOs, and CSOs to gather more detailed insights into tourism development, key challenges and barriers, and opportunities in the tourism sector, particularly related to the circular economy and sustainability potential.

The selection of accommodation establishments focused on hotels and accommodations in three key tourist destinations in Kosovo: Prishtina, Peja, and Prizren. These regions have the highest concentration of hotels and accommodations, representing 80% of the total tourist visits in Kosovo in 2022 according to the Kosovo Agency of Statistics. Nine accommodation establishments, including medium-large hotels, small hotels, and guesthouses, were selected to ensure data variation and provide a comprehensive understanding of the sector's challenges and barriers. The selection aimed to capture insights from a diverse range of establishments to better understand the sustainability practices across different types of accommodation. In addition to individual interviews, three hotels also participated in a focus group, further enriching the data collected.

Throughout data collection, qualitative data processing involved notetaking and transcribing, classifying, and categorising topics and points (thematic units) for retrieval and analysis. A thematic framework analysis was used to interpret the data, focusing on qualitative insights into relevant issues and the reasoning behind the findings and recommendations. The legal framework and relevant regulations were compared based on findings from relevant EU policy areas.

The findings from this research were synthesised to provide a comprehensive analysis of the state of sustainable tourism development in Kosovo, highlighting both the achievements and the areas needing further attention.



2. UNDERSTANDING OF SUSTAINABLE TOURISM

Sustainable tourism is a holistic approach to travel and hospitality that aims to minimise negative impacts on the environment, economy, and society while maximising the benefits for local communities, ecosystems, and cultural heritage. It is rooted in the principles of sustainable development, seeking to ensure that tourism activities are conducted in a manner that is environmentally sustainable, socially equitable, and economically viable, so that the generations to come can also benefit from it. The UNWTO defines it as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities".

When taking sustainability practices, this means ensuring that the three dimensions are considered, as visualised in this graph (**Figure 1**).

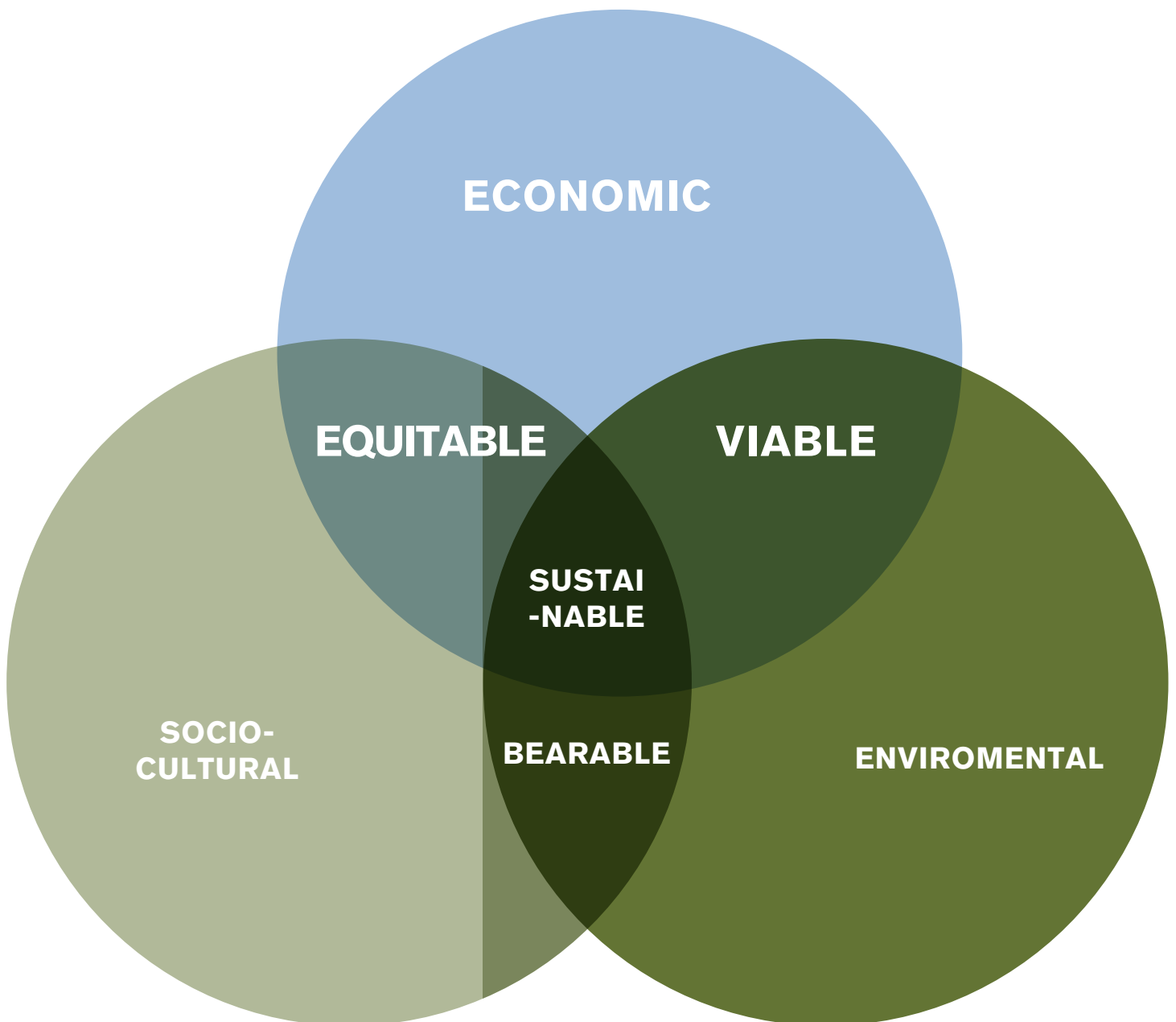


FIGURE 1 SUSTAINABILITY DIMENSIONS

Environmental Sustainability involves practices that reduce the environmental footprint of tourism activities. This includes:

- Energy Efficiency:** Implementing energy-saving measures such as using renewable energy sources (e.g., solar panels), energy-efficient lighting, and appliances.
- Water Conservation:** Implementing water-saving technologies and practices, such as low-flow fixtures, greywater recycling systems, and rainwater harvesting.
- Waste Management:** Reducing waste generation through recycling, composting, and minimising single-use plastics, and proper disposal and management of waste.
- Conservation of Natural Resources:** Protecting and preserving natural habitats and biodiversity by minimising disturbances to wildlife and natural landscapes, and promoting activities that do not harm the environment.

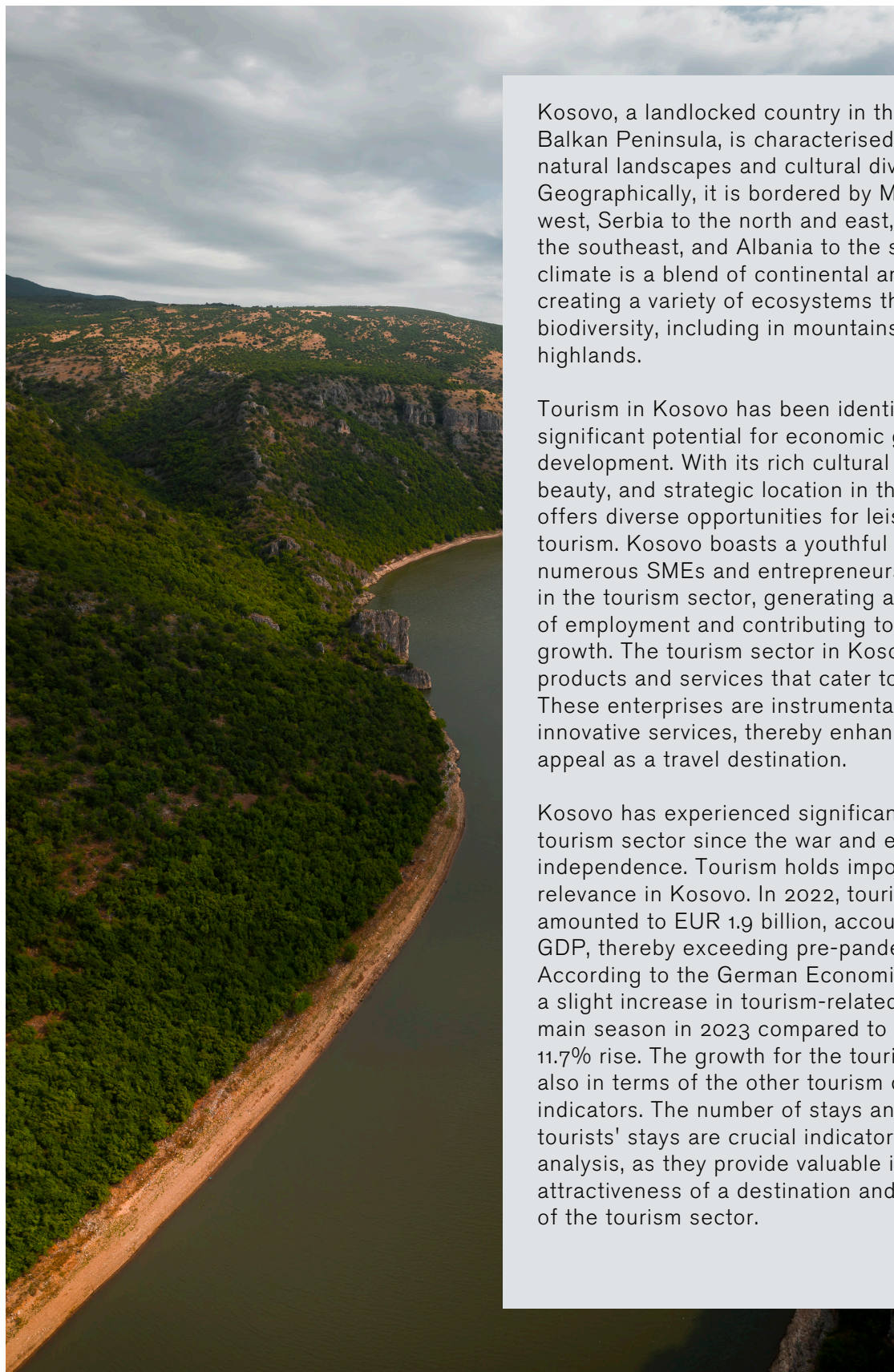
Socio-Cultural Sustainability focuses on preserving the cultural integrity of local communities and ensuring that tourism contributes positively to their social well-being. Key practices include:

- Community Engagement:** Involving local communities in tourism planning and decision-making processes to ensure that their needs and perspectives are considered.
- Cultural Preservation:** Promoting and respecting local traditions, customs, and heritage. This includes supporting cultural events, heritage sites, and local artisans.
- Fair Employment Practices:** Providing fair wages and working conditions for employees in the tourism sector. Promoting gender equality and empowering marginalised groups through employment and training opportunities.

Economic Sustainability aims to create long-term economic benefits for local communities and the broader economy. Sustainable tourism practices in this area include:

- Local Sourcing:** Prioritising the use of locally produced goods and services to support local businesses and reduce carbon footprints associated with transportation.
- Economic Inclusivity:** Ensuring that tourism benefits are distributed equitably among local communities, particularly to those who are economically disadvantaged.
- Sustainable Business Models:** Adopting business practices that are economically viable in the long run, increasing quality and competitiveness as well as resilience.

3. CONTEXT OF TOURISM DEVELOPMENT IN KOSOVO



Kosovo, a landlocked country in the heart of the Balkan Peninsula, is characterised by a rich tapestry of natural landscapes and cultural diversity. Geographically, it is bordered by Montenegro to the west, Serbia to the north and east, North Macedonia to the southeast, and Albania to the southwest. Its climate is a blend of continental and Mediterranean, creating a variety of ecosystems that contribute to its biodiversity, including in mountains, plains and highlands.

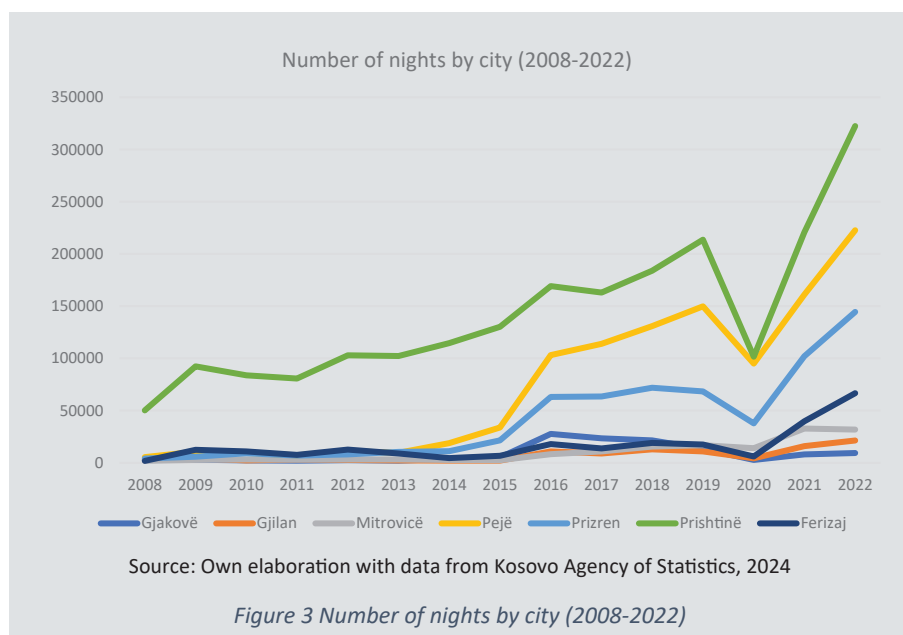
Tourism in Kosovo has been identified as a sector with significant potential for economic growth and development. With its rich cultural heritage, natural beauty, and strategic location in the Balkans, Kosovo offers diverse opportunities for leisure and business tourism. Kosovo boasts a youthful demographic, with numerous SMEs and entrepreneurs paying a vital role in the tourism sector, generating a substantial portion of employment and contributing to the economy's growth. The tourism sector in Kosovo offers a range of products and services that cater to diverse interests. These enterprises are instrumental in developing innovative services, thereby enhancing Kosovo's appeal as a travel destination.

Kosovo has experienced significant growth in the tourism sector since the war and especially after its independence. Tourism holds important economic relevance in Kosovo. In 2022, tourism-related revenues amounted to EUR 1.9 billion, accounting for 19% of GDP, thereby exceeding pre-pandemic levels. According to the German Economic Group, there was a slight increase in tourism-related revenues after the main season in 2023 compared to 2022, showing an 11.7% rise. The growth for the tourism sector is noted also in terms of the other tourism development indicators. The number of stays and the length of tourists' stays are crucial indicators for tourism analysis, as they provide valuable insights into the attractiveness of a destination and the overall health of the tourism sector.

²The tourism sector in Kosovo: economic relevance and potential https://www.german-economic-team.com/wp-content/uploads/2023/12/GET_KOS_PB_09_en-1.pdf

Figures 2 and 3

provide a comprehensive overview of the annual visitor trends across seven key cities in Kosovo, showcasing the number of visitors and the number of nights they spent in various regions from 2008 to 2022. The total number of visitors to Kosovo has generally increased over the years, with a significant rise from 44,294 in 2008 to 460,467 in 2022, or 940% for the period. The data shows a particularly sharp increase in visitor numbers from 2021 to 2022, exceeding pre-pandemic levels. On the regional variations, Prishtina consistently records the highest number of visitors and nights, peaking at nearly 200,000 and 322,446 nights in 2022, indicating that visitors tend to stay longer in the capital city. Peja and Prizren also show high numbers of nights spent, with 222,680 and 144,495 nights respectively in 2022, highlighting their importance as key tourist destinations. Mitrovicë, Gjilan, and Gjakovë display moderate increases, with noticeable rises in visitor numbers from 2015 onwards. Ferizaj, although starting with the lowest numbers, sees a significant surge, particularly after 2014.



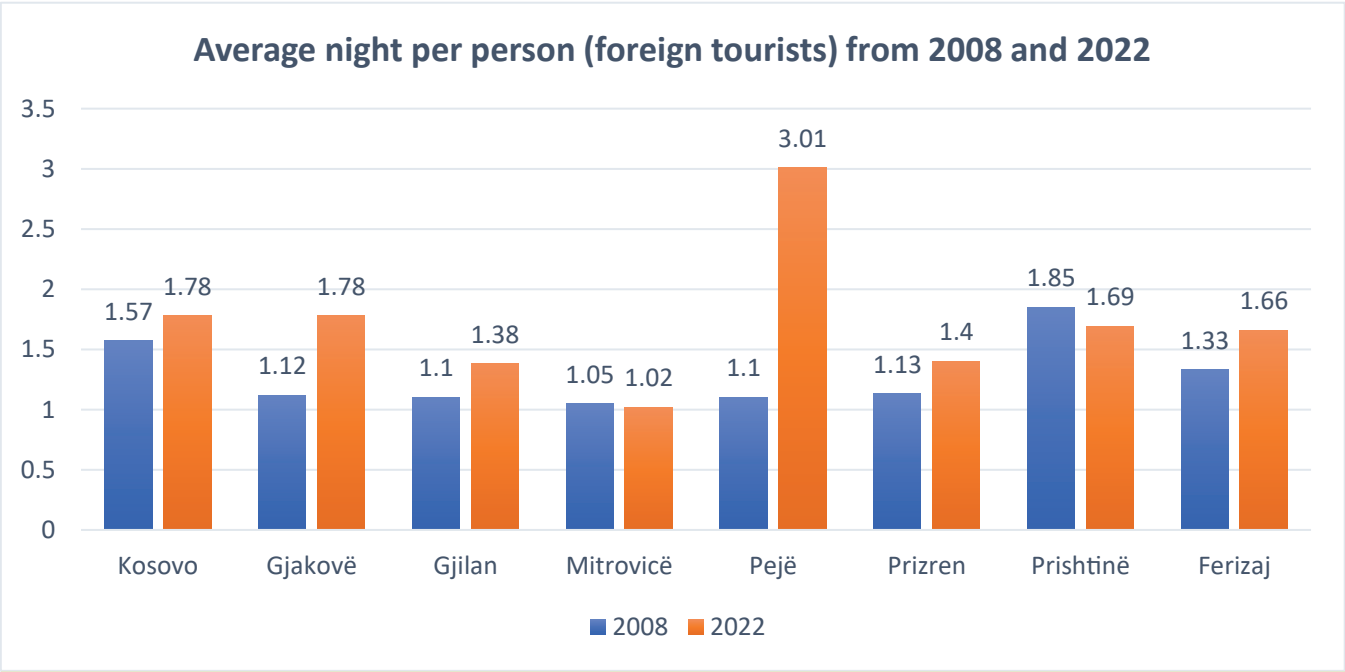
Length of stay of tourists is another important indicator to analyse in the destination. Figure 4 presents data on the average number of nights spent per person in various regions of Kosovo from 2008 to 2022. This data reveals several important trends and patterns in the tourism sector across different regions of the country. The overall increase in the average number of nights spent per person in Kosovo, from 1.57 nights in 2008 to 1.78 nights in 2022, suggests a growing interest in Kosovo as a tourist destination. This trend reflects improvements in tourism infrastructure and the country's increasing appeal.

Regional differences in the average number of overnight stays per person are significant. Peja, for instance, demonstrates a notable increase in this metric. In 2008, tourists in Peja stayed an average of only 1.1 nights, but by 2022, this figure had nearly tripled to 3.01 nights. This reflects substantial progress in positioning Peja as a tourist destination, largely due to the region's natural beauty, especially Rugova, and ongoing investments in tourism products and infrastructure. The rise in overnight stays indicates that tourists now find more to see and do in the area, solidifying Peja as one of the most stable destinations on Kosovo's tourism map

In contrast, regions such as Gjiilan and Mitrovicë show more fluctuations in their average stays, typically having lower averages compared to Prizren and Peja. These fluctuations could be due to less developed tourism infrastructure or fewer high-profile tourist attractions. However, these regions present opportunities for growth through targeted tourism development and marketing strategies.

The impact of the COVID-19 pandemic is evident in the data, with a notable dip in average night stays in 2020. However, there is a clear recovery in 2021 and 2022, aligning with global tourism recovery patterns. The resilience and recovery of the tourism sector in Kosovo are promising, suggesting effective measures were taken to adapt and attract tourists post-pandemic.

Figure 4 Average night per person (foreign tourists)



Source: own elaboration with data from Kosovo Agency of Statistics, 2024

³ Tourism Statistics Database. (2023). Annual Tourism Data for Kosovo. Retrieved from Tourism Statistics Database.

Geographic origin of inbound tourists

Kosovo experiences high growth in tourism from foreign countries. With the exception of Albanian visitors, due to the unique characteristics of being part of the same nation, the main foreign tourists in Kosovo come from EU countries. The table 1 below, reporting data from the Kosovo Agency of Statistics, shows that Albania is the largest source of foreign visitors to Kosovo, accounting for 21.59% of the total visitors in 2022. Diaspora visitors are an important source with Germany accounting for 11.68% of the total visitors, followed by Switzerland (9.54%), Turkey (5.93%), and the US (4.47%) are also notable contributors to the foreign tourist influx. Other countries representing smaller percentages are showed in the table.

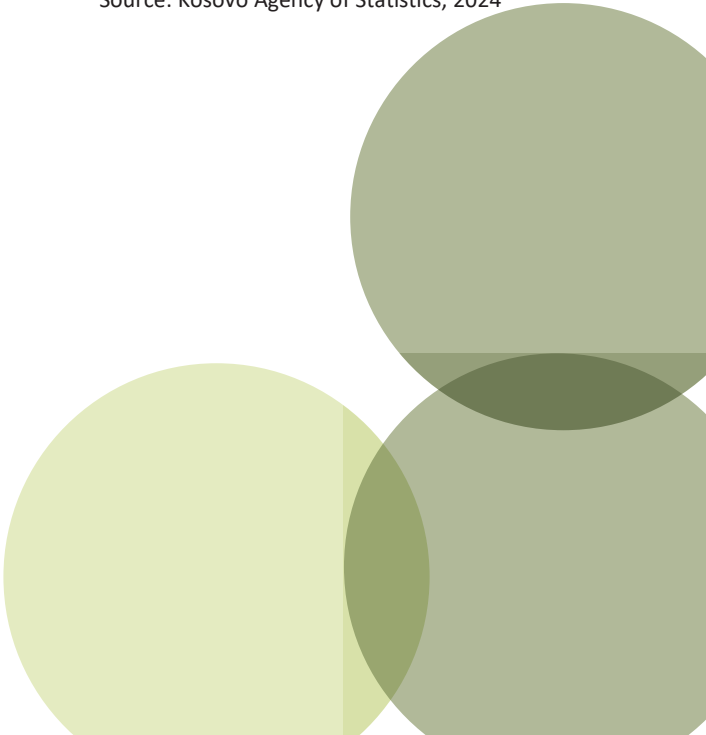
This analysis indicates that Kosovo has seen a significant rise in tourism over the years, with notable contributions from a diverse range of countries, particularly from the region and Western Europe. The data reflects the growing popularity of Kosovo as a travel destination and the increasing engagement of the international community with the country.

From the perspective of sustainable tourism development, it is important to note that most tourists from the EU are engaged tourists who prefer hotels that apply sustainable tourism principles, taking care of the environment, climate, and resources. According to a report by Booking.com, 76% of travellers want to travel sustainably and are looking for accommodations that support environmental stewardship and sustainability practices.

Table 1 Number and origin of foreign visitors in 2022

| Countries of origin | Visitor numbers | % |
|----------------------|-----------------|-------|
| Albania | 64237 | 21.59 |
| Germany | 34751 | 11.68 |
| Switzerland | 28395 | 9.54 |
| Turkey | 17638 | 5.93 |
| USA | 13288 | 4.47 |
| Macedonia | 12055 | 4.05 |
| Serbia | 9695 | 3.26 |
| Italy | 8327 | 2.8 |
| Austria | 8087 | 2.72 |
| UK | 7914 | 2.66 |
| Croatia | 6704 | 2.25 |
| France | 5736 | 1.93 |
| Montenegro | 5639 | 1.89 |
| Belgium | 4541 | 1.53 |
| Slovenia | 3685 | 1.24 |
| Netherlands | 3258 | 1.09 |
| Greece | 2274 | 0.76 |
| Poland | 2259 | 0.76 |
| Bosnia & Herzegovina | 2101 | 0.71 |
| Spain | 1856 | 0.62 |
| Other | 55147 | 18.53 |
| Total | 297588 | 100% |

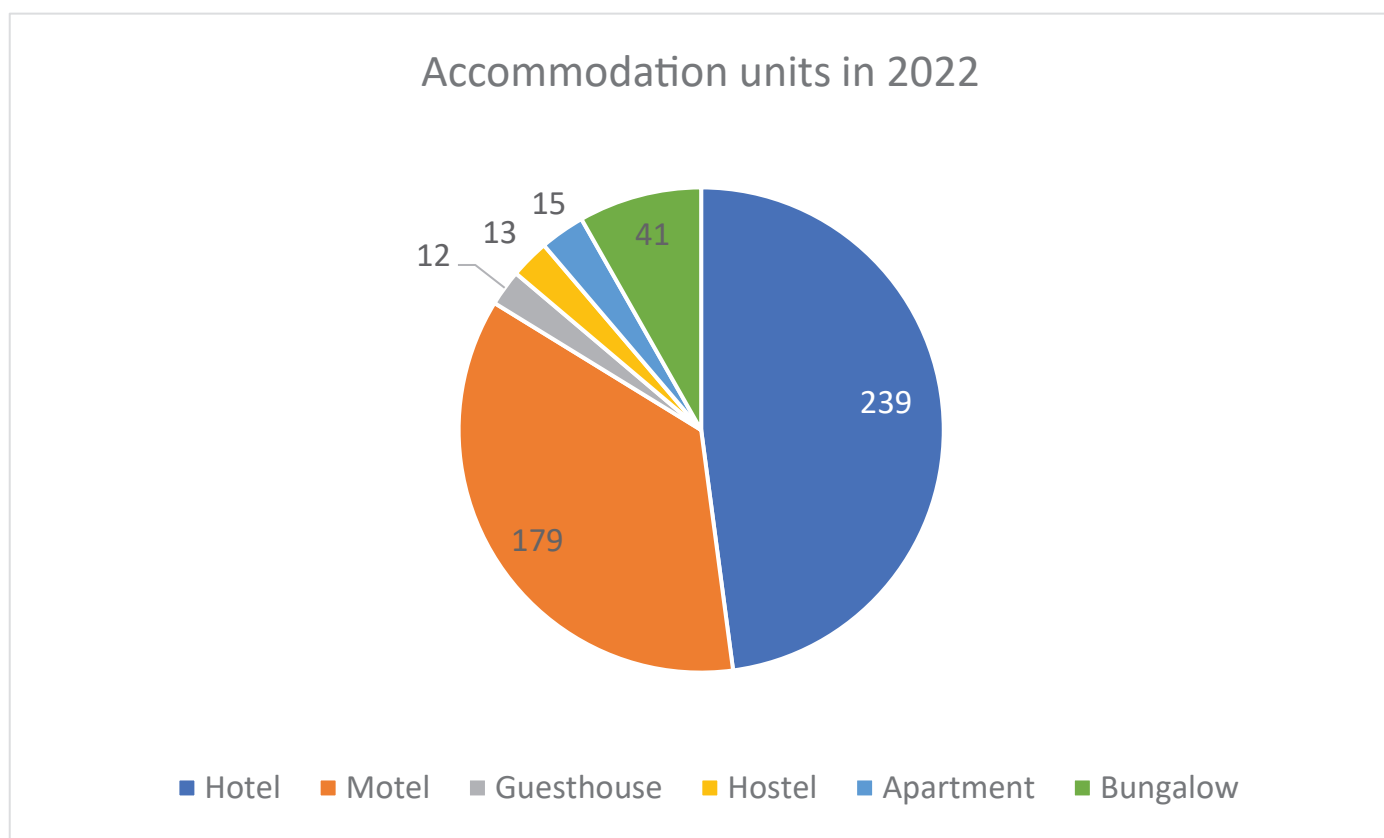
Source: Kosovo Agency of Statistics, 2024



ACCOMMODATION CAPACITIES

Kosovo still faces limited accommodation capacities to attract and host larger influx of potential tourists in the future. During the five-year period Kosovo experienced slight growth (2018-2022). The total number of accommodation units in Kosovo increased from 466 in 2018 to 499 in 2022 (**Figure 5**). The number of rooms grew from 7,077 in 2018 to 7,551 in 2022, while the number of beds expanded from 11,101 in 2018 to 11,811 in 2022 (**Figure 6**). This trend indicates an overall growth in accommodation capacity, reflecting a general expansion in the hospitality sector. However, any policy to attract more tourists may face supply side limitations for accommodating potential increase of tourists. However, still, much of the hotel bed capacity available remains unutilised with an average occupancy rate only at 18,5% in 2022.

Figure 5 Accommodation units in 2022

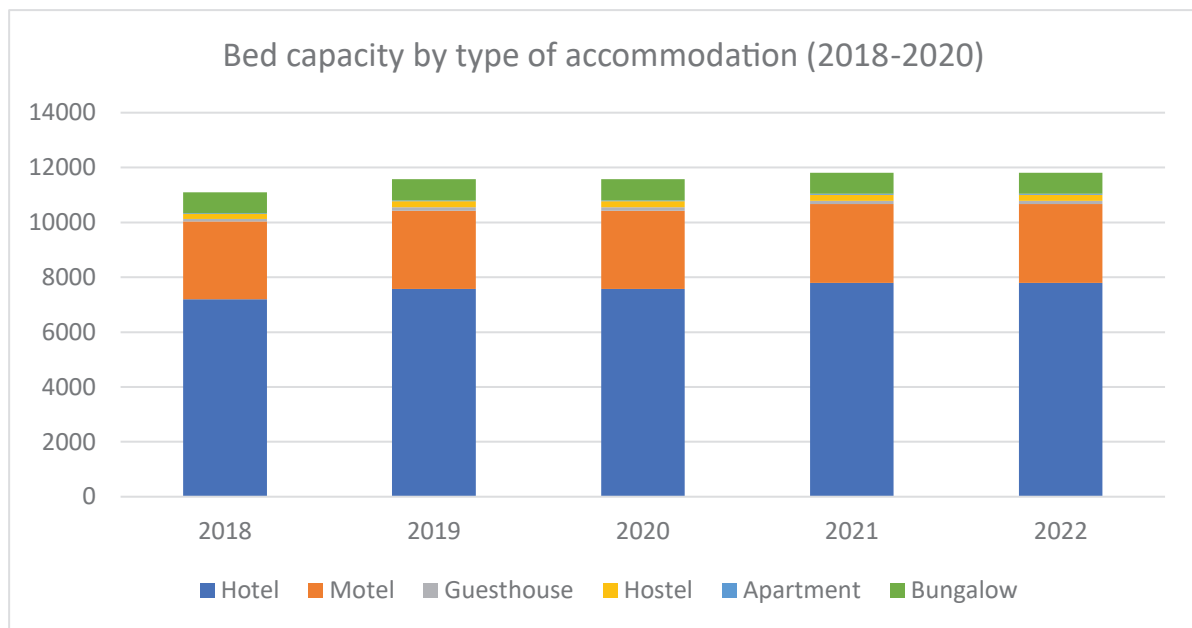


Source: own elaboration with data from Kosovo Agency of Statistics, 2024

⁴ Want to stay at a sustainable hotel? These European countries have the most according to booking.com
<https://www.euronews.com/travel/2023/10/24/want-to-stay-at-a-sustainable-hotel-these-european-countries-have-the-most-according-to-bo> (accessed 12 June 2024)

⁵ https://www.german-economic-team.com/wp-content/uploads/2023/12/GET_KOS_PB_09_en-1.pdf

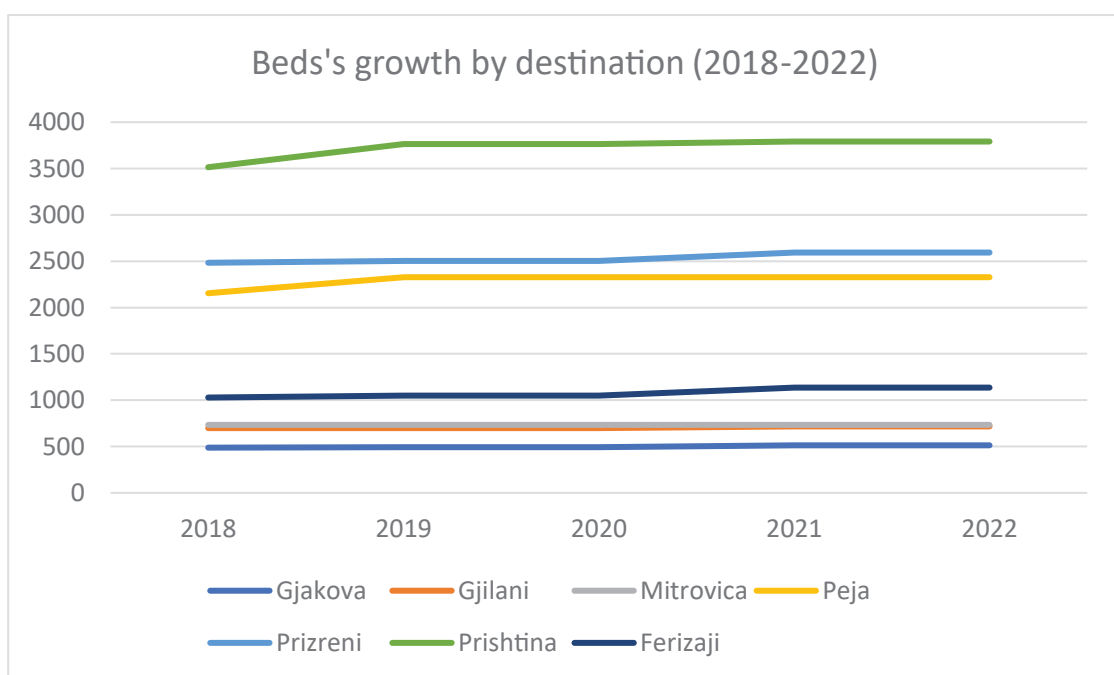
Figure 6 Bed capacity by type of accommodation (2018-2020)



Source: own elaboration with data from Kosovo Agency of Statistics, 2024

The data indicates a steady growth in accommodation capacity in Kosovo from 2018 to 2022. This growth is reflected across various types of accommodations, with hotels showing the most significant increase in units, rooms, and beds. The regional distribution shows that Prishtina has the highest concentration of accommodation capacities, followed by Peja and Prizren (**Figure 7**). These three regions show the increase in number of accommodations units, with a proportional rise in rooms and beds; beds increased from 2154 in 2018 to 2327 in 2022 in Peja, in Prizren from 2483 in 2018 to 2593 in 2022 and in Prishtina from 3514 in 2018 to 3791 in 2022).

Figure 7 Beds' growth by destination (2018-2020)



Source: own elaboration with data from Kosovo Agency of Statistics, 2024

Despite the observed growth and low occupancy rate, Kosovo still faces challenges related to its hotel and accommodation capacities. While there has been an expansion, the capacity remains limited compared to the growing demand for tourism and business travel accommodations in the region. This limitation can hinder the full potential of tourism development in Kosovo, requiring targeted investments to further expand and modernise the hospitality sector to meet international standards and demand.

It is also important to consider that informality in the tourism sector might be high in Kosovo. Informal accommodations, such as unregistered guesthouses or private rentals, may not be fully captured in official statistics. This could mean that the actual number of nights spent by tourists is even higher than reported. High levels of informality can also impact the accuracy of data regarding average stays and overall tourism impact.

It is important to refer to holiday rental properties listed in sites such as Airbnb. Even though there are no official statistics on these properties and numbers may fluctuate, an online search in July 2024 showed 270 properties listed in Prishtina, 144 in Prizren and 104 in Peja. Further to this, additional properties can be found outside of main cities in a range of accommodation types including apartments, bed and breakfasts, houses, villas, cottages and unique stays, amongst others, with some estimates indicating more than 1000 properties.

In conclusion, the analysis of the average nights spent per person in Kosovo's regions reveals a positive overall trend with significant regional variations.



⁶ <https://beamexchange.org/practice/programme-index/111/>

4. STAKEHOLDER MAPPING

This section provides a brief overview of the key actors and their functions in the tourism industry in Kosovo. Identifying relevant stakeholders and evaluating their potential for greater involvement in sustainable development is crucial. Key stakeholders include the Department of Tourism under MIET, Ministry of Economic Development, the Ministry of Agriculture and Rural Development, Ministry of Culture, Youth and Sports, and the Ministry of Environment Spatial Planning and Infrastructure, as well as various municipalities and pertinent civil society organizations, which are supporting vital green initiatives. Each of these stakeholders plays a crucial role in promoting sustainable development initiatives.

For clarity, the main stakeholders have been categorised and are illustrated in the stakeholder mapping below (**Table 2**).

Table 2 Kosovo's stakeholder mapping in sustainable tourism

| Stakeholder group | Stakeholder Sub-Group | Role | Key Functions | Potential to support the sustainable/green transition |
|----------------------------|---|--|--|--|
| Government Bodies/agencies | Ministry of Industry, Entrepreneurship and Trade (MIET) (Dep of Tourism) | Polymaking, regulatory framework, and strategic planning for tourism sector | <ul style="list-style-type: none"> Policy design, Tourism laws Formulation and implementation of tourism policies; Tourism promotion | <ul style="list-style-type: none"> Regulatory support to introduce incentives through laws Can promote eco-tourism and sustainable trade practices, encourage green business certifications Proposes different incentives schemes for sustainable tourism for other implementing agencies under the MINT. |
| | Ministry of Environment, Spatial Planning, and Infrastructure (MESPI) | Polymaking, regulatory framework, and strategic planning for environmental sustainability, | <ul style="list-style-type: none"> Managing protected areas Promoting sustainable practices Supporting tourism infrastructure | <ul style="list-style-type: none"> Central in enforcing environmental regulations, promoting green infrastructure projects, and spatial planning for sustainable development Stimulates clean environments and proper waste management |
| | Ministry of Agriculture, Forestry, and Rural Development; MAFRAD) | Agricultural and Rural Development, strategy framework to support agriculture and rural development | <ul style="list-style-type: none"> Agricultural policy, forestry management, rural development, circular economy, agro-tourism and eco-tourism | <ul style="list-style-type: none"> Can support sustainable agricultural practices, promote agroforestry, and encourage rural green initiatives especially in protected areas and rural tourism |
| | Ministry of Economy | Prepares public policies, drafts legal acts, drafts and adopts bylaws, implements them, as well as determines mandatory standards in the field of energy and other sectors | <ul style="list-style-type: none"> Economic policy formulation and implementation | <ul style="list-style-type: none"> Can integrate sustainability into economic policies, support green industries and technologies Through the implementing agencies can Fund for Energy Efficiency can support circular economy in tourism. |
| | KIESA Kosovo Investment Promotion agency | Business and Investment Support | <ul style="list-style-type: none"> Investment promotion, business support services | <ul style="list-style-type: none"> Can attract and support investments in green technologies and sustainable businesses Can introduce in future grant scheme tourism (hotel and accommodation) |
| | Agency for Agricultural Development | Agricultural Development Support | <ul style="list-style-type: none"> Implementation of agricultural development projects (grants and subsidies for agricultural development including rural and sustainable tourism) | <ul style="list-style-type: none"> Can support and fund sustainable agricultural projects, promote environmentally friendly farming practices Can support local farms and producers in food industry that can be support of value chain of hotels and restaurants – joint provided to promote circularity in the value chain |
| | Fund for Energy Efficiency in Kosovo | Energy Efficiency Promoter | <ul style="list-style-type: none"> Financing energy efficiency projects, providing grants and loans for tourism sector | <ul style="list-style-type: none"> Can significantly reduce energy consumption, promote renewable energy sources, and support sustainable energy practices in hotels and accommodations |
| | Municipalities (Peja, Prizren, Prishtina) | Local Government Tourism strategies at local level; Local governance and implementation of tourism policies. | <ul style="list-style-type: none"> Local governance, public services, infrastructure development Managing local tourism resources Implementing sustainability initiatives at the community level | <ul style="list-style-type: none"> Can implement local green initiatives, promote sustainable urban planning, manage local resources efficiently Design of incentives for sustainable business practices |
| Private Sector | Accommodation establishments (City Inn Hotel, Nartel, Grand Boutique Hotel, Apartment Hotel Bora, Guest House Kacaku, Drelaj, Rugova Mountains, Ariu Guest House, Reka e Allages, Rugova Valley, Mercure Hotel, Pristina (Accor Group), Hotel Sharri, Prevala Mountains, Hotel Centrum - Prizren, My Home Hotel, Prishtina International Hotel) | Service provision and direct interaction with tourists; implementation of sustainable business ideas (recycling, circular economy, energy efficiency). | <ul style="list-style-type: none"> Implementing sustainable practices (e.g., energy efficiency, waste reduction) Sourcing locally and sustainably - Reducing food waste - Promoting local cuisine. Subcontracting local farms in value chain and supporting suitability | <ul style="list-style-type: none"> Direct implementers of sustainability actions, inc. circular economy. Beneficiaries of donors and other institutions. |
| | Tour Operators and Travel Agencies (Association of Kosovo; Balkan Natural Adventure, The Lobby Boy, platform for hotel management) | Designing and promoting travel experiences. | <ul style="list-style-type: none"> Educating tourists on sustainable practices Promoting sustainable tourism | <ul style="list-style-type: none"> Promote tourism in Kosovo and implement sustainable ideas Offer eco-friendly travel packages |

Table 2 Kosovo's stakeholder mapping in sustainable tourism

| Stakeholder group | Stakeholder Sub-Group | Role | Key Functions | Potential to support the sustainable/green transition |
|---------------------------------------|--|---|--|---|
| Civil Society Organizations (CSOs) | Union of Tourism in Kosovo | Industry Association | <ul style="list-style-type: none"> Representation of tourism businesses, advocacy, and networking | <ul style="list-style-type: none"> Can promote sustainable tourism practices, support eco-friendly tourism initiatives, and influence policy development |
| | Association of Gastronomy of Kosovo | Industry Association | <ul style="list-style-type: none"> Promotion and development of the gastronomy sector | <ul style="list-style-type: none"> Can promote sustainable and local food practices, support green certifications for restaurants |
| | The Chamber of Hospitality and Tourism of Kosovo | Industry Association | <ul style="list-style-type: none"> Support and development of the hospitality and tourism sector | <ul style="list-style-type: none"> Can encourage sustainable practices in the hospitality industry, advocate for eco-friendly policies |
| | Balkan Green Foundation | Non-Governmental Organization | <ul style="list-style-type: none"> Environmental advocacy, project implementation to support circular economy and efficiency of use of resources in tourism | <ul style="list-style-type: none"> Can implement and support projects aimed at promoting sustainability and green energy across the Balkans |
| Community-Based Organizations | Balkan Natural Adventure | Adventure Tourism Operator | <ul style="list-style-type: none"> Organizes hiking, climbing, and adventure tours | <ul style="list-style-type: none"> Promote eco-friendly tourism practices and engages local communities in providing services |
| | Sharri Ecotourism Association | Ecotourism Promoter | <ul style="list-style-type: none"> Develops and promotes ecotourism activities | <ul style="list-style-type: none"> Focus on preserving natural habitats and promoting environmentally friendly tourism activities |
| | Rural Tourism Development Association | Rural Tourism Development | <ul style="list-style-type: none"> Supports rural tourism development | <ul style="list-style-type: none"> Encourage sustainable agricultural practices and cultural preservation through tourism |
| | Green Club | Environmental Education and Advocacy | <ul style="list-style-type: none"> Organises educational programs and environmental conservation activities | <ul style="list-style-type: none"> Raise awareness about environmental protection and promotes responsible tourism practices |
| International Organizations | International Development Agencies (e.g., Swiss Embassy in Kosovo – Swiss Cooperation Office; UNDP Representative; other donors EU, USAID etc) | Development assistance and funding. | <ul style="list-style-type: none"> Providing guidelines Funding and support for sustainable tourism projects-Supporting sustainable tourism initiatives through grants and technical assistance. | <ul style="list-style-type: none"> Financial support to tourism industry promoting sustainability |
| Accreditation bodies | Global Sustainable Tourism Council | Global leadership in sustainable tourism standards and accreditation. | <ul style="list-style-type: none"> Establishing and managing global standards for sustainable travel and tourism, including accommodation sector | <ul style="list-style-type: none"> Offer consultancy, training and support green certification, eco labelling and other best practices in EU and the world. |
| Banks and financial institutions | All banks and financial institutions including (EBRD - ProCredit Bank, Raiffeisen and BPB etc) | Financial Support for Sustainable Tourism Projects | <ul style="list-style-type: none"> Provide finance/funding for investment projects in sustainable development of tourism sector | <ul style="list-style-type: none"> Offer financial products such as green loans and credit lines specifically designed for sustainable tourism initiatives (eco-friendly hotels, resorts, and other tourism infrastructure that adhere to sustainability principles) |
| Educational and Research Institutions | Universities and Research Centres (University of Prishtina –Faculty of Agriculture and Veterinary). | Education and research in tourism and sustainability, sustainable agriculture | <ul style="list-style-type: none"> Conducting research on sustainable tourism practices Providing training and education programmes | <ul style="list-style-type: none"> Raising awareness about application of circular economy, environment, and sustainability Offering professional support to green initiative projects |

5. POLICIES TO SUPPORT SUSTAINABLE AND GREEN TRANSITION

This section sets out the legal, policy and institutional framework for sustainable tourism development in Kosovo. It also provides an overview of the European Union and International policies in this matter.

5.1 NATIONAL POLICIES

5.1.1 Legal and policy framework

Kosovo made significant steps to provide a necessary legal framework for the tourism sector with the Law on Tourism, the Government's Programme 2015-2018, and more recently Kosovo National Development Strategy – 2030, Tourism Strategy 2024-2030 which presented a framework and clear priorities for tourism development and promotion. These include plans to improve infrastructure, foster development, and promote rural and mountain tourism. However, despite the establishment of this important legal framework, these efforts remain insufficient in providing the necessary incentives for the effective promotion of the tourism sector in Kosovo.

Regarding the tourism policies, unlike other countries in the region such as Croatia, Albania, and Serbia, Kosovo demonstrates less commitment and dedication to tourism development within its governmental structures. Initially, Kosovo had a dedicated department for tourism. However, this tourism body was later downgraded to a division within the Department of Industry. Recently, the unit was re-established as a department, once again taking on a more prominent role, consisting of two divisions: the Division for Tourism Policy Development and the Division for Research, Analysis, and Quality Standards. These frequent changes within the Department of Tourism indicate an unstable and inconsistent approach to tourism policy and development.

The Tourism Department in Kosovo is responsible for drafting policies and legislation in the field of tourism to develop sustainable and competitive tourism in the Republic of Kosovo. It proposes, drafts, and monitors the implementation of tourism legislation; proposes, drafts, and oversees the execution of strategic policy documents for tourism development; offers recommendations for the promotion and representation of Kosovo as a tourist destination; proposes and coordinates the signing of cooperation agreements in the field of tourism with other countries; collaborates with regional and international organizations; supports and promotes cooperation with regions, municipalities, tourism associations, NGOs, and businesses; proposes the development of a tourism information system; promotes the application of quality standards in the tourism and accommodation sector; supports the development of tourism products and projects in regions and municipalities; regulates tourism businesses in cooperation with other stakeholders; monitors and evaluates the effectiveness of policy measures on the competitiveness and sustainability of Kosovo's tourism; and manages the tourism and hospitality potential database.

The Kosovar Tourism Council was established in 2017 and consisted of 7 members and 2 observer members, represented by the ministries responsible for tourism development. The main role of the council was to promote dialogue between the private and public sectors and to propose policies and plans for the advancement of tourism. The council aimed to provide recommendations to the Ministry of Trade and Industry for the development of tourism and hospitality standards to improve service quality. However, despite these objectives, evidence reported in tourism strategic documents across municipalities shows that the council's influence has been insufficient. With the entry into force of the Tourism Law in 2022, this council is no longer legitimate. The new tourism law foresees the establishment of a new council through an administrative instruction, which was drafted by the Department of Tourism but has not yet entered into force. This by-law clearly defines the composition, role, and scope of the Tourism Council.

⁷ Official Gazette of the Republic of Kosovo / No. 15 / 13 June 2022, Pristina Law No. 08/L-074 On Tourism.

⁸ <https://kryeministri.rks-gov.net/en/national-development-strategy-2030/>

⁹ <https://d4d-ks.org/en/papers/development-tourism-effective-policies-legislations/> https://d4d-ks.org/wp-content/uploads/2017/07/D4D_PI_10_ENG_WEB.pdf

¹⁰ <https://mint.rks-gov.net/page.aspx?id=1,401>

¹¹ Tourism Development Strategy, Municipality of Prishtina, 2018-2022

Despite considerable efforts in policy formulation, the implementation of tourism policies remains challenging. The Department of Tourism within MIET is responsible for policy formulation, but in the absence of a relevant organization for policy implementation, it often handles implementation as well, which has created challenges for the effective execution of these policies. Typically, the implementation of tourism policy falls under the competence of the Kosovo Investment and Enterprise Support Agency (KIESA), which operates within MIET. The National Strategy for Development 2030+ (NSD) includes support for the tourism sector in strategic objective 1.7: 'Sustainable and competitive tourism in the region.'

Recognising the significant potential for the development of the tourism sector, the Government of Kosovo has made tourism development a key priority in its governing programmes. The Government Programme 2021-2025, which serves as the foundational document for government initiatives, emphasises the development of sustainable tourism as a priority for sustainable economic growth.

The primary focus of the government in this area is on the development of cultural tourism and natural tourism (including mountain and rural tourism). This is expected to be achieved through expanding the tourism supply, improving infrastructure, advancing digitalisation, and creating cross-sectoral plans. To implement these plans effectively and to clearly define the strategic directions of the tourism industry, a national tourism strategy is necessary. The drafting of this strategy is included in the Government's Strategic and Operational Plan (2021-2025), the Economic Reform Programme (2022-2024), the Strategic Documents Plan (2020-2022), and the National Programme for European Integration 2023-2027.

The Tourism Strategy of Kosovo with a vision until 2030 and the Action Plan for the years 2024-2026 has been recently approved in July 2024. This document provides a strategic framework for the development of tourism, aiming to make Kosovo an attractive destination for local and international visitors. This development is expected to positively affect the country's economy, increase employment and improve the socio-economic well-being of Kosovo's citizens. The Tourism Strategy includes 5 strategic objectives: 1) Increasing promotional activities and improving the flow of information; 2) Creation and advancement of quality and sustainable infrastructure for tourism development; 3) Expanding the tourist offer according to sustainability standards and increasing competitiveness; 4) Capacity building for the increase of expert capacities in the labour market and the improvement of services and; 5) Advancing the regulatory framework and tourism policies.

While a dedicated tourism policy implementation unit does not exist (e.g., in North Macedonia there is the Agency for Promotion and Support of Tourism), businesses such as accommodations units can apply for various grants and financial support through KIESA. However, these grants are generally aimed at the private sector and SMEs, with a primary focus on supporting the manufacturing sector, which often does not include the tourism industry. In addition, there are grants and subsidy schemes available under the Ministry of Agriculture, Forestry, and Rural Development, which tourism-related companies, especially those involved in rural tourism, can also access.

At the local government level, most municipalities in Kosovo, especially those involved in the study (Prishtina, Peja, and Prizren), have developed very thorough strategies for tourism development, each emphasising the importance of sustainability in tourism development. These municipalities have recognised that incorporating sustainable practices is essential for preserving their unique cultural and natural assets, ensuring that tourism growth benefits both the environment and local communities.

5.1.2 Sustainability and environmental issues in Kosovo

Given its status within the UN, Kosovo is not legally obligated to adhere to worldwide climate commitments. However, Kosovo is resolute in contributing to the international battle against climate change. It has proactively pledged to maintain global warming below 1.5°C and is coordinating its climate policy with that of the EU, having formally applied for EU membership in 2022.

Sustainable tourism is very important for the future of Kosovo's tourism industry. As global trends shift towards more eco-friendly and responsible travel practices, it is crucial for Kosovo to embrace these changes to ensure long-term growth and sustainability. By adhering to global trends in sustainable tourism, Kosovo can protect its natural and cultural heritage, attract environmentally conscious travellers, and create economic opportunities that benefit local communities while minimising negative impacts on the environment.

Kosovo, having endorsed the Sofia Declaration on the Green Agenda for the Western Balkans in November 2020, has set high-reaching goals to eliminate coal usage, enhance renewable energy sources, and foster technological innovation. Kosovo's commitment to the environment and sustainability is explicitly stated in its National Development Strategy – 2030 adopted in 2023. Indeed, the primary goal is achieving sustainable development through three key pillars: a digital, circular, and competitive economy; quality, sustainable, and integrated infrastructure; and a clean environment with efficient use of natural resources. While economic development is necessary, it should not burden the environment. The plan outlines efforts to achieve a clean environment by increasing the production and consumption of renewable energy from sources such as wind and solar power, investing in energy and water conservation measures, and promoting environmentally friendly transportation. Kosovo plans to increase renewable energy capacities, with existing and innovative technologies, which will gradually replace the use of coal, achieving coal phase-out by 2050 at the latest. Additionally, the plan aims to enhance waste recycling and ensure sustainable forest management.

Despite the importance of sustainable tourism, suitable development practices are still in the infant phase of development in Kosovo. While there is a growing awareness of the need for sustainability, the implementation of effective strategies and practices is still in its early stages, often left to donor initiatives. This means that significant efforts are required to establish robust frameworks and policies that promote sustainable tourism and the circular economy, ensuring that these initiatives are integrated into the broader economic and social context of the country.

¹³ Strategjia e zhvillimit të turizmit

https://www.prishtinaonline.com/uploads/strategjia_e_turizmit_dkr_komuna_e_prishtines.pdf ;

¹⁴ <https://www.euki.de/en/news/a-strong-climate-commitment-against-the-odds-kosovos-path-to-sustainable-governance/>

¹⁵ The Sustainable Development Goal (SDG) targets 8.9 and 12.b address sustainable tourism's role in creating jobs and promoting local culture and products. Target 14.7 identifies the economic benefits of tourism for Small Island Developing States (SIDS) and least developed countries.

<https://www.greenpolicyplatform.org/sectors/tourism>

¹⁶ <https://www.rcc.int/greenagenda>

¹⁷ <https://kryeministri.rks-gov.net/en/national-development-strategy-2030/>

¹⁸ ENERGY STRATEGY 2022-2031, https://reskosovo.rks-gov.net/wp-content/uploads/2023/04/Energy-Strategy-of-the-Republic-of-Kosovo-2022-2031_compressed.pdf

The issue of sustainability is closely linked with environmental concerns and involves relevant ministries and stakeholders. Therefore, sustainable tourism in Kosovo is very connected with the Ministry of Environment Spatial Planning and Infrastructure (MESPI), which plays a crucial role in tourism development. The Department of Environment Protection within MESPI is responsible for drafting new laws, creating environmental protection policies, developing strategic documents, and proposing investment and financing initiatives in environmental protection. Additionally, the Division for Nature Protection focuses on preserving natural resources. The MESPI has commissioned various strategic documents to create a framework for sustainability and environmental protection, which are also related to tourism development. These include the Waste Law (LAW NO. 02/L-30), policies on renewable energy, environmental protection, forestry, the Action Plan for Biodiversity, and the National Emission Reduction Plan. This legal and policy framework provides a solid foundation for creating opportunities for sustainable development. However, this framework needs to be supported by effective coordination of all policy levels in implementation to achieve its goals.

According to the Balkan Green Foundation, there is a significant discrepancy between national and local regulations. National regulations often fail to address local needs or recognise untapped potentials. The Law on the Environment envisions an integrated system for environmental protection and sustainable development, but in practice, sustainable efforts are often limited to one-time projects with overlapping responsibilities. For example, in deforestation, there is discord between central and local governments. Local governments lack control over their resources, resulting in ineffective management and protection. In some cases, municipalities' forestry areas fall under National Park jurisdiction, leading to conflicts over ownership and management between municipalities, the National Park Authority, and the Kosovo Forestry Agency (KFA). This situation leaves municipalities unable to meet their own firewood or timber needs.

Other bodies, such as the Ministry of Foreign Affairs (MFA) and the Department of Diaspora, also contribute to promoting Kosovo's identity, culture, and tourism. These collaborations ensure that tourism development is aligned with environmental sustainability and cultural promotion, enhancing Kosovo's appeal as a tourist destination while protecting its natural and cultural heritage.

However, it can be said that the institutional framework for tourism at the national level remains insufficient, including limited budget allocations for the development of tourism in the country. The main obstacles to the sustainable development of tourism include a lack of public-private dialogue, deficiencies in physical infrastructure, insufficient marketing efforts, and a shortage of adequate human resources. While training programs are offered at universities and vocational high schools in Kosovo, the curricula are often outdated and fail to cover essential topics such as destination management and sustainable tourism. These factors collectively hinder the sector's growth and sustainability.

¹⁹ LAW NO. 08/L-071 ON AMENDING AND SUPPLEMENTING THE LAW NO.04/L-060 ON WASTE; LAW NO. 08/L-258 ON THE PROMOTION OF THE USE OF RENEWABLE ENERGY SOURCES; LAW NO. 03/L-025 ON ENVIRONMENTAL PROTECTION

²⁰https://www.balkangreenfoundation.org/uploads/files/2020/December/02/Final_Evidence_Based_Report_EEBO_eng1606913648.pdf

²¹ https://www.german-economic-team.com/wp-content/uploads/2023/12/GET_KOS_PB_09_en-1.pdf

5.1.3 Waste management and environment

The Ministry of Environment, Spatial Planning and Infrastructure is the primary authority at the central government level responsible for establishing the strategic framework and setting policies and laws to regulate the waste management sector. Meanwhile, municipalities have exclusive authority to organise and manage municipal waste within their respective territories. According to the Kosovo Environmental Protection Agency, the Government of Kosovo recognizes the economic benefits and potential budget savings that can be achieved through the development of the recycling sector. However, despite this, investments in the recycling industry, both from the private and public sectors, have yet to be implemented or put into operation.

The primary legislation governing waste management in Kosovo is the Law on Waste No. 04 / Z-0604, which outlines the principles of waste management and the responsibilities of relevant institutions. Despite the existence of other related regulations, such as the Law on Environmental Protection, the Law on Chemicals and the Law on Spatial Planning, weak enforcement at both central and local levels remains a significant hurdle. The Law on Waste (No. 2012/04-L-060) aims to mitigate these issues by preventing and reducing waste generation, promoting the reuse of materials, supporting sustainable development, and ensuring environmentally sound waste disposal methods. Article 30 of the Law on Waste emphasises the importance of reusing or processing materials into secondary resources, with incineration and landfilling considered last-resort options for non-hazardous waste. However, the illegal dumping of various types of waste remains a persistent challenge, undermining efforts to establish effective waste management in the country.

The Kosovo Integrated Waste Management Strategy (KIWMS) is a vital part of the strategic framework and serves as a key planning document for waste management in Kosovo. It sets forth strategic and specific objectives, targets, and indicators for effective waste management, including recycling initiatives. The latest KIWMS, covering the period from 2024 to 2035, includes a detailed three-year action plan. This Strategy represents a significant milestone in modernising the waste management sector, shifting from basic services to a circular economy model. Its objectives include developing a new generation of integrated waste management infrastructure and services in Kosovo, promoting the principles of the circular economy, and professionalising the waste management and recycling sector.

Research from the Balkan Green Foundation and the Institute for Development Policy reveals that while 32% of waste in Kosovo is recyclable and 40% is biodegradable, a mere 5% of waste is recycled. Moreover, circular economy (CE) initiatives are sparse across the country, with most efforts focused in Prishtina.

A major issue is waste collection; although seven public companies are responsible for waste collection in Kosovo, many remote rural areas lack access to these services. This has resulted in the creation of 1,189 illegal landfills nationwide. Nearly all the seven sanitary landfills in Kosovo are at full capacity, as reported by the European Environmental Agency Commission. The European Environment Agency further underscores the numerous challenges facing waste management in Kosovo, such as inadequate funding, poor infrastructure, informal waste handling activities, and lax enforcement of waste management regulations. While waste collection coverage has increased to over 80% of the population since 2019, achieving 100% coverage remains elusive. This is particularly challenging in remote areas of Kosovo, which are key tourist destinations. The lack of comprehensive waste collection undermines sustainability practices in these regions. Field reports and interviews with hotels and accommodations confirm that waste collection is not satisfactory, especially in villages and locations distant from urban centres.

²² KEPA. (2018). Municipal Waste Management in Kosovo. Prishtinë: Kosovo Environmental Protection Agency / Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Retrieved from https://www.ammkrks.net/repository/docs/Municipal_Waste_Managment_in_Kosovo_Status_Report_2018.pdf

²³ <https://konsultimet.rks-gov.net/viewConsult.php?ConsultationID=42421>

²⁴ Sustainable Development in Kosovo Baseline Assessment Report, https://www.balkangreenfoundation.org/uploads/files/2020/December/02/Final_Evidence_Based_Report_EEBO_eng1606913648.pdf

²⁵ Krasniqi, B. (2022). Analysis of the recycling value chain in Kosovo. https://www.researchgate.net/publication/363829980_Analysis_of_the_recycling_value_chain_in_Kosovo

In 2020, the European Commission adopted the “Circular Economy Action Plan for a Cleaner and More Competitive Europe” to accelerate transformative change, building on CE actions since 2015. In Kosovo, the “Stabilisation and Association Agreement” with the European Union obliges the country to adopt and integrate the EU acquis into its domestic legislation. However, Kosovo has not fully aligned its national laws with the EU acquis, especially in environmental areas like waste management, water management, air quality, nature preservation, and resource exploitation.

The “Strategy of the Republic of Kosovo for Waste Management” (SRKWM 2013-2022) set guidelines and goals for waste management over a ten-year period. Despite these efforts, the circular economy concept is not explicitly included in Kosovo's legislation, making effective implementation challenging. The European Environment Agency (2021) highlights that Kosovo's policy framework for CE focuses on the “Kosovo Integrated Waste Management Strategy (2021-2030) and Action Plan (2021-2023)” with objectives such as raising awareness, stimulating innovation in waste prevention, and establishing reuse and recycling systems based on extended producer responsibility. However, Kosovo's circular economy efforts are currently limited to recycling and waste management, rather than addressing the entire production and consumption chain.

In recent years, Kosovo's private sector has increasingly embraced environmentally sustainable practices, aligning with the global movement toward a more ecological environment (USAID, 2021). According to the US International Trade Administration (ITA, 2024), waste management and recycling represent promising sectors in Kosovo. The sector's low maturity level, coupled with growing waste generation and a lack of proper infrastructure, creates opportunities for international cooperation. This is particularly advantageous for US companies, which can offer a variety of waste management and recycling services in Kosovo, including waste collection, and the provision of machinery and equipment for waste management.

²⁶ European Environment Agency. (2022). Circular Economy Country Profile: Kosovo. https://www.eionet.europa.eu/etcs/etc-ce/products/etc-ce-products/etc-ce-report-5-2022-country-profiles-on-circular-economy/kosovo-ce-country-profile-2022_for-publication.pdf/view

²⁷ European Environment Agency. (2022). Circular Economy Country Profile: Kosovo. https://www.eionet.europa.eu/etcs/etc-ce/products/etc-ce-products/etc-ce-report-5-2022-country-profiles-on-circular-economy/kosovo-ce-country-profile-2022_for-publication.pdf/view

²⁸ Focus group discussion, May 2024.

²⁹ USAID. (2021). Private sector leading the charge for a greener Kosovo. USAID. Retrieved from <https://www.usaid.gov/kosovo/news/jun-13-2021-private-sector-leading-charge-greener-kosovo>

³⁰ ITA. (2024). Kosovo Waste Management and Recycling. ITA - International Trade Administration. Retrieved from <https://www.trade.gov/country-commercial-guides/kosovo-waste-management-and-recycling>

5.1.4 CIRCULAR ECONOMY

The circular economy offers a sustainable alternative to the traditional linear (take-make-dispose) economic model. It aims to minimise waste by rethinking the need to purchase new products, redesigning goods to be more sustainable, and prioritising the reuse, repair, refurbishment, and recycling of existing materials and products. Key aspects of the circular economy include reducing resource consumption, extending product lifecycles, and creating a closed-loop system that enhances both environmental sustainability and economic resilience. This approach requires innovative strategies to make companies more efficient and provides sustainable development opportunities for firms. Tourism is no exception to this trend.

Kosovo made significant step in developing the Circular Economy Roadmap , which marks a significant milestone in the transition towards a circular economy. It lays the groundwork for a deeper understanding of Kosovo's unique strengths, capabilities, and opportunities, which can facilitate a successful circular transformation. This roadmap identifies six priority areas: food and forest systems, the creative and retail sectors, the built environment, and the manufacturing sector. Recognising the strong interdependency of these sectors, the roadmap also introduces horizontal areas that support and enhance these priority areas, further facilitating the circular transition. These horizontal areas encompass waste and water management, transport, green public procurement, digitalisation and ICT, energy, and education for sustainable and circular practices. The roadmap also highlights tourism as a key area for cross-sectoral synergies, emphasising agritourism and ecotourism. This focus aims to increase awareness of sustainable agriculture, heritage, and organic and local food, ultimately leading to better integration of local value chains, especially by connecting tourism with the agriculture and food production sectors. Green funds can serve as a supportive tool for businesses in both energy and ecotourism initiatives, as presented in section 5.

Although several initiatives have contributed to raising awareness about the circular economy and developing CE projects, the circular economy is still in its initial phase of development. Research indicates that communities in Kosovo lack awareness of the core concepts of the circular economy model, the pathway to its development, and its benefits. While there is a general willingness to protect the environment, there is an incomplete understanding of how companies and individual actions contribute to a healthier ecosystem. This lack of knowledge, including unfamiliarity with the terminology, hinders both the understanding of the circular economy and the development of potential business opportunities. Even among recycling companies, a majority (64%) are not familiar with the concept of the circular economy. This lack of awareness translates into low adoption of circular economy practices. Consequently, there is a need for non-formal education and training programmes specifically tailored to the waste and recycling business community in Kosovo in general, SMEs in tourism.

³¹ Krasniqi, B. (2022). Analysis of the recycling value chain in Kosovo.

https://www.researchgate.net/publication/363829980_Analysis_of_the_recycling_value_chain_in_Kosovo

³² Circular Economy Roadmap of Kosovo (2023) Government of the Republic of Kosovo. Ministry of Environment, Spatial Planning and Infrastructure <https://circulareconomy.europa.eu/platform/sites/default/files/2023-05/Circular%20Economy%20Roadmap%20of%20Kosovo.pdf>

³³ Hapçiu, A. (2019). Circular Economy in Kosovo: Perceptions and knowledge of circular economy among Kosovars. Kosova Live. Retrieved from https://kosovalive.org/wpcontent/uploads/2020/12/CE_AnneaHapciu_English_For_Print.pdf

³⁴ Krasniqi, B. (2022). Analysis of the recycling value chain in Kosovo.

Despite these challenges, there is evidence suggesting that with targeted education and increased awareness, the situation could significantly improve. The private sector in Kosovo is diverse and exhibits significant potential for implementing reuse solutions. Various industries, including plastics, textiles, food, and technology, have already embraced circular practices. Notably, several local Hotel, Restaurant, and Café (HORECA) businesses have formal contracts with suppliers to return used bottles, exemplifying a commitment to circularity. Cities like Prishtina, Prizren and Peja also actively address awareness and environmental concerns, conducting awareness campaigns and recognizing the significance of waste pollution issues. Country-wide, the adoption of sustainable practices is gradual, but sectors like HORECA, plastic production, and textiles hold promise for driving this transition. This shows that there are promising opportunities for circularity in the tourism sector, further contributing to sustainability. By adopting circular practices, the tourism industry can reduce waste, promote the reuse of resources, and enhance environmental stewardship, aligning with global trends and boosting long-term sustainability.

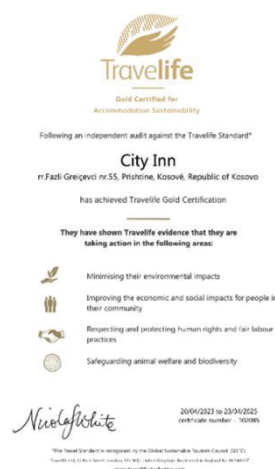
Kosovo advances in its sustainability journey: the case of the City Inn Hotel

The City Inn Hotel in Kosovo recently achieved the prestigious Travelife sustainability certification, marking a significant milestone in its commitment to sustainable tourism practices. Travelife, an internationally recognised certification, is awarded to accommodations that demonstrate excellence in managing their social and environmental impacts. This achievement underscores the dedication of the City Inn Hotel to sustainability, encompassing various practices such as energy efficiency, waste reduction, decent work and support for local communities. The certification process involved rigorous assessments and compliance with over 140 sustainability criteria, ensuring that the hotel meets the highest standards of environmental responsibility and social equity.

This significant achievement was supported by the Promoting Private Sector Employment (PPSE) project, an initiative funded by the Swiss Agency for Development and Cooperation (SDC). The PPSE project aims to boost private sector growth and job creation in Kosovo by fostering sustainable business practices. Through the PPSE project, the City Inn Hotel received technical assistance and resources that were crucial in implementing various sustainability measures.

Testimonial from Fitore Haliti, Manager City Inn Hotel Kosovo

Achieving certification has been an incredible journey that has reinforced our commitment to sustainability. The certification process was rigorous and comprehensive, requiring us to evaluate every aspect of our operations through an environmental, social, and economic lens. This process not only helped us identify areas for improvement but also allowed us to implement sustainable practices that align with our values and vision. Throughout the certification process, the guidance and support we received from PPSE/Swisscontact team were exceptional. Their expertise and knowledge provided us with valuable insights and best practices. Moreover, achieving certification has opened new doors for us in terms of guest attraction and market positioning. Today's travellers are increasingly seeking sustainable options, and our certification gives us a competitive edge while resonating with the values of our guests.



Balkan Natural Adventures achieves Travelife for tour operators

Balkan Natural Adventure participated in the EU-funded SUSTOUR project that run from 2020 – 2023 aiming to promote sustainability among the European tour operator sector through a business led approach. As part of this project, Balkan Natural Adventure went through the process to ensure compliance with more than 100 criteria related to an operator's office management, product range, international business partners and customer information. The Travelife Partner award recognises the long-term efforts of Balkan Natural Adventure SH.P.K. regarding sustainability and Corporate Social Responsibility.

Testimonial from Anila Krasniqi, Sustainable Manager of Balkan Natural Adventure

The process was lengthy and needed some days of work but it was not difficult to understand and implement. In the process, we had to fulfil more than 100 criteria. For some of the criteria we had to change contracts and practices, others we were already implementing them. We have done the first reporting and implementation after the first year. We did improve our practices. It always remains a challenge to improve and keep reporting on our practices. Fulfilment of some conditions is linked to infrastructure, such as recycling and reuse.



5.2 EU / INTERNATIONAL POLICIES

5.2.1 European Agenda for Tourism 2030-2050

In alignment with the United Nations' Agenda 2030 and the Sustainable Development Goals (SDGs), the 'European Green Deal – COM (2019) 640 final' sets the goals for Europe to achieve climate-neutrality by 2050. Within the tourism sector, the EU has been supporting SMEs in the adoption of greener practices, circularity approaches and decarbonisation. Still, achieving net-zero emissions remains a challenge. Despite efforts to develop climate action plans and roadmaps, such as the Glasgow Declaration – Climate Action in Tourism signed in November 2021, including methodologies on measurement of greenhouse gas emissions, actual progress in decarbonisation is rather limited. Continuous growth and weak efforts in truly tackling emissions, as seen with large tourism enterprises responsible for a considerable amount of greenhouse gas emissions, hinder successfully net-zero goals.

Plans to support the green and digital transition of tourism are underway. An online consultation process was conducted during the initial months of the COVID-19 pandemic, which culminated in sessions at the European Tourism Convention held on 12 October 2020 around three priority topics: 1) resilience, 2) sustainability and a green transition, and 3) digital transition, data and innovation. This convention was intended to set the basis for the development of a comprehensive European policy framework for tourism built around common priorities whose outcomes include a set of agreed action points for stakeholders to further cooperate in tourism, steering the path towards the development of a European Agenda for Tourism by 2050.

On the occasion of the European Tourism Convention, the Members of the Tourism Task Force of the European Parliament issued a statement which urged the EU to establish an EU Tourism Strategy for sustainable tourism with a detailed action plan to support the green and digital transition, and proposed allocating specific funds for the recovery of the sector, but also to foster increased resilience and sustainability in the long-term, given its utmost contribution to the Member State's GDP.

Both the European Parliament through its resolution of 25th March 2021 on establishing an EU strategy for sustainable tourism, and the Council of the European Union through its conclusions on 27th May 2021 on 'Tourism in Europe for the next decade: sustainable, resilient, digital, global and social'; called Member States to elaborate a joint European Agenda for Tourism 2030-2050.

On the 4th February 2022, the Commission published the 'Transition Pathway for Tourism', which establishes 27 areas of work to drive the sector towards becoming more sustainable, smarter, and more resilient; being the first sector to develop the pathway to achieve the twin – green and digital – transition, and to improve the resilience of the tourism ecosystem, in line with the new EU Industrial Strategy of 2020. The topics are organised around seven building blocks, as follows: 1) sustainable competitiveness; 2) regulation and public governance; 3) R&I, techniques and technological solutions; 4) infrastructure; 5) skills; 6) social dimension; and 7) investments and funding.

Topic 8 of the Transition Pathway, titled "Green transition of tourism companies and SMEs," focuses on the environmental sustainability of tourism-related businesses. It encourages tourism companies, including small and medium-sized enterprises (SMEs), to register with the Eco-Management and Audit Scheme (EMAS) to enhance their environmental performance. In particular, it promotes the application of the EU Ecolabel or other equivalent voluntary labels that are independent, multi-criteria based, and third-party verified, specifically targeting tourism accommodations.

³⁶ European Commission (2019). *COM(2019) 640 - The European Green Deal*.

³⁷ World Tourism Organisation. (2023b). *Climate Action in the Tourism Sector – An overview of methodologies and tools to measure greenhouse gas emissions*. World Tourism Organization (UNWTO). <https://doi.org/10.18111/9789284423927>

³⁸ Gössling, S., Humpe, A., & Sun, Y.-Y. (2024). On track to net-zero? Large tourism enterprises and climate change. *Tourism Management*, 100, 104842. <https://doi.org/10.1016/j.tourman.2023.104842>

³⁹ European Commission (2020). *European Tourism Convention*. <https://ec.europa.eu/newsroom/growth/items/687601/en>

⁴⁰ European Parliament. (2020b). *Statement from the Members of the Tourism Task Force of the European Parliament on the Occasion of the European Tourism Convention (October 12th, 2020)*.

⁴¹ European Parliament. (2021). *European Parliament resolution of 25 March 2021 on establishing an EU strategy for sustainable tourism (2020/2038(INI))*.

For accommodation establishments, this topic is highly relevant as it encourages them to adopt sustainable practices. By registering with EMAS and seeking the EU Ecolabel, accommodations can demonstrate their commitment to environmental sustainability, which can attract eco-conscious travellers, reduce operational costs through efficient resource use, and contribute to the broader goals of sustainable tourism. Implementing these actions can also enhance their marketability and competitiveness in an increasingly environmentally aware industry. In addition, the Transition Pathway calls for buildings, including tourist accommodations, to become more energy-efficient and to support the move towards renewable energy sources.

Finally, on the 1st December 2022, the Council of the European Union adopted the 'European Agenda for Tourism 2030', which is based on the 'Transition Pathway for Tourism' and includes a multi-annual work plan with specific actions for Member States, the Commission and other tourism stakeholders. The actions are proposed around five priority areas:

1. Enabling policy framework and governance
2. Green transition
3. Digital transition
4. Resilience and inclusion
5. Skills and support for transition

Tourism SMEs, including accommodations, are specifically targeted in the following topics and actions:

| Key topic | Goals and objectives | Actions |
|---|---|--|
| Improving circularity of tourism services | Reducing the environmental footprint of tourism services (food/general waste, water/energy efficiency and pollution). | The Commission and Member States to provide support to tourism services to reduce their environmental footprint in line with the EU objectives and support the improvement of waste and water management and sanitation capacity. |
| Supporting the green transition of tourism companies and SMEs | Encouraging tourism companies to take up greener practices by increasing demand for green services by public actors and promoting schemes which support the assessment, tracking and reduction of environmental footprint. Providing support for SMEs to engage in environmentally friendly practices to ensure that it does not become a barrier to trade. | The Commission and Member States to use relevant green public procurement (GPP) criteria where applicable when procuring tourism-related services (events, hospitality, travel). The Commission, Member States and other relevant levels of public authorities to provide support to SMEs to engage in environmentally friendly practices and schemes, such as EMAS, EU Ecolabel, other EN ISO 14024 type I ecolabels or equivalent third-party verified voluntary labels. |

⁴² Council of the European Union. (2021). *Tourism in Europe for the next decade: sustainable, resilient, digital, global and social. Council conclusions (adopted on 27/05/2021)*. https://www.europarl.europa.eu/doceo/document/TA-9-2020-0169_EN.html

⁴³ European Commission. (2022). *Transition Pathway for Tourism*. <https://data.europa.eu/doi/10.2873/344425>

⁴⁴ Council of the European Union. (2022). *European Agenda for Tourism 2030 - Council conclusions (adopted on 01/12/2022)*.

5.2.2 EU GREEN CLAIMS DIRECTIVE

The EU Green Claims Directive and related sustainability regulations aim to empower consumers and promote sustainable consumption by providing better information on product durability and reparability. The directive targets misleading commercial practices, such as greenwashing and early obsolescence, by introducing specific prohibitions and requirements for substantiating environmental claims. The EU Green Claims Directive is binding legislation that businesses in the EU are required to comply with, although member states will need to adopt their own law.

Additionally, it seeks to enhance transparency in environmental information, potentially developing standardised methods for companies to measure and communicate their products' environmental impact. This initiative could lead to increased accountability among manufacturers and sellers, ensuring that any claims made about a product's environmental friendliness are accurate and verifiable. By doing so, the directive not only protects consumers but also encourages businesses to adopt more sustainable practices.

Within the tourism sector, the EU Green Claims Directive will have significant consequences, compelling businesses to substantiate their environmental claims with scientific evidence and independent verification. This new legislation will impact how hospitality firms worldwide advertise and report their sustainability efforts, leading to more stringent environmental claims management and operational changes. Companies will need to establish a robust environmental claims management framework, which may entail adjustments to aspects of their operational model, including organizational capabilities, data management, technology, and governance structures.

In the short term, many hospitality businesses may find it more cost-effective to limit the number of environmental claims they make, especially if they have not experienced tangible benefits from such claims. However, the directive's requirements for accurate and comprehensive communication of environmental efforts will eventually push companies to enhance their sustainability initiatives. The tourism sector will need to collectively set standards, measure, and monitor compliance to prepare for these upcoming legislative changes effectively. This shift will also necessitate a move away from greenwashing practices and towards genuine, verifiable sustainability efforts.

This is also relevant for Kosovo in view of its adhesion to the EU, but also when catering visitors from EU countries.

⁴⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52023PC0166>

⁴⁶ <https://www.hotelyearbook.com/article/122000320/the-impact-of-the-green-claims-directive-for-sustainable-hospitality.html>

5.2.3 REGIONAL INITIATIVES

The Regional Cooperation Council Strategy and Work Programme 2023-2025 emphasises the importance of sustainable tourism in the Western Balkans. It highlights the development of new regional cultural and adventure tourism products, the endorsement of the Tirana Declaration on Joint Regional Protocols, and the establishment of the Western Balkans Tourism Crises Committee. These initiatives aim to support sustainable tourism recovery and growth, mitigate the negative impact of the COVID-19 pandemic, and promote innovative digital solutions through competitions like Futourismo. The focus is on enhancing the region's tourism sector, contributing to GDP, employment, and socio-economic development.

5.2.4 INTERNATIONAL SUSTAINABLE TOURISM POLICIES AND STANDARDS

At a global level, sustainable tourism is recognised as a key driver for development and is integral to the Agenda 2030 for Sustainable Development. While it can contribute to all Sustainable Development Goals (SDGs), it is specifically mentioned in:

- SDG target 8.9, which focuses on policies to promote sustainable tourism that creates jobs and promotes local culture and products.
- SDG target 12.b, which aims to develop tools to monitor sustainable tourism's impacts.
- SDG target 14.7, which seeks to increase economic benefits to small island developing States (SIDS) and least developed countries (LDCs) through sustainable tourism.

The One Planet Sustainable Tourism Programme aims to accelerate sustainable consumption and production (SCP) in tourism policies and practices to address the challenges of pollution, biodiversity loss and climate change. It promotes knowledge sharing and networking opportunities to define collective priorities and identify solutions. Through its work, the One Planet Sustainable Tourism Programme sets the SCP agenda in the tourism sector to advance the implementation of SDG12, in particular with regards to plastic reduction (Global Tourism Plastics Initiative) and food waste reduction (Sustainable Food Systems). It also delivers progress under connected goals, such as SDG13, SDG14 and SDG15, respectively on climate action and the protection of marine and terrestrial ecosystems.

With regards to climate action in tourism, the Glasgow Declaration on Climate Action in Tourism, led by UN Tourism within the framework of the One Planet Network and Tourism Declares a Climate Emergency initiatives is a pivotal initiative that underscores the urgent need for the tourism sector to address climate change. It serves as a unifying framework, rallying over 850 organisations to commit to halving emissions by 2030 and achieving Net Zero before 2050. The Declaration outlines five pathways—Measure, Decarbonise, Regenerate, Collaborate, Finance—to guide signatories in implementing effective climate action plans.

⁴⁷ <https://www.rcc.int/files/user/docs/reports/RCC-Strategy-and-Work-Programme-2023-25-rich.pdf#page=32>

⁴⁸ <https://sdgs.un.org/topics/sustainable-tourism>

⁴⁹ <https://www.oneplanetnetwork.org/programmes/sustainable-tourism>

⁵⁰ <https://www.oneplanetnetwork.org/programmes/sustainable-tourism/global-tourism-plastics-initiative>

⁵¹ <https://www.oneplanetnetwork.org/programmes/sustainable-tourism/sustainable-food-systems>

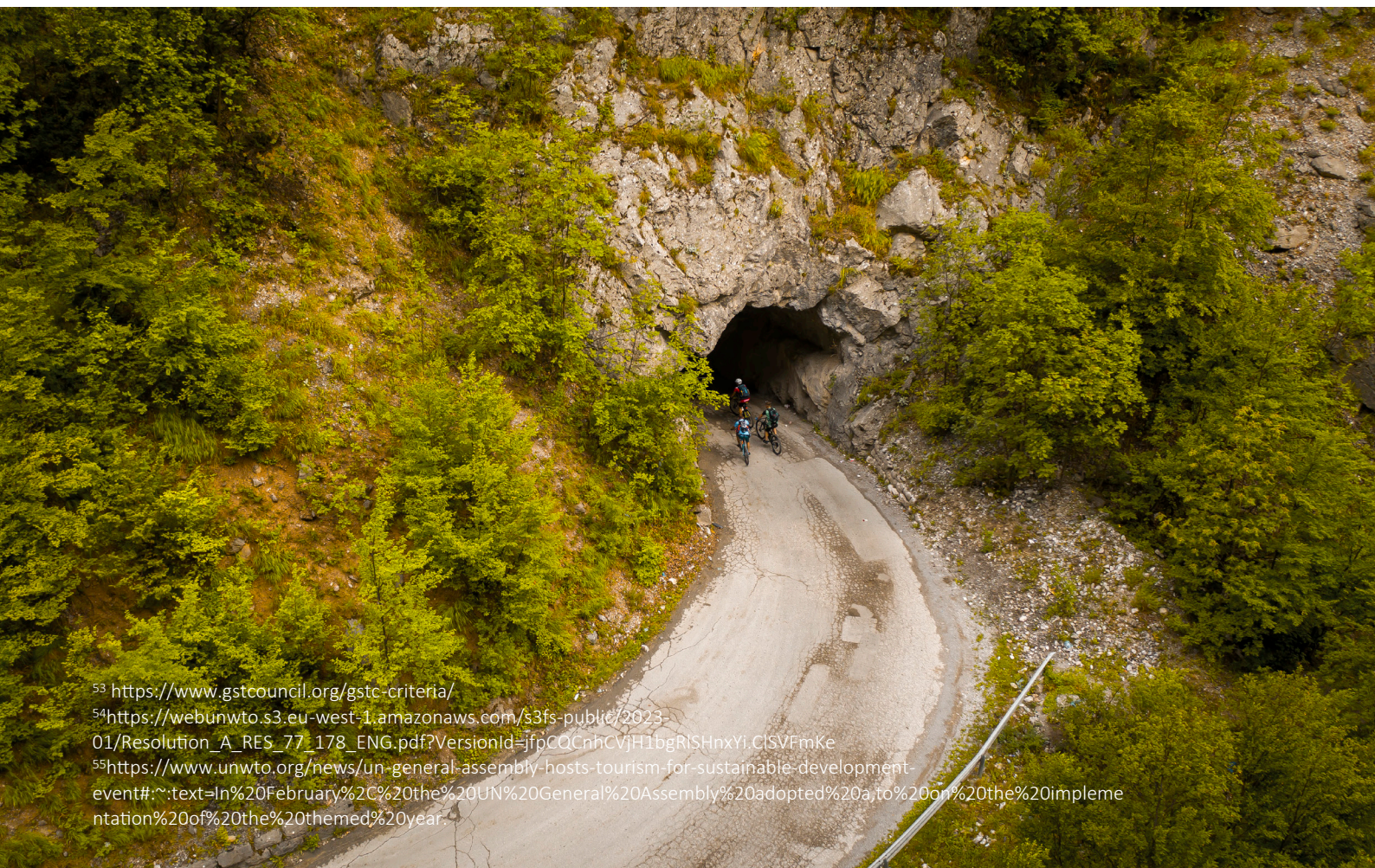
⁵² <https://www.unwto.org/the-glasgow-declaration-on-climate-action-in-tourism>

The Global Sustainable Tourism Council (GSTC) has a set of criteria which are recognised as global standards for sustainability in travel and tourism. They are organised into four pillars:

1. Sustainable management
2. Socioeconomic impacts
3. Cultural impacts
4. Environmental impacts (including consumption of resources, reducing pollution, and conserving biodiversity and landscapes)

Currently, there are GSTC criteria available for Industry (Hotels and Tour Operators), Destination and MICE; and criteria for Attraction are under development.

Finally, there are other policies such as the Resolution adopted by the United Nations' General Assembly on 14 December 2022, A/RES/77/178 for the "Promotion of sustainable and resilient tourism, including ecotourism, for poverty eradication and environmental protection". It emphasises tourism's role in contributing to sustainable development across economic, social, and environmental dimensions. The resolution encourages Member States and stakeholders to collaborate on recovery actions aligned with the well-being of people and the planet, fostering sustainable tourism practices. It also highlights the importance of inclusive recovery strategies post-COVID-19, ensuring equitable access to resources, and promoting digital transformation within the tourism sector. The resolution calls for support from the UN system and other international organisations to assist countries in implementing sustainable tourism policies and practices. Following this, the UN General Assembly adopted a Resolution to declare 2027 as the International Year of Sustainable and Resilient Tourism. The resolution invites UN Tourism to work with Governments, UN agencies and international organizations to on the implementation of the themed year. Hence, stronger international efforts are expected to be put into place in view of this upcoming international year.



⁵³ <https://www.gstcouncil.org/gstc-criteria/>

⁵⁴ https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2023-01/Resolution_A_RES_77_178_ENG.pdf?VersionId=jfpCQCnhCVjH1bgRiSHnxYi.CiSVFmKe

⁵⁵ <https://www.unwto.org/news/un-general-assembly-hosts-tourism-for-sustainable-development-event#:~:text=In%20February%2C%20the%20UN%20General%20Assembly%20adopted%20a,to%20on%20the%20implementation%20of%20the%20themed%20year.>

5.3 POLICY BENCHMARKING

Considering the key topics addressed by both national and international policies as outlined in the document, this section briefly summarises the similarities between the national policies and the EU/international ones, and it highlights the gaps.

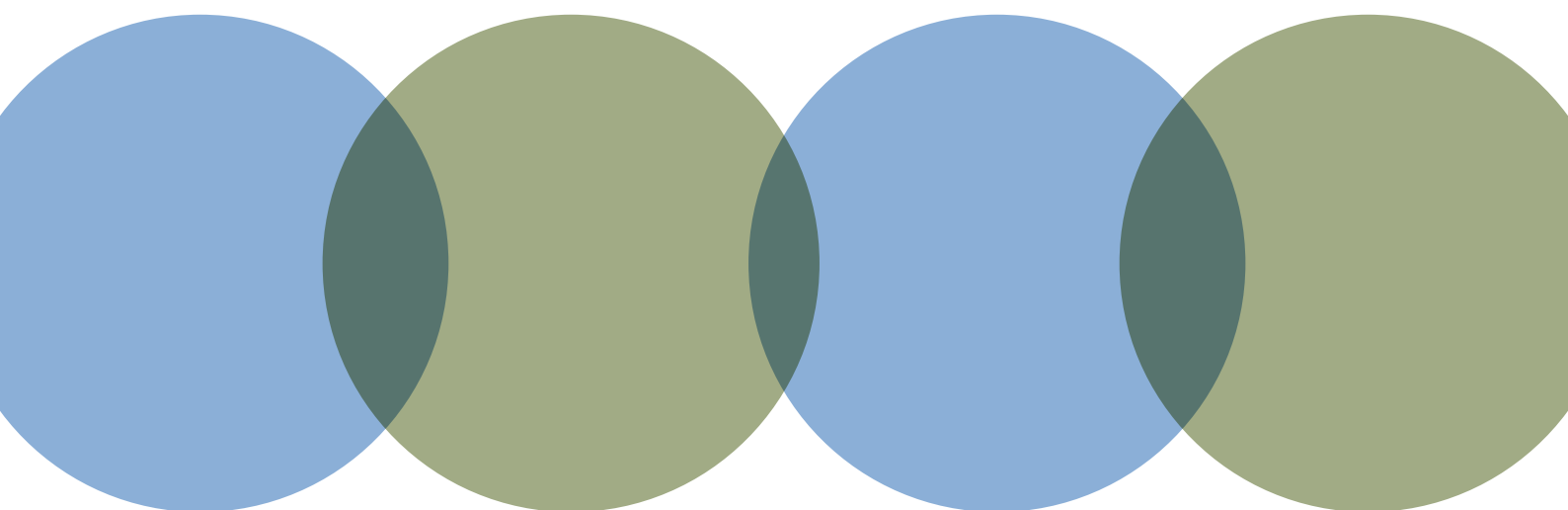
On the one hand, these similarities are identified:

- Both Kosovo and EU/international policies emphasise the importance of sustainable development and green transition in tourism, with a particular focus on the circular economy.
- There is a shared focus on strategic policy documents, promotion of tourism, and international cooperation.

On the other hand, these are the gaps:

- Kosovo's approach appears to be more fragmented and less consistent, with frequent changes in government structures affecting tourism. Some of the policies have been quite recently approved, hence the actual enforcement is still rather limited to fully assess them.
- EU/international policies have a broader scope, addressing climate neutrality, circular economy, and sustainable consumption and production more comprehensively.
- Kosovo lacks a dedicated tourism policy implementation unit, unlike some EU initiatives that provide clear pathways and action plans for sustainability in tourism.
- Specific budget allocation for the implementation of effective strategies is missing, hence significant efforts are required to lay the foundations.

This comparison reveals that while Kosovo has made significant steps towards sustainable tourism, there are opportunities to align more closely with EU and international standards to ensure a more cohesive and effective approach. Securing the adequate funding mechanisms is also crucial, as will be explained in the next section.



6. GREEN FUNDING OPTIONS AND FINANCIAL MECHANISMS

Green funds can serve as a supportive tool for businesses in their green and sustainable transition. Several initiatives for green financing have been put in place, mainly driven by donors, with the participation of the Kosovo's Government. This section presents green funding options and financial mechanisms, including those from the private sector, national banks and financial institutions, multilateral, international and EU funding.

6.1 NATIONAL BANKS AND FINANCIAL INSTITUTIONS

6.1.1 Green loans

Within green loans, these fall into three main categories:

- ProCredit Bank. This bank is committed to climate change and to sustainable and green finance; offers green loans to SMEs and households. These are offered with the support of the European Bank for Reconstruction and Development (EBRD), hence further details are covered in section 6.3.
- Raiffeisen Bank. This bank plays a pivotal role in promoting green finance through its commitment to sustainable lending practices, including the provision of green loans. It has published its own "Framework for Green and Social Loans". The framework is part of RBI's broader sustainability strategy, focusing on assets with positive environmental and social impacts to facilitate the transition to a sustainable future. The bank promotes strategic investments in renewable energy, energy-efficient technologies, and other responsible business activities. It is also a long-standing member of the UNEP Finance Initiative, and it signed up to the "Principles for Responsible Banking" in 2021, thereby committing to implementing the six associated principles within the Group.
- Energy efficiency loans for both SME and household clients. These represent the bulk of Kosovo's green loans (80% as of March 2022), encouraging energy efficiency investments, boosting electricity savings, optimising energy use, and reducing electricity bills.
- Renewable energy loans. The largest potential for renewable energy in Kosovo is in solar and in wind-generated energy. Undoubtedly, this represents the future of the energy mix for Kosovo, so the discussion should only be about how fast the country can exploit this potential. ProCredit's main experience so far has been in financing solar energy projects. Kosovo enjoys relatively high solar irradiation, between 1200 and 1500 kWh/m², which translates into considerable electricity production generated by solar panels. ProCredit Bank has a strong focus on harnessing this potential and has provided financial support for investments in solar panel installations on two level

⁵⁶<https://balkangreenenergynews.com/procredit-bank-kosovo-a-driver-of-green-finance-and-energy-transition-in-the-country/>

⁵⁷ <https://www.raiffeisen-kosovo.com/content/dam/rbi/retail/eu/xk/esg/esg-new/Non-financial%20report-%20Raiffeisen%20Bank%20Kosovo%202023.pdf.coredownload.inline.pdf>

According to EU progress report for Kosovo, in the area of sustainable finance, Kosovo should conduct further work to incorporate sustainable considerations both in banking and non-banking strategic policies and objectives, and to implement a regulatory financial framework supporting private investments towards sustainable/green activities. The Kosovo Credit Guarantee Fund (KCGF) can guarantee up to 80% of loan portfolios of financial institutions to MSMEs in areas such as energy efficiency and sustainable agriculture. The KCGF has issued up to EUR 303 million in guarantees as of July 2023.

Table 3 Types of financing programmes / initiatives

| Programme / Initiative | Purpose | Loan Recipients | Uses | Support | Impact | Participating Banks |
|-------------------------------------|--|--|---|---|---|---|
| EBRD Green Loans | Improve energy efficiency in residential buildings and support investments in green technologies | Homeowners, housing collectives, producers, vendors, and service providers of green technologies | Insulation, energy-efficient windows, heat pumps, solar panels | Incentive payments up to 20% of loan value, co-financed by EU and bilateral donors through WBIF | Reduces emissions, improves air quality, builds a greener economy and future for Kosovo | ProCredit Bank, Raiffeisen Bank, NLB Bank |
| BOOST x Kosovo | Help SMEs transition towards greener business models | SMEs | Develop and scale innovative green solutions | Grants and loans, individual and group mentoring sessions, networking opportunities | Promotes sustainability, efficiency, circularity, and enhances business skills and investment readiness | Supported by various financial institutions and development partners; specific banks not listed |
| Kosovo Credit Guarantee Fund (KCGF) | Offer guarantees for loans provided by local financial institutions to SMEs for green projects | SMEs | Renewable energy projects, energy efficiency improvements, sustainable agricultural practices | Risk mitigation for lenders, increased access to financing | Stimulates local economy, creates jobs, fosters innovation in sustainable technologies and practices | TEB Bank, Banka per Biznes, Banka Ekonomike, NLB Bank |

⁵⁸ European Commission Staff Working Document Kosovo* 2023 Report https://neighbourhood-enlargement.ec.europa.eu/document/download/760aacca-4e88-4667-8792-3ed08cdd65c3_en?filename=SWD_2023_692%20Kosovo%20report_0.pdf

6.1.2 GREEN BONDS

Green Bonds are debt securities issued by governments, corporations, or other entities to raise capital for environmentally beneficial projects. There is an initiative by NLB Bank in region and Kosovo. This initiative called the Green for Growth Fund (GGF), advised by Finance in Motion, has invested EUR 20 million in NLB bank's inaugural green bonds of EUR 500 million. The fund aims to provide support specifically for various projects in the field of renewable energy in Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, and Serbia.

6.1.3 NATIONAL BANKS

Kosovo is not a signatory of global climate agreements like the Paris Agreement and sustainability finance is still nascent in the country. But the event highlighted the commitment of the Central Bank of Kosovo and the Kosovo Banking Association to promoting the sustainability agenda. The Kosovo Banking Association joined the Sustainable Banking and Finance Network (SBFN), in April 2022. SBFN is an IFC facilitated network that was established in 2012 and now represents 80 financial sector regulators and industry associations from 63 emerging markets.



⁵⁹<https://balkangreenenergynews.com/green-for-growth-fund-invests-in-nlb-green-bond/>

⁶⁰<https://www.linkedin.com/pulse/drive-sustainable-growth-kosovo-finance-essential-nicolas-marquier/>

6.2 INTERNATIONAL AND MULTILATERA FUNDING MECHANISMS

6.2.1 Swiss Agency for Development and Cooperation (SDC)

The Promoting Private Sector Employment (PPSE) project, funded by the Swiss Agency for Development and Cooperation and implemented by Swisscontact in Kosovo, started in 2013 and is in its third phase, aiming to bolster SMEs and farms in the food, natural ingredients, and tourism sectors. The project's focus is on fostering innovation, sustainability, and job creation, particularly for youth, women, and minorities. Through the Tourism sector, PPSE facilitates capitalisation of the established offer through private-public partnerships towards improved destination management, improved tourism product offer and reinstating the sector growth trends. This is achieved in close collaboration with private stakeholders via synergies between tourism businesses, agrobusinesses, souvenir producers, farmers, tourism product owners and guides.



⁶¹ <https://www.ebrd.com/news/2022/ebrd-and-donors-help-reboot-small-kosovan-businesses.html>

⁶² Kosovo Credit Guarantee Fund Annual Report 2022, <https://fondikgk.org/wp-content/uploads/2023/08/ANNUAL-REPORT-2022-3.pdf>

The PPSE project has conducted several interventions, such as:

- Facilitate consolidation of services for tourism product development through public-private partnerships to:
 - o increase product safety (drafting the Administrative Instruction on Tourism Products Safety)
 - o strengthen tourism statistics (initiating exit surveys, supply-side surveys, and integrating data into Kosovo Agency of Statistics's database)
 - o develop regional promotion (regional tourism platform between Kosovo and Albania)
 - o institutionalise knowledge (anchoring knowledge-sharing services for municipalities within the Kosovo Association of Municipalities)
- Partner with local institutions to promote participation of SMEs - in international fairs; Kosovo International Tourism Fair; familiarisation tours; and B2Bs - to consolidate roles within the structure of local institutions to enable international tourism promotion.
- Support the training and international certification of cultural and mountain guides to improve guide-related services by working with the Kosovo Guides Association and Kosovo Mountaineering and Alpinists Federation to address the lack of effective coordination and institutional ownership.
- Help develop a pilot sustainability certification programme for hotels and share knowledge with tourism stakeholders through the Kosovo Tourism Union to ensure effective planning and adherence to international sustainability standards in tourism.

6.2.2 SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA)

The project Fostering Employment and Growth Opportunities (FEGO), funded by SIDA and implemented by Swisscontact in Kosovo aims to boost inclusive market systems development in Kosovo to generate self-employment in several sectors, including rural tourism. It aims cultivate business-to-business micro/small entrepreneurship initiatives for the development of rural tourism by improving the quality and branding of their products and services, strengthening their knowledge around hospitality, marketing, and promotion, and improving their access to sales channels.

An intervention conducted by the FEGO project is the "farm to fork" model which aims to improve the gastronomy offered in rural tourism destinations by working with local service providers to raise awareness of the economic potential of offering locally sourced food. This initiative started with Alpa Bio Farm in Maqitevë village, in the Municipality of Suhareka which specialises in free-range eggs, but also cultivates various fruits and vegetables, produce jams and spices. To support Alpa Bio Farm in their efforts to commercialize their offerings, FEGO has provided technical expertise to assess their current offerings and offered recommendations to help them achieve their objectives and grow. FEGO also provides the know-how to enhance menus and food presentation for accommodation and restaurant MSMEs, achieving impact at larger scale.

⁶³ <https://www.giz.de/en/worldwide/143709.html>

⁶⁴ <https://www.undp.org/kosovo/stories/kosovo-steps-ahead-climate-action>

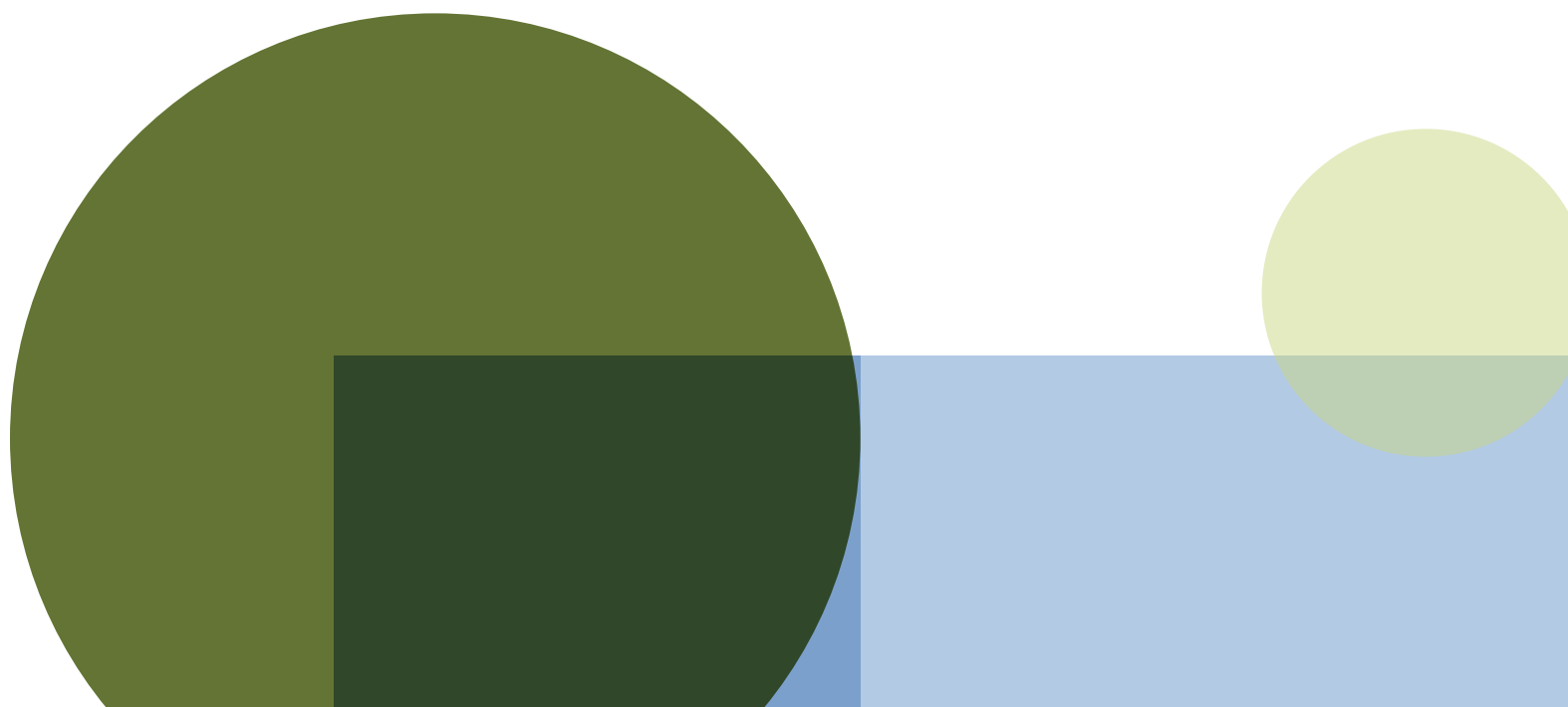
⁶⁵ <https://www.undp.org/kosovo/projects/accelerating-green-recovery-kosovo-through-ecotourism-and-inclusive-governance>

6.2.3 THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

The EBRD supports the transition to a greener economy through investment and policy dialogue. For instance, it finances the development of wind and solar power projects and structures appropriate market mechanisms, such as feed-in tariffs. One of the key initiatives supported by the EBRD focuses on efficiency and carbon emission reduction through two facilities: Green Economy Financing Facilities (GEFFs), which currently does not support businesses, and Kosovo SME Competitiveness Support Programme (SME CSP), which does (see Box 1).

Previously, GEFF, under the name KOSEP, financed businesses but has since shifted its focus. In contrast, SME CSP exclusively targets businesses and is implemented through four banks in Kosovo: ProCredit Bank, Raiffeisen Bank Kosovo, Raiffeisen Leasing, and Banka për Biznes. This project enhances the competitiveness of SMEs in Kosovo by aiding their compliance with EU directives on environmental protection, occupational health, and product quality through loans, grants, and technical assistance. Funded by the EBRD and the EU, the programme includes a 15% cash-back incentive and expert advice, promoting investments in both standard and complex projects to boost profitability and market potential.

The Bank also provides credit lines via partner banks through the GEFFs. It aims to create positive demonstration effects, particularly by utilising financial intermediaries to increase energy efficiency and promote small renewable energy investments. In cooperation with private banks in Kosovo (ProCredit Bank Kosovo, BpB), EBRD has signed contract to extend new finance to local SMEs to support sustainable growth investments. In 2022, the Kosovo Credit Guarantee Fund (KCGF) launched a new programme aimed at assisting SME green investments, making it easier for small and medium-sized enterprises to secure financing. Tourism companies are also eligible to apply for this programme. These types of funds are used to finance green projects aligning with EBRD's Green Economy Transition approach, promoting environmental sustainability. According to the EBRD, four hotels have utilised this facility for their projects.



6.2.4 OTHER DONORS AND PROJECTS

In addition to banks (ProCredit Bank, NLB Prishtina, Reiffeisen Kosovo, BpB), several donor initiatives promote the circular economy in business. Examples include the Mainstreaming Circular Economy in the Private Sector of Kosovo project by the Chamber of Commerce, co-funded by the EU and the German Federal Ministry for Economic Cooperation and Development through GIZ Kosovo. GIZ is also implementing the Green and Sustainable Municipalities – Integrated Waste management and Circular Economy (Kosovo4Green) project, and establishing Extended Producer Responsibility schemes and the Deposit Refund System. The Innovation Centre Kosovo has formed the Circular Coalition of Kosovo, a grassroots initiative promoting sustainability, upcycling, recycling, and addressing future challenges. The GREEN CROSS project, funded by the EU and implemented by the Balkan Green Foundation, Qendra EDEN, and municipalities of Has and Klina, fosters local green economies through smart investments. Green Action Space (GAS) at Riinvest, a joint initiative by the Kosovo Foundation for Open Society (KFOS) and Riinvest Institute, informs the public on circular economy, environmental issues, and sustainable development through lectures, research, debates, and advocacy.

Under UNDP's global Climate Promise project, Kosovo is addressing climate change challenges by focusing on energy, adaptation, and resilience, and by scaling up innovation to attract further green investment. In the first phase of the Climate Promise, Kosovo has increased its efforts to reduce greenhouse gas emissions and enhance climate resilience. Within a year, UNDP Kosovo supported the MESPI in designing Energy Efficiency Policies and Measures, creating a Circular Economy Roadmap, and developing climate sector policy briefs. Additionally, through the BOOST x Kosovo business accelerator, UNDP has assisted 50 SMEs, led by both women and men, in adopting green business practices by providing mentorship, matchmaking with global companies, and grants for the best green solutions.

Moreover, UNDP's project Accelerating Green Recovery in Kosovo Through Ecotourism and Inclusive Governance implemented between 2020 and 2022 focused on tourism. The project aimed to green Kosovo's tourism sector through public-private partnerships, coherent policy, and a resilient and agile tourism strategy based on the principles of environmental, social, and economic sustainability. It also included a green accelerator programme to train tourism MSMEs and implement pilot projects in the short term. In the medium term, the goal was to develop the tourism sector as a catalytic pillar in the national green economy, creating employment, improving gender equality, and increasing innovative enterprise creation in tourist regions.

GIZ has also supported tourism-related projects in Kosovo and the region, focusing on sustainable development and eco-tourism. One notable initiative is the promotion of hiking tourism in the Peaks of the Balkans trail, which spans across Kosovo, Albania, and North Macedonia. Since 2010, GIZ has been involved in waymarking routes and creating maps for 192 kilometres of hiking trails, drawing tourists and hiking guides from around the world and contributing to the development of rural tourism.

Another project implemented by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) over the course of 2017 was the Future Prospects through Mountain Tourism. This project, which resulted in the mountain tourism product High Scardus Trail is a result of the project, had the aim to improve the employment opportunities in the tourism sector in the border region between Macedonia, Kosovo, and Albania by developing and promoting existing and new regional adventure tourism offers.

USAID has significantly supported the development of Kosovo's tourism sector through various initiatives, including the Partnership for Development (PFD) Programme (2015-2018), which aimed to enhance public-private sector cooperation and align local practices with international standards or the EMPOWER Private Sector Programme (2014-2019) focused on job creation and competitiveness in adventure tourism, among other sectors, resulting in notable workforce training and participation in trade fairs.

⁶⁶ <https://akzente.giz.de/en/artikel/welcoming-world#:~:text=The%20hiking%20trail%20,,Peaks%20of,farmers%20in%20marketing%20their%20produce.>

⁶⁷ <https://pmcg-i.com/project/supporting-kosovo-to-develop-tourism-sector-usaid-kosovo-pfd-program/>

⁶⁸ <https://www.usaid.gov/kosovo/document/empower-private-sector>

⁶⁹ https://2017-2020.usaid.gov/sites/default/files/success/files/Local%20Tour%20Operators%20Put%20Kosovo%20on%20the%20Adventure%20Travel%20Map_0.pdf

⁷⁰ https://www.eeas.europa.eu/kosovo/eu-projects-kosovo_en?s=321#10942

6.3 EU FUNDING PROGRAMMES FOR TOURISM

The European Union has played a crucial role in the development of Kosovo's tourism sector through various projects aimed at enhancing infrastructure, sustainability, and competitiveness. Key funding comes from the Instrument for Pre-Accession Assistance (IPA), with the EU investing over €1.5 billion in Kosovo from 2007 to 2020 under IPA I and IPA II, and continuing support under IPA III from 2021-2027. This financial assistance facilitates Kosovo's comprehensive reforms necessary for EU accession. Cross-border cooperation, a significant component of IPA, has enabled Kosovo to collaborate with neighbouring countries like Albania, North Macedonia, and Montenegro to promote tourism and cultural exchange through various funded projects.

From 2014 to 2020, the IPA CBC Montenegro-Kosovo programmes funded sixteen tourism-related projects with a total of €6.7 million, predominantly contributed by the EU. These projects focused on enhancing cultural heritage, developing cross-border tourism routes and products, and promoting outdoor and adventure tourism. Examples include the "Transhumance - New Tourism Offer of Kosovo and Montenegro", "Improving Tourism Offer in Highlands of Albania and Kosovo", and "Eco and Outdoor Tourism Actions of the Balkan Alps". A notable project, the "Tourism for Future: Eco-Label Certification initiative in Kosovo and Montenegro", aims to support businesses in achieving eco-certification standards, significantly boosting the region's tourism competitiveness.

EU support extends beyond tourism, covering infrastructure, environment, climate action, and energy, which includes significant projects in waste management and economic development. The EU also focuses on enhancing the competitiveness of Kosovo's private sector through digitalisation and increased access to finance, while continuously supporting agritourism and rural tourism initiatives. Additionally, capacity-building programmes for tourism professionals and SMEs, along with funding opportunities from the European Innovation Council and SMEs Executive Agency (EISMEA), aim to empower Kosovo's tourism sector to achieve a competitive edge in the global market.

While it is not possible to clearly assess the impact that these EU funded projects may have had in the development of tourism in Kosovo, and in particular, the role they may have played in the transition towards sustainability practices; it can be stated that they play a crucial role not only in the country or with cross-border cooperation programmes, but also in further sharing knowledge and exchanging with leading tourism destinations and businesses in view of the full integration within the European market in a near future. Nevertheless, there are still limitations in terms of a limited absorption capacity of Kosovo SMEs and associations to apply for funding and/or a weak implementation capacity for their implementation.

⁷¹ <https://keep.eu/projects/27096/Transhumance-new-tourism-off-EN/>

⁷² <https://euprojects.al/euprojects/improving-tourism-offer-in-highlands-of-albania-and-kosovo/>

⁷³ <https://cbc-mne-kos.org/project-of-the-1st-cfp/eco-and-outdoor-tourism-actions-of-the-balkan-alps/>

⁷⁴ <https://webalkans.eu/en/stories/tourism-for-future-the-eco-labels-initiative-in-kosovo-and-montenegro/>

⁷⁵ <https://tourismforfuture.com/>

⁷⁶ [Accelerating Green Investments in Tourism for Sustainable Development | World Investment Forum \(unctad.org\)](#)

6.4 PRIVATE GREEN FUNDING MECHANISMS/INITIATIVES

6.4.1 Crowdfunding in Kosovo: Current status and initiatives

Crowdfunding in the context of greening the tourism sector refers to an alternative funding approach. It connects individuals who share a passion for sustainable travel with initiatives aimed at promoting environmentally friendly practices. Through crowdfunding, people can directly contribute to projects that enhance the sustainability of tourism, such as eco-friendly accommodations, conservation efforts, or community-based initiatives. The goal is to accelerate the transition to a greener tourism economy while benefiting local communities and ecosystems.

Crowdfunding in Kosovo is in its early stages, with no major local platforms specifically dedicated to the region. Entrepreneurs and start-ups often utilise international platforms to secure funding especially those in the ICT and high-tech sector. The commonly used international platforms are Kickstarter, Indiegogo, GoFundMe, etc. Despite the absence of a prominent local crowdfunding platform, several initiatives support the growth of crowdfunding in Kosovo include the Innovation Centre Kosovo (ICK), Kosovo ICT Association (STIKK). For example, ICK provides support and mentoring for start-ups, including guidance on using crowdfunding platforms to raise funds. They frequently organise workshops and events to educate entrepreneurs about various funding options. Several Kosovar projects have successfully raised funds through international crowdfunding platforms, demonstrating the potential of this funding method. Formon company (A Prishtina-based start-up that developed a 3D printer. They successfully raised funds on Kickstarter, gaining international attention and support.

Kosovaldeas is an initiative that is the first crowdfunding platform fully dedicated to projects within Kosovo. This platform focuses on supporting endeavours in various fields including art and culture, civic engagement, and sustainability. By offering a localised crowdfunding solution, Kosovaldeas plays a crucial role in empowering Kosovar creators and social entrepreneurs to bring their visions to life. Kosovaldeas is the traditional crowdfunding platforms heavily focused on philanthropy and only supports ideas that make Kosovo a better place. This platform could be an alternative funding for suitable business ideas in tourism sector.

⁷⁷ <https://kosovaideas.com/>

⁷⁸ Sabia, L., Bell, R., & Bozward, D. (2021). Crowdfunding and entrepreneurship in the Western Balkans. *Entrepreneurial Finance, Innovation and Development*, 50-68. <https://www.taylorfrancis.com/chapters/edit/10.4324/9781003134282-4/crowdfunding-entrepreneurship-western-balkans-luca-sabia-robin-bell-david-bozward>

7. READINESS ASSESSMENT OF ACCOMMODATION ESTABLISHMENTS

This section presents the findings of the assessment conducted to the selected accommodation establishments in the three locations: Prishtina, Prizren and Peja. It starts showing an overview of the sustainability status of selected accommodation establishments and it highlights some of the key sustainability initiatives they are implementing. Secondly, it describes the key challenges and limitations that accommodation establishments face when adopting sustainability practices. Later, it presents some of the good practices already being undertaken by the accommodation establishments. Finally, it concludes with an overall assessment of the sustainability practices among accommodation establishments in Kosovo.



⁷⁷ <https://kosovaideas.com/>

⁷⁸ Sabia, L., Bell, R., & Bozward, D. (2021). Crowdfunding and entrepreneurship in the Western Balkans. *Entrepreneurial Finance, Innovation and Development*, 50-68. <https://www.taylorfrancis.com/chapters/edit/10.4324/9781003134282-4/crowdfunding-entrepreneurship-western-balkans-luca-sabia-robin-bell-david-bozward>

7.1 OVERVIEW OF SUSTAINABILITY STATUS OF SELECTED ACCOMMODATION ESTABLISHMENTS

Levels of adoption of sustainability practices by the accommodation sector in Kosovo is very diverse. Findings from both interviews with selected accommodation establishments and the focus group discussion with representatives from the public and private sector and other local stakeholders (for full list please refer to Annex 2), show that Kosovo is in its initial phase of development, albeit with growing interest in the application of sustainability principles in tourism development.

There are few examples of such principles being applied. Some apartment and guest house owners, who are mostly self-taught in sustainability practices, have adopted various measures to enhance their environmental impact. These businesses, with bed capacities ranging from 16 to 60, are considering or have already implemented initiatives like EcoLab certification, solar panel installation, energy-efficient equipment, waste management improvements, and minimal plastic use. Their focus is also on supporting local economies through procurement practices, despite lacking formal sustainability certifications in some cases.

A few of the larger hotels, particularly those part of international brands or with highly educated owners, have adopted more comprehensive sustainability practices. With bed capacities between 100 and 150, these hotels are implementing significant measures such as eliminating single-use plastics, managing food waste, and planning for or using solar panels. Additionally, some are ISO certified and practice efficient water usage, reflecting a higher degree of formal sustainability commitments, partially supported by international donors which have provided funding to apply for sustainability certifications. These hotels also integrate local inspiration into their services and actively support local communities and economies through their operational choices.

However, there are not many initiatives around certifications. This is further confirmed by Prishtina REA , who notes varied knowledge and interest in certification among stakeholders. Their observations suggest that while some businesses and organisations are well-informed and keen on obtaining certifications, others still require education and encouragement to fully embrace these sustainable practices.

Beyond eco-certification, practices such as the circular economy offer a promising solution by emphasising material cycling, efficient waste management, and reuse systems. These concepts have the potential to benefit both the environment and the economy, but the application of such principles is almost absent. With few exceptions (e.g., Hotel City Inn), even resource efficiency measures are rare. These successful cases involved solar panel installations to reduce the cost of energy.

According to the private stakeholders interviewed, Kosovo faces challenges in embracing sustainable development and circular economy initiatives. While there is some support for tourism development, there is less support for sustainable tourism through legislative frameworks. Significant work is required to prioritise and integrate sustainability principles into the tourism sector. Stakeholders highlighted the absence of an incentive scheme for sustainability efforts in tourism. Their main complaint is that the government prioritises manufacturing, which supports funding for machinery and automatically excludes tourism companies. For example, in public calls for grants from KIESA, funding is primarily allocated to investments in machinery. However, the Ministry of Agriculture issues public calls offering funding for the agritourism sector, mainly for energy efficiency, but often the opportunities for such investments are not sufficiently clarified for tourism businesses.

⁷⁹Intervistë me Eli Lekaj (maj 2024), REA Prishtina/OJQ e cila asiston me çertifikimet e Eco Label dhe ka bashkëpunuar me 50 hotele/bujtina, grante, mbështetje në terren.

According to Civil Society Organisations (CSOs) and NGOs, Kosovo is making significant strides towards embracing the sustainable practices in tourism. The city of Prishtina stands out as a progressive force, with active initiatives and a strong commitment to sustainability, supported by numerous NGOs focused on environmental issues. Similarly, Peja and Prizren boast many NGOs promoting sustainable tourism and environmentally friendly policies. A promising aspect is that all three cities considered in this study have adopted tourism development strategies where sustainability is a key pillar. Furthermore, a review of secondary research on strategic documents suggests that municipal-level support for sustainable tourism development is more promising compared to the national level. This indicates a stronger commitment and more effective initiatives at the local level in promoting sustainable tourism practices. This statement is supported by NGOs and CSOs which tend to partner with the municipalities to apply for EU project, hence a positive collaboration is established.

7.2 KEY CHALLENGES AND LIMITATIONS

The assessment of sustainability practices among accommodation establishments in Kosovo reveals several key challenges and limitations faced by businesses in this sector. These challenges hinder the effective implementation and adoption of sustainable practices, despite the growing awareness and interest among some hotel owners and operators.

- **Financial Constraints, High Initial Costs**

Many establishments find the initial costs of implementing sustainable practices, such as installing solar panels or obtaining certifications, prohibitively high. For example, while some businesses have self-funded solar panels, others cite financial limitations as a barrier to expanding their solar energy capabilities. One of the key limitation of hotels was initial design of floor plan that did not foreseen the installation PV solar panels.

- **Lack of Access to Green Loans**

Despite the availability of green loans, many hotel owners have not explored this option due to the perceived complexity of the application process and the extensive paperwork involved. This was noted by some owners who opted not to pursue eco loans due to banking programme constraints and procedural hurdles. It could also be an additional burden to unregistered or informal businesses, such as some guesthouses.

- **Limited Knowledge and Awareness, Awareness of Certifications**

A significant number of business owners and managers lack awareness about sustainability certifications and their benefits. For instance, some interviewees mentioned not having any sustainability certifications and seeing no immediate benefits from them. This highlights the need for better education and outreach on the advantages of eco-labels and certifications.

- **Knowledge of Sustainable Practices**

There is a varying degree of understanding regarding sustainable practices among the businesses. While some are proactive in managing energy and waste, others demonstrate a need for more comprehensive training and support. The effectiveness of NGO-led training initiatives indicates that further efforts are necessary to bridge this knowledge gap.

▪ **Waste Management Challenges**

Effective waste management is a significant challenge, particularly in rural and mountainous areas. Businesses owners located in these areas highlighted the difficulties in managing waste due to the lack of local collection services and recycling facilities. This results in businesses transporting waste to urban centres or facing limited options for proper disposal.

▪ **Water and Wastewater Management**

Although some establishments have implemented water-saving measures, comprehensive wastewater management remains inadequate. For instance, some interviewees mentioned that wastewater directly flows into the river, reflecting a broader issue of insufficient infrastructure and training in effective wastewater treatment.

▪ **Motivation and Incentives, Dependence on External Funding**

Many businesses are motivated to adopt sustainable practices primarily when external funding or subsidies are available. This dependence can be seen in the experiences of some interviewees who participated in sustainability projects funded by foreign governments and municipalities. The sustainability of these practices without ongoing financial support remains questionable.

▪ **Balancing Business and Moral Motivations**

While some business owners express a commitment to sustainability for both business and moral reasons, the primary driving force for many remains financial benefits and reputation enhancement. This is evident in the responses of several participants who prioritise business outcomes over intrinsic environmental values.

▪ **Regulatory and Policy Environment, Lack of Strong Regulatory Framework**

The absence of robust environmental regulations and enforcement mechanisms in Kosovo contributes to the challenges in promoting widespread adoption of sustainable practices. Some businesses have taken independent steps towards sustainability, but a stronger regulatory framework could drive more uniform adoption across the sector.
në të gjithë sektorin.

The table below showcases some exemplary notes from the interviews aligned with key findings and areas of intervention.

| Exemplary Notes | Key Findings | Area of Intervention |
|--|--|--|
| "..... it necessary to develop a study which deals with the needs, potentials, and challenges in the sustainable development of tourism in Kosovo." | <ul style="list-style-type: none"> Comprehensive studies and strategic planning are essential for assessing potentials and challenges in sustainable tourism, guiding future policies and project implementations. | <ul style="list-style-type: none"> Research and Policy Development. Strategy Planning for Supporting Green and Sustainable tourism |
| <p>"The tourism sector in Kosovo needs a review and reassessment considering the increasing number of tourists. We have seen a 50.8% increase in international tourism comparing January-February 2024 and January-February 2023."</p> <p>However, Kosovo does not have a registry/database of all hotels and accommodation. This is important for functioning and operation and tour operators too.</p> | <ul style="list-style-type: none"> Need for a detailed database of hotels and accommodations, including standards and capacities. Current voluntary registration and categorisation should become mandatory. Incentives for formalisation of the hotels and accommodation | <ul style="list-style-type: none"> Data Collection and Standardisation Formalisation of the hotels and accommodations Registration Mandatory Normalisation through incentives Normalisation leads to higher occupancy rate by international tourists |
| <p>"There is a need for tax incentives to support development of hotels and accommodation. Subsidising tour operators for every tourist they bring is a very good form of tourism stimulation, a policy applied by North Macedonia. VAT is 18% for the hotel industry, and booking.com for each reservation has a 12% commission and 9% profit tax, these are the costs that hotels must pay. Institutions should ease taxes. So far, we have managed to reduce the tax of 25 Euros for accommodation rooms, and recently eliminated all hotel taxes to support the tourism industry".</p> | <ul style="list-style-type: none"> Efforts to reduce taxes for accommodation rooms and elimination of hotel taxes to support the tourism industry. | <ul style="list-style-type: none"> Tax Policy and Financial Incentives |

| | | |
|---|--|---|
| <p>"Prevala has great potential for health tourism. The air quality impacts the healing of various diseases. We have recommended that an analysis be done by international experts".</p> | <ul style="list-style-type: none"> • Significant potential for sports tourism with upcoming events like the Mediterranean Olympic Games 2030 and health tourism in specific areas known for beneficial environmental conditions. • Need for international expertise in assessing the environment | <ul style="list-style-type: none"> • Event Planning and Health Tourism Development by protection of environment • International expert and international certification and accreditation body engagement for certification and standards for health tourism to increase credibility |
| <p>"Sustainability as a concept is something new in our country. Most hotels lack standards or policies for sustainability. The most of hotels and accommodation owners don't know much about the concept, they are not familiar with sustainability and circular economy "</p> | <ul style="list-style-type: none"> • Lack of awareness of SMEs owners and managers about the sustainability and circular economy principles. • Importance of adopting sustainability practices and obtaining certifications. • Challenges in implementation due to high costs and lack of strategic support | <ul style="list-style-type: none"> • Measures and campaigns to increase awareness about the importance of sustainability in tourism development. • Engagement of international certification bodies for sustainability. • Sustainability and Certification Support – both financial and consultancy (Eco-certification). |
| <p>"Tourism should focus on the use of local resources using agricultural value chain and taking care of environment. I believe that every hotel has the possibility to find creative ways to develop sustainable tourism integrating the local value chains."</p> | <ul style="list-style-type: none"> • Emphasis on integrating local resources and promoting circular economy principles to enhance sustainable rural development. | <ul style="list-style-type: none"> • Linking local producers of agricultural products with hotels • Supporting local farmers to become sustainable and link with the hotels in the circular economy principle (e.g., durable packaging use and return) • Local Sourcing and Circular Economy. |
| <p>"The lack of support for the implementation of sustainability policies and concepts is one of the main problems". "Tourism is excluded from some of the eligibility criteria by institutional support measures in Ministry of Agriculture".</p> | <ul style="list-style-type: none"> • Need for substantial support from government and international donors to recover and develop the tourism sector post-COVID-19. • Government incentives' schemes to include tourism. | <ul style="list-style-type: none"> • Funding and financial support. • Institutional and Donor Support. • Including tourism in existing government schemes and design specific schemes for sustainable tourism especially linking tourism with local value chain in agriculture. |

| | | |
|---|---|---|
| <p>"There is issue of waste management that hinders recycling and sustainability, in particular there is no waste sorting system.</p> <p>"...we need proper communication between the key stakeholders, people from the government, the municipalities, and the private sector that deal with this specific issue to start discussing the possible solutions, there are discussions all the time but not something very concrete."</p> <p>"Collaboration among stakeholders is crucial. There should be effective communication and cooperation to facilitate the adoption of best practices and innovative solutions."</p> | <ul style="list-style-type: none"> • Collaboration among stakeholders is vital for successful sustainable tourism development. Effective communication and cooperation can facilitate best practices and innovative solutions. • Increase the capacities and effective management of waste collection companies | <ul style="list-style-type: none"> • Stakeholder Collaboration and Engagement • Waste management of public companies. • The waste sorting system, the private sector should be incentivised to implement the required practices. |
|---|---|---|

While challenges persist, such as the need for comprehensive legal frameworks and improved waste management infrastructure, Kosovo's commitment to promoting sustainable growth with circular economy principles at the forefront provides a strong foundation for advancing these practices in tourism and reducing waste pollution. The presence of diverse private sector initiatives in accommodation establishments signals a promising future for circularity and sustainability in Kosovo's tourism industry. Some of these good practices are described in the following section.



7.3 GOOD PRACTICES

Despite the challenges and limitations, several accommodation establishments in Kosovo have implemented commendable sustainable practices. These examples highlight the potential for positive change within the sector when commitment and resources align.

Energy Efficiency and Renewable Energy:

- **Guest House Kaçaku:** This guest house seized a unique opportunity to enhance the establishment's sustainability. With the aid of a grant from a project financed by the Swiss government, solar panels were installed. This strategic investment, partially funded by the establishment and the grant, now covers 70% of the guest house's electricity needs. The result has been a significant reduction in CO₂ emissions, a substantial decrease in energy expenses, and a diminished reliance on non-renewable sources and the national grid.
- **Hotel Sharri:** Nestled in the picturesque mountains of Sharr near Prizren, Hotel Sharri has become a beacon of sustainable energy management. They have independently funded the installation of 70 KW solar panels, demonstrating a firm commitment to sustainability. Although a loan was requested for this investment, this was not part of any of the programmes offered by banks, as the bank the hotel works with was not part of the subsidy programmes. In addition to this, Hotel Sharri practices diligent water preservation techniques, furthering their eco-friendly initiatives.
- **City Inn Hotel:** This hotel has achieved certification through Travelife for Accommodations, which is accredited by the Global Sustainable Tourism Council (GSTC). City Inn Hotel has successfully met 12 GSTC standards covering energy and water efficiency, biodiversity, human rights, fair labour, child safeguarding and animal welfare, showcasing their dedication to sustainable tourism.

Waste Management:

- **Ariu Guest House:** This guest house has implemented comprehensive waste management practices. By avoiding plastic bottles and using trash cans instead of bags, they have significantly improved waste management. This change has mitigated the problem of trash bags being opened by wildlife, spreading trash in the mountains. This policy was adopted after training from a small NGO in Peja and has become a core part of the guest house's operations.
- **Mercure Hotel in Prishtina:** Under visionary leadership, Mercure Hotel has adopted a holistic approach to waste management. The hotel has launched a campaign to eliminate single-use plastics, replacing items such as espresso spoons and shampoo bottles with sustainable alternatives. Additionally, the hotel has established a robust food waste management system, particularly in the kitchen where food waste, energy consumption, and related sustainability measures are closely monitored and optimised. Despite facing challenges, the hotel remains steadfast in its commitment to sustainability, with ongoing initiatives including the potential installation of solar panels.

Water Conservation:

- Apartment Hotel Bora: This accommodation establishment is making significant strides in sustainability without seeking formal certifications. Located in the heart of Peja, they conserve the city's drinking water and maintains a well-kept garden using water from a well they invested in. This initiative underscores their commitment to sustainability and resource conservation.
- Guest House Kaçaku: In addition to solar panels, Guest House Kaçaku takes measures to conserve water by using cisterns for toilet water instead of tapping into the main water source. This practice significantly contributes to water conservation efforts.

Local Procurement and Community Support:

- Ariu Guest House: Being pillars of their community and leaders in local tourism in the village of Reka e Allages, they are committed to sourcing workforce and food locally, employing locals, and offering cultural experiences to guests. This approach not only contributes to the local economy but also promotes community development. On demand, the guest house offers cooking lessons, presentations of traditional clothing, and performances of traditional songs.
- Hotel Centrum: Long-time members of the craft business community before venturing into hospitality, the owners of Hotel Centrum work closely with the local community in Prizren. They have established a showroom where local crafts are presented and sold. This showroom was entirely funded by the hotel, which does not charge any fees for the sale of these handcrafted items.

Sustainable Purchasing:

- Prishtina International Hotel: While their solar panel investment is still underway, this establishment prioritises the purchase of local products, minimising transportation impacts and supporting local businesses. This strategy underscores their dedication to sustainable and community-focused practices.

7.4 OVERALL ASSESSMENT

The assessment of sustainability practices among accommodation establishments in Kosovo reveals a sector in transition. While there are significant challenges and limitations, there are also promising examples of good practices that indicate a growing awareness and commitment to sustainability.

| Strengths | Areas for Improvement |
|--|--|
| <div><div>→ Commitment to Energy Efficiency: Several establishments have made substantial investments in renewable energy, particularly solar panels, which reduce energy costs and environmental impact.</div><div>→ Local Community Engagement: Many businesses actively support local economies by employing residents, purchasing locally produced goods, and offering cultural experiences that promote regional heritage.</div><div>→ Awareness and Initial Steps in Waste and Water Management: Some hotels have begun implementing effective waste management practices and water conservation measures, showing a proactive approach to resource management.</div></div> | <div><div>→ Financial Barriers: High initial costs and limited access to green loans hinder broader adoption of sustainable practices. More financial incentives and support mechanisms are needed to encourage investment in sustainability.</div><div>→ Knowledge and Training: There is a need for more comprehensive education and training on sustainability practices and the benefits of certifications. NGOs and government agencies can play a crucial role in bridging this knowledge gap.</div><div>→ Infrastructure Development: Improved waste management and wastewater treatment infrastructure are essential, particularly in rural and mountainous areas where current services are inadequate.</div><div>→ Regulatory Support: Stronger environmental regulations and enforcement mechanisms can drive more uniform adoption of sustainable practices across the hospitality sector.</div><div>→ Awareness raising: Wider dissemination is needed not just on the importance to adopt sustainability practices, but also on the available tools and the technical and financial resources targeted at SMEs.</div></div> |

In conclusion, while the path to sustainability in Kosovo's hospitality sector is fraught with challenges, the good practices identified in this assessment demonstrate the potential for significant positive impact. By addressing financial, educational, and infrastructural barriers, and enhancing regulatory frameworks, Kosovo can foster a more sustainable and environmentally responsible tourism industry.

8. OPPORTUNITIES TO SUPPORT SUSTAINABLE AND GREEN TRANSITION

Kosovo has significant potential to support a sustainable and green transition, leveraging its natural resources, strategic location, and emerging sectors, linking the accommodation establishments with the local value chain such as agriculture.

Here are some key sectors and ideas to facilitate this transition:

| Sector | Problems | Underlying constraints | Opportunities | Actors/Stakeholders | Proposed interventions |
|---|---|---|--|---|--|
| Renewable energy and efficiency | High energy costs Reliance on fossil fuels Inefficient energy use Unstable energy supply | Initial installation costs Lack of awareness and expertise | Solar panels Energy-efficient lighting Insulation and better windows Smart hotels | Hotel and accommodation owners/SMEs Solar panel and LED lighting suppliers Construction and renovation companies Energy efficiency companies Fund for Energy Efficiency in Kosovo | Installation of solar panels on rooftops in hotels and accommodations to reduce energy costs and reliance on fossil fuels. Use of LED lighting to reduce energy consumption and costs. Upgrade insulation and install energy-efficient windows to minimise heating and cooling losses. Implement smart home principles to optimise energy use and improve comfort for guests. |
| Waste and water | Excessive waste sent to landfills High water usage Limited water resources in Kosovo | Lack of effective waste management systems Limited access to water-saving technologies Inadequate recycling and composting programs Inefficient water usage in accommodations | Waste reduction programmes Water conservation Rainwater harvesting | Hotel and accommodation managers Waste management companies Plumbing and water conservation experts | Implement recycling and composting programmes to minimise waste sent to landfills (e.g. processing used oil for production of biodiesel) Install low-flow faucets and toilets to reduce water usage. Implement rainwater harvesting systems to collect and reuse rainwater for landscaping and other non-potable uses. |
| Green Building | Limited sustainability in buildings High energy consumption | High certification costs Lack of expertise in green building practices Limited adoption of green building certifications Inefficient building designs | Green certifications Green roofs and walls | Building owners and managers Construction companies Certification bodies | Pursue certifications like LEED to enhance building sustainability and marketability. Develop green roofs and living walls to improve insulation and reduce urban heat island effect. |
| Sustainable Sourcing and value chain | High carbon footprint from food sourcing High waste from packaging | Lack of awareness of local producers about the sustainable practices Limited access to local and organic suppliers High initial costs for eco-friendly products Limited use of biodegradable and eco-friendly products High waste in supply chain | Local and organic food Eco-friendly products Reuse systems for supply | Farmers and local suppliers Hotel and restaurant managers Collection centres for agricultural products Farmers associations | Source food locally and organically to reduce carbon footprint and support local farmers. Use biodegradable and eco-friendly products in daily operations. Implement reuse systems for packaging and supplies from farmers to hotels, reducing waste and promoting a circular supply chain. |
| Product / Experiences | Lack of eco-friendly travel options Low attraction for environmentally conscious tourists | Limited awareness and expertise in developing eco-friendly packages Limited eco-friendly travel options Low marketability of eco-friendly packages | Eco-friendly packages | Tour operators Travel agencies Hotel and accommodation owners | Offer eco-friendly travel packages and experiences to attract environmentally conscious tourists, especially considering that majority of foreign tourists are from EU where the awareness about the environment is very high. |
| Sustainable practices | Low adoption of sustainability practices Limited recognition for sustainable efforts | High certification costs Limited access to information on sustainability certifications Limited transition to sustainable practices | Certifications / Labels | Business owners and managers Certification bodies | Encourage businesses to start a transition pathway towards sustainability, including pursuing internationally recognised sustainability certifications /eco-labels |

| Sector | Problems | Underlying constraints | Opportunities | Actors/Stakeholders | Proposed interventions |
|-------------------|--|---|--|--|--|
| | | Low awareness of sustainability benefits | | | |
| Digital Solutions | Inefficient resource use High operational costs | High initial costs for digital solutions Limited technical expertise Limited adoption of digital solutions High resource consumption | Guest engagement Energy management systems Online booking and management | Hotel and accommodation owners Technology providers Consulting companies | Implement digital solutions like smart room controls and online management systems to optimise resource use and improve efficiency. Implement digital energy management systems to monitor and optimise energy use in real-time. Use online systems to reduce paper use and streamline operations. |





9. CONCLUSIONS AND RECOMMENDATIONS

9.1 CONCLUSIONS

The assessment of sustainable tourism development intervention areas in Kosovo reveals a sector at a pivotal juncture. There is growing awareness and significant steps are being taken at the national level to align with international standards and EU policies. Some accommodation establishments are starting in their journey towards sustainable practices but higher support is required. Several key findings emerged from the study:

Policy level

The national policies supporting sustainable tourism development in Kosovo are evolving but still face several challenges. The government has laid down a legal and policy framework with the Law on Tourism, the Government's Programme 2015-2018, and the Kosovo National Development Strategy 2030, which collectively set clear priorities for tourism development and promotion. The recent approval of the Tourism Strategy of Kosovo with a vision until 2030 and the Action Plan for the years 2024-2026 is a remarkable milestone. These policies emphasise the improvement of infrastructure, the development of rural and mountain tourism, and alignment with EU sustainability standards. However, despite these frameworks, the implementation remains inconsistent and fragmented. The lack of resources and not fully operationalizing the Department of Tourism, now part of the Ministry of Industry, Entrepreneurship and Trade, reflects the lack of stable institutional support for this sector.

Kosovo's approach to sustainable tourism is further complicated by inadequate enforcement of environmental regulations and limited financial incentives. While the Tourism Department is responsible for policy design, it struggles with human resources capacities and effective execution, often due to overlapping responsibilities with other agencies. Moreover, the existing policies lack specific schemes exclusively targeting the tourism sector, which hinders the development of tailored sustainability initiatives. Municipalities like Prishtina, Peja, and Prizren have developed their strategies emphasising sustainability, but a coordinated national approach is necessary to maximise impact.

EU and international policies play a crucial role in guiding Kosovo's sustainable tourism development. The European Union's Green Deal, the European Agenda for Tourism 2030-2050, and various international commitments such as the Glasgow Declaration on Climate Action in Tourism provide a robust framework for promoting sustainability in tourism. These policies emphasise the need for a green and digital transition, resilience, and inclusivity within the tourism sector. They encourage the adoption of greener practices, circular economy principles, and the reduction of environmental footprints through specific action plans and funding mechanisms. Kosovo, aspiring for EU integration, is aligning its policies with these international standards. However, the challenge remains in the effective implementation and local adaptation of these comprehensive policies to fit the specific context of Kosovo.



Green funding options and financing mechanisms

The availability of green funding options and financial mechanisms is vital for supporting the sustainable transition of Kosovo's tourism sector. National banks and financial institutions such as ProCredit Bank and Raiffeisen Bank offer green loans aimed at promoting energy efficiency, renewable energy investments, and other sustainable practices among SMEs and households. Despite these offerings, the uptake remains limited due to high initial costs and a lack of awareness among business owners. The Kosovo Credit Guarantee Fund (KCGF) provides additional support by offering guarantees for loans to SMEs engaged in sustainable projects, thus mitigating risks for lenders and increasing access to finance. However, there is a need for more tailored financial products and incentives to specifically address the unique challenges faced by the tourism sector in its green transition.

International and multilateral funding mechanisms further bolster the financial landscape for sustainable tourism in Kosovo. The European Bank for Reconstruction and Development (EBRD) supports energy efficiency and carbon reduction projects through facilities such as the Green Economy Financing Facilities (GEFFs) and the SME Competitiveness Support Programme. These programmes offer loans, grants, and technical assistance to help SMEs comply with EU directives on environmental protection and improve their competitiveness. Additionally, donor initiatives like the Swiss Agency for Development and Cooperation's (SDC) PPSE project and the Swedish International Development Cooperation Agency's FEGO project provide vital support for green business practices and rural tourism development. The involvement of international organisations like UNDP and GIZ in promoting sustainable and circular economy practices further enhances the support framework.

Readiness assessment

The readiness assessment of accommodation establishments in Kosovo reveals a varied landscape in terms of sustainability practices and adoption levels. A comprehensive overview of selected establishments shows that while some hotels and guesthouses have started integrating sustainability measures such as energy efficiency, waste management, and water conservation, there are significant disparities in implementation. Urban areas like Prishtina exhibit a higher degree of readiness with more establishments adopting green practices compared to rural areas, at least when interventions request higher investments.

There are notable examples of good practices within the sector. Several accommodation establishments have successfully implemented sustainable initiatives, such as sourcing local products, reducing plastic use, and engaging in community-based tourism projects. These examples highlight the potential for wider adoption of green practices if supported by adequate training and financial incentives. However, several barriers continue to impede the broader adoption of sustainable practices. High initial costs and limited access to green financing options present significant financial hurdles for many establishments. Furthermore, there is a substantial need for better education and training on sustainability practices among hotel operators and staff, and the benefits of certifications. Many business owners remain unaware of the available sustainability certifications and their advantages. In addition to financial and knowledge barriers, inadequate waste management and wastewater treatment infrastructure, particularly in rural areas, pose significant challenges. The absence of strong regulatory frameworks and enforcement mechanisms further hinders the uniform adoption of sustainable practices across the sector. The motivation to adopt sustainable practices often relies heavily on external funding or subsidies, raising concerns about the longevity of these initiatives without continuous financial support. The overall assessment underscores the need for targeted interventions to address the gaps in knowledge and financial barriers.

9.2 RECOMMENDATIONS

To foster a more sustainable and environmentally responsible tourism industry in Kosovo, the following recommendations are proposed:

Strengthen policy, strategic planning and regulatory framework:

- Align national tourism policies more closely with EU and international standards to ensure a cohesive and effective approach to sustainable tourism development, including the green and digital transition
- Establish a dedicated unit within the government to oversee the implementation of sustainable tourism policies and ensure consistent and effective enforcement.
- Develop clear action plans with measurable targets and timelines to monitor progress and adjust strategies as needed.
- Establish robust environmental regulations and enforcement mechanisms to ensure uniform adoption of sustainable practices. Encouraging formal registration, categorisation of all accommodation establishments and providing incentives for compliance can help improve data accuracy and provide a clearer picture of tourism trends in the country.

Enhance financial support and incentives:

- Develop and promote accessible green financing options for SMEs in the tourism sector, such as green loans and grants specifically designed to support sustainable practices.
- Offer financial incentives to implement energy efficiency measures in small accommodation facilities. A larger-scale project providing subsidies to these establishments can significantly enhance their adoption of sustainable practices, leading to substantial reductions in energy consumption and environmental impact.
- Increase government budget for tourism development.

Support infrastructure development:

- Invest in infrastructure that supports sustainable tourism, such as wastewater treatment facilities, waste management infrastructure and services, and renewable energy sources, particularly in rural and mountainous areas.
- Ensure that accommodations are connected to adequate wastewater management systems. This will ensure that wastewater is treated effectively, reducing environmental pollution and promoting sustainable water usage, in particular in rural areas.
- Create a nationwide recycling system to facilitate better waste segregation and recycling practices within accommodations.
- Ensure that new infrastructure projects include sustainability criteria since their design phase and are aligned with environmental conservation goals.

Increase awareness and training:

- Launch targeted awareness campaigns to educate business owners and managers about the benefits of sustainability and circular economy principles. This can include workshops, seminars, and partnerships with NGOs and international organisations.
- Encourage and support the adoption of internationally recognised sustainability certifications and eco-labels, providing financial and consultancy support to achieve these standards.
- Better align curricula in tourism and hospitality related courses and degrees to enhance sustainability issues and practices.
- Launch an information campaign to educate both locals and tourists about proper waste disposal practices in order to maintain cleanliness and enhance the visitor experience.

Leverage local resources and circular economy:

- Promote the integration of local resources into tourism services by linking local producers with hotels and accommodations. This can enhance sustainable rural development and reduce the environmental footprint of the tourism sector.
- Support the development of local value chains by encouraging sustainable agricultural practices and creating synergies between tourism and local farming communities.

Foster stakeholder collaboration:

- Enhance communication and collaboration among key stakeholders, including government bodies, private sector, NGOs, and local communities. Effective stakeholder engagement can facilitate the sharing of best practices and innovative solutions.
- Develop a comprehensive database of hotels and accommodations, including standards and capacities, to improve sector management and support tourism operators.

Promote digital transition:

- Encourage the adoption of digital tools and technologies that enhance sustainability, such as online platforms for resource management, digital marketing for eco-tourism, and smart solutions for energy and water use.
- Provide training and resources to tourism businesses to help them integrate digital technologies into their operations effectively.

By addressing these recommendations, Kosovo can build a more resilient and sustainable tourism sector that not only enhances its competitiveness but also contributes positively to environmental conservation and local community development.

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SUSTAINABLE TOURISM

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