



Specific Contract N° 2004-0101-019901

**Framework Contract EuropeAid: 119860/C/SV/multi
Lot 11**

**Macro economy, Public finances and Regulatory
aspects**

Revised Tourism Master Plan for Karlovac and Lika-Senj Counties, Croatia

Vol. I Main Technical Report

February 2008

**Technical Assistance for the preparation of a
Tourism Master Plan for Karlovac and Lika-Senj
Counties, Croatia coordinated by ADE in
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Map of the planning area

Croatia overview



Karlovac and Lika-Senj Counties



1 Introduction

1.1 Background of the project

Recognising tourism's potential as a significant driver of economic development both at national and regional levels and the general support pledged by the national Government to continental tourism, Karlovac and Lika-Senj Counties in 2006 embarked on the preparation of a master plan for tourism development in the two counties.

This was in consistency with the strategic development objectives of the Regional Operational Programmes (ROPs) for Karlovac and Lika-Senj Counties published in October 2005 with the support of the EC Delegation as a means to build capacity for the use of EU Structural and Pre-accession Funds at county level. In particular, the ROP for Lika-Senj County stipulates the preparation of a County Tourism Master Plan.

Subsequently, a Project Fiche for the preparation of a joint Tourism Master Plan for Karlovac and Lika-Senj Counties was prepared in February 2006 at a total cost of EUR 225,000, of which EUR 200,000 for technical assistance to be funded under the CARDS National Action Programme for Croatia 2004. The two counties had earlier in February 2006 committed themselves to provide co-funding of the remaining approximately EUR 25,000.

The Specific Contract No. 2004-0101-019901 was signed between ADE s.a. of Belgium and the European Commission within Lot 11 of the Framework Contract, EuropeAid: 119860/C/SV/multi. Grontmij | Carl Bro of Denmark in association with the Institute for Tourism, Zagreb was sub-contracted by ADE to conduct the Tourism Master Plan and the project commenced with the Kick-off Meeting held at the Ministry of Sea, Tourism, Transport and Development on the 23rd of January 2007.

1.2 General objectives of the terms of reference

The general objective of the Tourism Master Plan is to facilitate development in the continental parts of the region through a systematic approach to tourism development, without ignoring the potential of the coastal areas.

More specifically, the Terms of Reference (TOR) state the **overall objective** as:

“To contribute to the social and economic welfare of the Karlovac and Lika-Senj counties, through targeted development of the tourism sector”

And stipulate the **project purpose** as:

“Improved planning and implementation of tourism development in the Karlovac and Lika-Senj Counties, through the adoption of a clear and feasible common strategy”

Seven ***expected results*** are stipulated, i.e.:

1. Present situation in the tourism sector in both Counties comprehensively analysed and described
2. Strategic vision on tourism development in the next ten years prepared, with action plans for the short and medium term
3. Practical working methods for regular actualisation of the strategy established, including regular updates on the actual state of affairs in the sector
4. Establishment of joint implementing structure (formal or informal) prepared, with participation of most relevant parties, for planning and execution of tourism development activities
5. At least 6 staff of the future implementing organisation trained and well-prepared for the activities
6. Proposals submitted for (additional) local budgets to be allocated to the implementation of the first five years of activities
7. At least 25 potential projects identified, of which at least 10 prepared for execution

1.2.1 Change of objectives and priorities

The establishment of a joint organisational structure “for planning and execution of tourism development activities” in the two counties was an essential part of the original TOR (ref. results 4 and 5 above).

However, at a fairly advance stage of the project, this requirement was deviated from by the client and the beneficiaries with a decision not to establish a new joint organisational structure for the implementation of the Tourism Master Plan and general tourism destination management.

Thus, following informal notification in October 2007, the Consultants was in November 2007 formally advised that the contracting authorities (CFCU, the MSTTD and the EC Delegation) and the beneficiaries had agreed not to establish a joint tourism implementation structure due the classification of the two counties in different NUTS II regions, hindering application for EC funding of joint project initiatives, and perhaps due to difficulties for the two counties in joining forces for the establishment of such joint implementation structure.

Subsequently, the original Terms of Reference were modified by Administrative Order No. 2 of 21st December 2007 to reflect the decision not to establish a new joint organisational structure to implement the Tourism Master Plan as illustrated in Annex 2.

The decision means that the implementation of the Tourism Master Plan and general tourism development initiatives will rely on the existing organisational structures, notably the two County Tourism Boards and the County Councils themselves.

1.3 Methodology and approach

1.3.1 Project organisation and institutional set-up

The overall project organisation includes:

- The **Contracting Agency**: the Central Finance and Contracting Unit (CFCU) of the Ministry of Finance.
- The **Project Implementing Unit** (PIU) at the national level: the Ministry of Sea, Tourism, Transport and Development (MSTTD).
- The **Beneficiaries** are the Karlovac and Lika-Senj County Authorities represented by the Karlovac County PMU and Lika-Senj County PMU respectively.
- **The County Tourism Boards**, of which the Directors act as **contact persons** in the two counties.
- A project **Steering Committee** was established with representations of the public and private tourism sectors in the two counties to guide and monitor the implementation of the Tourism Master Plan project.
- A joint public private tourism sector **Working Group** for the Karlovac and Lika-Senj Counties was established to assist the Consultants in project implementation.
- The Tourism Master Plan project is implemented under a Framework Contract (EuropeAid: 119860/C/SV/multi) between **ADE s.a. of Belgium** and the European Commission. **Grontmij | Carl Bro, Denmark** in association with the **Tourism Institute, Zagreb** is sub-contracted by ADE to conduct the Tourism Master Plan project for Karlovac and Lika-Senj Counties.

1.3.2 Consulting staff

The Team of Consultants consists of two international consultants provided by Grontmij | Carl Bro and two Croatian consultants from the Institute for Tourism, Zagreb, i.e.:

- Jan B. Bjarnason, Team Leader and Tourism Development Planner (Senior Expert 1)
- Mr. Lionel Becherel, Tourism Development Planner (Senior Expert 2)
- Mr. Ivo Kunst, National Tourism Sector Specialist (Expert 3) and
- Ms. Renate Tomljenovic, National Tourism Research Specialist (Expert 4).

Further descriptions of the qualifications and experience of each of the experts were provided in the Inception Report while full CVs of each team member were provided as part of the technical proposal and methodology for the project.

1.3.3 Implementation approach

To ensure a successful implementation of the Tourism Master Plan project for Karlovac and Lika-Senj Counties, the following arrangements were instituted:

- **General close cooperation with all key stakeholders**, including CFCU as the Contracting Authority, the MSTTD as the Project Implementation Unit, the beneficiary county authorities and especially their representative County Tourism Boards, private tourism sector representatives, County Chambers of Economy, and other relevant stakeholders.
- **Regular meetings in the project Steering Committee** held about once every second month throughout the 12-month project period. Five meetings have been held to date, i.e. 15th March, 2nd May, 3rd July, 13th September, and 21st November 2007, and the 6th and final meeting is scheduled for 23rd January 2008. The Steering Committee is guiding and monitoring the implementation of the Tourism Master Plan project in accordance with the Terms of Reference set out at its 1st meeting held 15th March 2007. The Committee approves draft reports prior to the submission of final reports to the CFCU and MSTTD.
- **Regular monthly meetings** of the joint public and private tourism sector **Working Group** for the Karlovac and Lika-Senj Counties. Seven meetings were held: on 2nd April, 10th May, 4th June, 2nd July, 5th September, 1st October, and 9th November 2007. The 8th and final WG meeting is scheduled for 21st January 2008.
- The Karlovac County and Lika-Senj **County PMUs attend the Steering Committee meetings** and often also the Working Group meetings. In addition, individual meetings were held with the PMUs.
- **Concise reporting** in accordance with the Terms of Reference (TOR) including the preparation of the Inception Report in February 2007, this Interim Report prepared during the seventh month following the project commencement, and a Final Report within two weeks of the completion of the project.

Table 1.1 overleaf presents the Overall Implementation Schedule for the Tourism Master Plan study. The table also illustrates the timing of Steering Committee and Working Group meetings and stakeholders' workshops as well as timings of submission of technical and administrative reports.

Table 1.1: Overall implementation schedule for the Tourism Master Plan

Task No.	Task / Activity
1.	Brief analysis of existing situation
1.1	- Review and assessment of existing tourism development
1.2	- Identification of strengths and weaknesses
1.4	Layout of the Master Plan
2.	Design of a strategy for tourism development
2.1	- Identification of niche markets
2.2	- Strategic visions
2.3	- Action plans
3.	Guidelines for update of tourism development
4.	Establish a joint implementation mechanism
4.1	Workshops and seminars

The Tourism Master Plan for Karlovac and Lika-Senj Counties consists of two volumes:

- Vol. I Main Technical Report and
- Vol. II Priority Development Projects

While the Terms of Reference for the Master Plan study arguably focus, perhaps too heavily, on the identification of priority development projects and preparation of applications for potential donor funding, the Consultants have focussed on the need to take a comprehensive and systematic approach to tourism planning and development in the project area, even using the priority projects as a means to achieve this systematic approach. Thus, the series of identified development projects will, when implemented, contribute jointly to providing a solid foundation for the strategic development of tourism in the project area.

In this context, **Chapters 2 and 3** of this Main Technical Report presents the **Situation Analysis of Karlovac and Lika-Senj Counties**, forming background information and serving as a tool for the Consultants and the stakeholders in the subsequent preparation of further aspects of the Tourism Master Plan. The analysis describes the situation of tourism in the two counties as it is currently perceived by the Consultants on the basis of their initial individual and joint stakeholder consultations, desk research of existing tourism related plans and other relevant documents, site inspections of tourism resources and facilities in the planning area and the conduct of a series of stakeholders' workshops where participants were queried for their opinions

and thoughts about existing tourism resources and advantages and disadvantages in respect of further tourism development in the project area.

On the basis of the situation analysis of the two counties, **Chapter 4 presents a SWOT Analysis** (Strengths, Weaknesses, Opportunities and Threats) **and strategic issues**. The SWOT analysis is conducted for several aspects relevant for the overall planning and development of tourism in Karlovac and Lika-Senj Counties including: the tourism resource and attraction base; access and infrastructure; tourism facilities and services; economic and business environment; human resources; marketing and promotion; and institutional structures. This chapter also identifies the strategic advantages of the counties that provide the basis for the sustainable development of the tourism sector in the region, as well as the strategic disadvantages that need to be carefully considered when developing the Master Plan.

Chapter 5 outlines the vision, mission and strategic objectives that are considered to drive tourism development in Karlovac / Lika-Senj tourism area and which were developed on the basis of several rounds of stakeholder consultations to ensure ownership. This process resulted in a joint consensus on both the future vision for tourism development in the Project area, and on the mission for the stakeholders and the community at large.

Chapter 6 summarises the **Niche Products and Niche Markets** Report that formed a separate technical background study for the Tourism Master Plan process. The chapter analysis the resources for tourism with respect to natural, cultural and other types of existing and potential tourist attractions. Building on the Consultants' findings of the Situation and SWOT Analyses, the chapter first considers the existing products that are offered in the counties and the potential products that could be offered, recommending improvements and expansion where necessary as well as new developments. It then describes the markets that are currently visiting the counties and provides profiles of typical visitors that would be interested in the existing and potential tourism products in the region. Finally, marketing tools and techniques are recommended to reach and attract these markets.

On the basis of the original Terms of Reference (TOR), **Chapter 7** describes the principal options for a joint **tourism institutional structure** in Karlovac / Lika-Senj tourism planning area, varying from a fully-integrated tourism organisation to an informal structure based solely on existing institutions and organisations. On the basis of the preferences of the Steering Committee prior to the changed priorities for such an organisation in respect of the implementation structure, the roles and functions of the preferred new tourism institutional structure are identified. Following the decision not to establish a joint tourism implementation structure, the chapter discusses the distribution of responsibilities for implementing the Tourism Master Plan (TMP) including the establishment of an Advisory Group for TMP Implementation. Finally, on the basis of the adjusted TOR, three training initiatives are subsequently proposed and described, i.e.: a) A training seminar in Tourism Planning and Development at the Croatian Institute for Tourism; b) A training programme in Project Cycle Management at the Varazdin County Development Agency (AZRA); and c) Training attachment for the County Tourism Board Directors at a regional tourism organisation in Denmark.

Chapter 8 describes the process of **identifying and selecting 10 development projects** from an initial long-list of more than 80 tourism related project ideas after first identifying in close

consultations with the Working Group, a series of 25 potential projects for which brief project descriptions were prepared. The chapter subsequently describes how the final 10 priority development projects were identified and selected for inclusion in the Master Plan, and for which standard funding applications have been prepared and presented in the separate Volume II of the Master Plan.

Finally, **Chapter 9** provides the *short and medium-term action plans* for implementation of the Tourism Master Plan for Karlovac and Lika-Senj Counties. The chapter also provides costs and guidelines for plan implementation as well as identifies the potential funding opportunities as well as procedures for updating of the plan.

2 Situation analysis – Karlovac County

The analysis of the current situation of tourism in Karlovac and Lika-Senj Counties has formed part of the tourism master plan process and has served as a background platform and tool for the Consultants and the stakeholders in their joint preparation of the Tourism Master Plan.

In accordance with the Terms of Reference (TOR), the situation analysis should be brief. On the other hand, there was a need for the consultants to obtain a thorough knowledge and understanding of the existing situation of tourism in the planning area before making recommendations about future developments. Consequently, a detailed situation analysis was prepared in an internal background document, while a summary was published in a separate report.

The analysis describes the current situation of tourism in the two counties as observed by the Consultants on the basis of individual and joint stakeholder consultations, desk research of existing tourism related plans and other relevant documents, site inspections of tourism resources and facilities within the planning area and the conduct of a series of stakeholder workshops during which participants were queried for their opinions and thoughts about existing tourism resources and advantages and disadvantages in respect of further tourism development in the project area.

The situation analysis was conducted separately for Karlovac and Lika-Senj Counties and is presented in summary form in Chapters 2 and 3 respectively.

2.1 General Information

2.1.1 Geography and climate

Karlovac County is situated in the very centre of Croatia covering an area of 3,626 km², and bordering Zagreb, Sisak-Moslavina, Lika/senj and Primorje-Gorje Counties as well as the Slovenia and Bosnia and Herzegovina.

The County includes five towns (Karlovac, Ogulin, Duga Resa, Ozalj and Slunj) and seventeen municipalities (Barilovic, Bosiljevo, Cetingrad, Draganic, Generalski Stol, Josipdol, Kamanje, Krnjak, Lasinja, Netretić, Plaški, Rakovica, Ribnik, Saborsko, Tounj, Vojnić and Žakanje).

Due to its location, the County is a vital national transportation and communication corridor, connecting the continental and the coastal parts of Croatia, and offering traffic links to Slovenia and Bosnia and Herzegovina.

The County is known for its four rivers of Kupa, Korana, Dobra, and Mrežnica. The lowest part of the County is situated around the lower flow of Kupa (107 m above sea level), and the highest point is Kula in the Bjelolasica mountain massif (1,534 m). Most of the County is situated between 200 – 500 m above sea level with the exception of Ogulin.

The landscape of Karlovac County is characterised by the gradual transition from flat and hilly parts to real mountain territory. While most of the County lies in the peripannonian part of Croatia, a large part of its territory is characterized by karst formations, with the exception of the flat around river Kupa in the most northeast parts of the County.

The climatic conditions are characterized by modest continental and mountain climate with average temperatures ranges from 15 oC in the mountains to 20-22 oC in the lowlands in June, between -1 to -5 oC in January. The average precipitation level varies from 1,100 mm in Karlovac to over 2,500 mm in the highest mountains.

2.1.2 Population and urban settlements

According to the latest 2001 census, the population of Karlovac County amounted to some 141,800 inhabitants, corresponding to 3.2% of the total population of Croatia. With an average population density less than 40 inhabitants per km², the County is one of the least populated area in Croatia. The majority lives in towns (71%), most of them in Karlovac (42%). The areas to the south and alongside the state borders are the least populated areas with only 1–2 inhabitants per km².

During 1991 – 2001, the population fell by as much as 23%. The depopulation is characteristic for all towns and municipalities in the County. Rakovica, Plaški and Cetingrad Municipalities experienced the most severe depopulation in the level of 60%. While the recent war was part of the reason for this situation, most municipalities also experienced negative population trends during the 1971 – 1991 period.

2.1.3 Economy and development strategy

The gross domestic product (GDP) of the County was estimated at HRK 4.9 billion in 2004, constituting 2.3% of the national GDP. Apart from public sector services, representing some 24% of the gross value added, the County largely depends on manufacturing, mining and communal services (accounting for 28.7% of gross value added), agriculture, forestry, hunting, fishing (10.5% of gross value added), wholesale and retail trade (10.4%), and transport and communication (8.4%). Lately, the financial sector and real estate related services have shown a gradual increase in importance. Despite its geographic location in terms of traffic flows, hotels and restaurants' share of the County's gross value added is limited with 3-5%.

In terms of future development strategy of the County, the latest assessment of economic potential was formulated in the County's Regional Operational Programme (ROP). According to this, the economic potential of the County should, until 2012 be focused on:

- *Recovery of the processing industry*
- *Agricultural development*
- *Development of tourism*

Based on this assessment of the development potentials of Karlovac County, the ROP suggests the vision as:

KARLOVAC COUNTY VISION FOR THE YEAR 2012

By the year 2012, Karlovac County shall be a region of harmonious economic growth and a desirable destination for visitors and tourists, which shall be matched by quality programs in the educational institutions - a community based on the principles of sustainable social and ecological development.

Source: ROP of Karlovac County, 2005

2.1.4 Access

Due to its geographical location in the “soft stomach of Croatia”, all major transportation routes traverse Karlovac County.

Karlovac County is a main junction for road traffic from Zagreb to the Adriatic. In Bosiljevo, two major motorways branch to Rijeka, and to Zadar and Split. These routes account for an average of some 27,000 vehicles per day. Apart from that, the basic road network includes three North – South routes and three East –West routes.

The only national railway line that connects central Croatia with the Adriatic goes through the middle of Karlovac County. In Karlovac, the railway branches to Ozalj and the Slovenian border, and to Sisak.

There are no airports in Karlovac County. However, three international airports are located within an 1.5 – 2 hours drive from the borders of the County, i.e. Zagreb, Rijeka (Island of Krk) and Zadar Airports.

2.1.5 Public utilities

Water supply

The water supply system of Karlovac County is presently inadequate although 90% of the population have direct access to potable water. Thus, a relatively large number of small, uncontrolled and outdated water systems are still in use and there are considerable regional differences in water supply standards. Rakovica municipality needs to be highlighted as it sources water from the Kozjak Lake within Plitvice Lakes National Park (NP). Large losses in the overall water supply network is also reported due to age and lack of proper maintenance. However, in mid 2007 a EU Financed study for the Technical Documentation and Set-up of a Management Structure for the Regional Water Supply System was commenced (implemented by Grontmij | Carl Bro as the lead company). The main aim of this project is to orient the regional water supply system to the new water source of Licka Jasenica and ensure the exclusion of Lake Kozjak from the water supply system.

Drainage/sewage

Karlovac County has practically no coherent drainage/sewage system in place except for the towns of Karlovac, Duga Resa, Ogulin, Slunj and Ozalj. As a consequence, the existing drainage/sewage systems treat waste water only locally and untreated water is in most places released into the surrounding riverbeds. The biggest concern is the current waste water treatment of Karlovac and Duga Resa, and also in Ogulin, Ozalj, Slunj, Rakovica and Plitvice Lakes NP. In spite of the investments envisaged in Spatial Plan, there don't seem to be adequate funding available.

Waste management

While the collection and removal of waste is generally satisfactory, the disposal of solid wastes is still inappropriate and environmental protection measures are inadequate. Three official landfills are used: Karlovac (about 120.000 m³/annually), Ogulin (10.000 m³/annually), and Slunj (3.000 m³/annually) though they are not managed in an environmentally acceptable way, and need improvements. In this regard the Karlovac landfill (Ilovac) is currently being improved.

Electricity

Throughout the County, electricity is generated by the Croatian Power Utility – State Owned Enterprise Elektra Karlovac. Five power plants in Karlovac, Ozalj, Duga Resa, Ogulin and Jastrebarsko cover the entire County, excluding Rakovica municipality (supplied from Elektrolika Gospić). The highland nature of the County increases the construction and maintenance costs of electricity. Some villages in the County are still not electrified. However, construction of a new hydro-electric power plant on the river Dobra is ongoing and other smaller plants are planned.

Gas

While a national gas distribution network in Karlovac County has been under consideration since the mid eighties, construction of supply system only began in 2004. The gas distribution network will comprise three distribution areas: Karlovac, Ogulin and Slunj-Plitvice.

Communications network

Telecommunications services are provided by Croatian Telecommunications (HT), except for part of the mobile services provided by VIPNet and TELE 2. About 85% of the County is covered by mobile telephone network, and 5% is covered by fixed channels working through the mobile telecommunications infrastructure (FGSM – Fixed Global System Mobile). There are 38.4 fixed connections per hundred residents. Mobile network covers all urban areas and larger settlements, as well as all main roads. The coverage in rural areas is about 90%.

2.2 Tourism resources, facilities and services

2.2.1 Natural resources

Much of the County's natural recourse base is linked to the four main rivers of Korana, Kupa, Mrežnica and Dobra suitable for kayaking/canoeing, rafting, fishing and other forms of recreation.

The mountainous area in the south-western part of the County with Bjelolasica (Velika Kapela mountain range) and Klek - the cradle of hiking in Croatia – comprise another attractive area, though the most attractive part, the Bijele i Samarske Stijene Nature Reserve geographically belongs to Primorje-Gorje County. However, this unique karst formations with untouched wilderness and diverse flora and fauna is most easily accessible from the Karlovac side.

2.2.2 Cultural resources

From a tourism development perspective, a series of several well-preserved medieval castles constitute the most important tourism resource of the County. These include Dubovac Castle in Karlovac, Ozalj, Ribnik, Ogulin, Bosiljevo, Novigrad, and Cetingrad Castles. Of these, Ozalj and Ribnik Castles are particularly attractive. Three of the castles, including Ogulin and Ribnik contain museum sections open to the public.

The historic inner city of Karlovac (Karlovačka zvijezda), a unique example of a renaissance city ground-plan with several well-preserved buildings dating from 17th century, has also major visitation potential. However, most buildings are in need of restoration.

Other cultural sights include Rastoke near Slunj, a unique water mill village on Slunjsica river, several churches, monasteries and other sacral monuments, the old hydropower plant (Munjara in Ozalj), a small ethno village nearby Ozalj, pitoresque villages Rečica (on Kupa), Vrhovac (nearby Ozalj), Dojutrovaica (at the base of Žumberak hills), and several well preserved old wooden and/or stone bridges (Novigrad on Dobra, Tounj, Oštarije, Ogulin, Lešće).

Table 2.1: Resources and attraction base of Karlovac County

CULTURAL RESOURCES	LOCATION / SITE	POTENTIAL IMPORTANCE	PRESENT ACTIVITIES	COMMERCIAL LEVEL	POSSIBLE ACTIVITIES
ARCHEOLOGICAL LOCATIONS	Trina?ica kod Josipdolmajve?e nalazište japedske kulture	III (regional)	Unknown	market willing	Interpretation center Education in nature
CASTLES, FORTRESSES AND REMAINS OF OLD CITIES	Stari grad Ozalj, stari grad Dubovac, stari grad Besiljevo, stari grad Ogulin Frankopanski kaštel, stari grad Rihnikstari grad Neviograd na Debi, Pitunjska gradinaMedrušTounj Gotingrad	II (national)		market ready	Organized tours MICE Events
MUSEUMS	Gradski muzej Karlovačbirka nacružanja domovinskog rata Tounj etno galerija Žunac u Be?ici	III (regional)	Passive sightseeing	market willing	Activities development & organization of events
IMPORTANT SACRAL BUILDINGS	Franjeva?ki samostan crkva Presvetog Trojstva Ppinski spomestai Kamenske i crkva Blažene Djevice Marije DnjŽunac kapela sv. Jakova kapela sv. Petra kapela sv. BernardinaŽupna crkva Uzvišenja Križaaamostan franjevača tre?oredacp Župna crkva sv. Blažene Djevice Marije Ubišiteljice u TrpmonjeOgulin Župna crkva Blažene Djevice Marije od?udostarije Ppinski samostan Svetice Ozalj crkva Sv. Điksta u Pribi? crkva Sv. Trojstva u Karasi? Župna crkva u Nevigradu na Debi	III (regional)	Unknown	market able	Educational tours Religious tours Events organization
VALUABLE STRUCTURES AND URBAN CORES	"Karlovačka zvijezda" paviljon Katzelebraničev perivoj Gradske kazalište Lerin dpm svo Karlovac Dvekatni most na Tounju najduži drveni most u Be?iciMračni?kog-BrigodMarmentev most u OštarijamaNevigradski most na DebiKurija Pukasovi Netreti?	III (regional)	Unknown	market able	Organized tours Special interests
BIGGER URBAN SETTLEMENTS	Karlovac, Ogulin, Duga resa, Slunj, Rakovica	III (regional)	Passive sightseeing	market willing	Activities development & organization of events
VALUABLE (SHORT VISIT) LOCATIONS	Be?ice (nepokretni spomenik kulture pri regionalnom zavedu za zaštitu spomenika kulture u Zagrebuetno selo Ozalj selo Be?ica	II (national)	Sightseeing, meetings,	market ready	Events Education in nature
OTHER	Pastoralni centar u Nevigradu na Debi Pinske ceste, pevijsne ceste	III (regional)	Unknown	market willing	Religious tourism Gastro-educational tours

NATURAL RESOURCES

NATURAL RESERVES

Source: The Consultants, 2007

2.2.3 Existing tourism facilities and services

There are currently 29 accommodation facilities in Karlovac County with a combined capacity of about 1,700 rooms (accommodation units) with about 5,400 bed spaces (Table 2.2).

Table 2.2: Accommodation capacity in Karlovac County by type and municipality, 2006

Source: DZS, 2006

An analysis of the accommodation capacity indicates

The majority of the more than 1,050 rooms (units) and 3,700 beds located in Rakovica are in camping sites (almost 2,600 beds) and private households (about 760 beds).

The Croatian Olympic Centre Bjelolasica near Ogulin provides the majority of hotel rooms (113) and beds (416).

Karlovac only offers some 160 rooms with 325 beds, of which 85 rooms and 170 beds are in hotels and similar facilities.

Other accommodation capacity is concentrated in Slunj (106 rooms and 260 beds), mostly in private households and Duga Resa (130 rooms and some 300 beds) of which more than 50% of hotels and similar establishments.

- Hotels and similar establishments only account for 18.7% of the total number of rooms while campsites account for almost 42%. Private apartments and rooms for rent constitute 37.1% of the total.

Apart from accommodation providers, there were 50 registered business entities within the F&B sector (restaurants, bars and others) in Karlovac in 2005. At the same time, there were almost 450 individually owned private F&B outlets (primarily bars and cafes), bringing the total number of F&B operators in Karlovac County to 500.

There are very few and very limited information available about other tourism related business operations such as tour operators, travel agents, tourist attractions operators etc.

The limited number of these business operators at county and municipality levels in Karlovac as well as in Lika-Senj seriously affects the development of attractive tourism products and the establishment of a proper value chain within the sector.

2.2.4 Organization of the tourist sector – private and public

The public tourism sector in Karlovac County is organised in a regional Karlovac County Tourism Board and 12 town and municipal tourism boards - Karlovac, Duga Resa, Ozalj, Ogulin, Slunj, Krnjak, Rakovica, Josipdol, Netretić, Žakanje, Draganić, and Lasinja.

The Croatian Chamber of Commerce, headquartered in Zagreb, acts as an independent professional and business organisation of all legal business entities. Modelled after Austrian and German chambers of commerce, it has compulsory membership and consists of 20 county chambers, including the Chamber of Karlovac.

The Croatian Chamber of Small Trade and Crafts represents all those registered as trades people and craftsmen (physical entities) – currently about 105,000. Their headquarters are in Zagreb and there is a network of 20 county chambers, one of which in Karlovac County.

There are three private tourism sector associations in Croatia, the Association of Croatian Travel Agencies (UHPA), the Association of Family and Small Hotels of Croatia, and the Croatian Camping Union. Neither of these associations is represented at the regional level in Karlovac County.

2.3 Market and tourism statistics analysis

2.3.1 Measuring tourism in Croatia and the planning area

Data on tourism in Croatia, at national, regional and local levels is collected by the Central Bureau of Statistics (CBS) from registered accommodation facilities. The data concerns the number of guest arrivals and number of nights spent at the respective accommodation establishments. Guest arrivals are recorded by nationality rather than country of residence and travel arrangements (individual/organised).

There are obvious limitations with this data, including non-recording of tourists staying at non-registered accommodation facilities, staying in own holiday homes, or staying with friends and relatives (VFR). It is also likely that the number of guest arrivals and overnights reported by the official statistics is underestimated due to under-reporting.

In addition, qualitative information about tourists to Croatia is collected regularly by the Institute for Tourism in a series of so-called TOMAS surveys.

2.3.2 Guest arrivals and overnights

Tourism in Karlovac County is still at its infancy despite a continuous average annual increase in total guest arrivals (7,5%) and number of nights spent (7,8%) during the 2002 – 2006 period. In 2006, there were about 173,000 guest arrivals registered at accommodation establishments in Karlovac County, spending a total of just under 290,000 nights at these facilities (Table 2.3). Karlovac County only accounts for 17% of all guest arrivals and 0.5% of the overnights recorded in Croatia in 2006.

Table 2.3: Tourist arrivals and overnights in Karlovac County by type and towns / municipalities, 2006

Source: DZS, 2006

On average, tourists staying at registered accommodation facilities in the County stayed 1.7 nights, ranging from 5.0 nights in Rimnik, 4.0 nights in Ogulin, to 1.5 nights in Karlovac and Rakovica). In comparison, the average length of stay in tourist accommodation in Croatia as a whole was 5.1 nights.

Most guest arrivals (67.3%) and number of nights spent (62.0%) in the County are traditionally recorded in the Rakovica municipality almost exclusively due to its location close to Plitvice Lakes NP. Ogulin recorded about 45,150 overnights while Karlovac, somewhat surprisingly, only recorded about 30,800 overnights.

In terms of accommodation preference, most tourist overnights are spent at campsites (about 145,000 or just over 50%). More than 55% of these overnights are recorded at Rakovica campsites. Hotels and similar establishments recorded some 100,000 overnights (34.5% of the total), while private accommodation came in third with almost 40,000 overnights (13.7% of the total). On the other hand, Ogulin and Karlovac recorded the highest share of overnights registered in hotels and similar establishments.

2.3.3 Evaluation of the tourism experience

The activities of visitors to Karlovac County and their opinions about the services and facilities offered there have, so far, not been surveyed systematically. This is particularly so for international visitors.

For domestic visitors, the Tourism Activity Survey of Croatian Residents, undertaken by the Institute for Tourism in 2004, provide basic general information using the survey results about the profile of Croatian residents travelling to the region of Karlovac, Lika-Senj and Sisak-Moslavina Counties as an approximation of domestic visitors to Karlovac County. According to this survey:

- Regional residents account for more than a third (37.6%) of the trips to the survey region, followed by visitors from Zagreb area (22.6%) and Istria.
- Most of the trips are organised independently (93%), made with family members (36%).
- The main motive for travelling to the County is relaxation (76%), followed by visiting friends and relatives (11%). This is reflected in the type of accommodation used, with 42% staying in their own holiday homes and 38% in the homes of friends and relatives. Only 13% used commercial accommodation facilities, of which hotels (7%) and private accommodation (6%).
- 45% of all day-trips to the survey region were regional residents, followed by 31% from Zagreb, and Istria, Kvarner and Gorski Kotar (13%).
- 36% of the day-trips were undertaken for relaxation, 47% were VFR travel, 15% health related, 10% sport and recreation, 9% gastronomy, and 6% cultural heritage.

TOMAS Transit surveys the attitudes of tourists in transit through Croatia. However, the data is limited to those tourists travelling to the coastal destinations during the four summer months and the locations where the stops were made were not recorded. Useful information of the TOMAS Transit includes:

- In 2005, almost five million visitors arrived at the coastal destinations by own vehicles. Due to its location, most of this traffic passed through Karlovac County.
- The majority of tourists in transit is between 26 and 45 years of age (67%), well educated (60% with completed post or secondary school education), and use private vehicles (79). They are travelling with a partner or family members (32%) and are familiar with Croatia, since only 11% visited the country for the first time.
- The transiting tourists form a potentially significant captive market as about 25% stated that they normally stop spontaneously to visit interesting places and sites when travelling for leisure reasons, and about one third prefer visiting new and unknown places while travelling.
- Less than 13% of all surveyed visitors planned to visit an attraction along the way. The main reason for not planning any attraction visit was the desire to get to the final destination soonest possible (70%).

2.3.4 The value of tourism in Karlovac County

At present there are no official data on the total tourism related receipts in the County. However, for the purpose of this document, an estimate has been made on the assumption that total tourism related receipts in the County consist of receipts from stationary guests, tourists in transit, tourists staying in non-commercial accommodation facilities and same-day visitors making use of the findings of the TOMAS surveys in respect of average tourist expenditure.

On this basis, total tourism receipts in Karlovac County are estimated at some **EUR 47.7 million** as summarised in Table 2.4.

Table 2.4: Total tourism related receipts in Karlovac County

Receipts from

Source: Institute for Tourism, Zagreb, 2007.

2.3.5 Market segmentation

Tourism in Croatia, Karlovac County being no exception, is highly seasonal and concentrated in the four summer months of June – September accounting for almost 75% of the total of 289,150 bed nights spent in the County in 2006.

Of the total of about 173,000 guest arrivals at registered accommodation facilities in Karlovac County in 2006, almost 29,000 (16.7%) were Croatian nationals, accounting for 68,700 bed nights, or 24% of the total of 289,150 overnight in the County.

Germany is the largest foreign market with about 28,200 guest arrivals accounting for some 16% of the total number of registered bed nights. Other important source markets include Italy (11% of total bed nights), France (10.6%), Holland (7.7%), Poland (4.2%) and Austria with 3.2% of the total bed nights spent in the County.

A breakdown of guest arrivals and bed nights by nationality is presented in Table 2.5.

Table 2.5: Guest arrivals and overnights in Karlovac County by nationality, 2006

Table 2.5: Guest arrivals and overnights in Karlovac County by nationality, 2006

Nationality	Guest arrivals	Overnights
Croatian	29,000	68,700
Germany	28,200	45,120
Italy	19,080	22,296
France	18,180	21,417
Holland	13,860	16,632
Poland	7,740	9,288
Austria	5,520	6,624
Other	10,800	13,000
Total	173,000	289,150

Source: DZS, 2006

3 Situation analysis – Lika-Senj County

3.1 General information

3.1.1 Geography and climate

With an area of 5,350.50 km², Lika-Senj County is the largest county in Croatia covering almost 10% of Croatia. The County borders with Primorska-Gorje County to the northwest, Karlovac County to the north, Zadar County to the south and southeast, and the Republic of Bosnia and Herzegovina to the east. There are four towns (Gospić, Novalja, Otočac and Senj) and eight municipalities (Brinje, Donji Lapac, Karlobag, Lovinac, Perušić, Plitvice Lakes, Udbina and Vrhovine).

The County is mostly mountainous (about 80%) with a small coastal area between Senj and Karlobag, and the north-western part of the island of Pag. Like Karlovac County, Lika-Senj constitutes a vital national transportation and communication corridor, connecting the continental and coastal parts of Croatia and links to Bosnia and Herzegovina.

Lika-Senj County holds three national parks: (Plitvice Lakes, North Velebit and part of Paklenica National Parks) and one nature reserve (Velebit). All together, 28% of the County's area (150,000 ha) is protected. Plitvice Lakes is the oldest national park in Croatia, placed on UNESCO's World Heritage List in 1979 while Velebit Nature Park is, since 1978, declared as a world reservation of biosphere (UNESCO).

The longitudinal position of Velebit Mountain massif divides the County into two different climatic, geomorphologic, and, to some extent, cultural regions: a Continental and a Mediterranean region. Another important landscape feature is the existence of the various karst formations, characteristic for the flat terrain in the continental part of the County, Velebit Mountain range, and the Mediterranean sub-region. Typical karst features include the famous Plitvice Lakes, karst valleys (Ličko, Gacko and Krbavsko), caves and natural fjords.

The longest river is Lika followed by Gacka, and Novčica Rivers. The largest lake is the man-made lake of Kruščica near Gospić with an area of some 4 km². However, the 16 lakes within the Plitvice Lakes National Park (with a combined surface area of 2 km²) is the largest attraction. The highest point of the County is Vaganski vrh in Velebit mountain massif (1,757 m above sea level).

The climatic conditions of Lika-Senj County vary from cold continental mountain climate, with cold, snowy winters and warm summers to sub-Mediterranean climate. The average snow layer in the continental region is 40 – 70 cm thick and lasts for some two months. On the other hand, in the mountainous parts the snow layer can be well above 150 cm, and lasts between 3 -5 months. The average temperature in June ranges from 12 to 18°C in and from -2°C to -5 °C in January. The island of Pag and most of the Adriatic coast are characterized by sub-Mediterranean climate with average temperatures varying from 6°C in January, to 24°C in July.

The average precipitation level varies from 1,000 mm on Pag, to over 2,500 mm in the mountains. The autumn and winter are somewhat wetter than the remaining year.

3.1.2 Population and urban settlements

According to the 2001 census, Lika-Senj had a population of about 53,700 constituting only 1.2% of Croatia's population. With an average population density of some 10 inhabitants per km², it is the most sparsely populated county in the country.

The County has not always been so sparsely populated. Thus, at the end of the 19th century, the County numbered 187,000 inhabitants. Since then, the population has constantly declined, mainly due to migration to other parts of Croatia and to foreign countries. The most dramatic population decrease of some 37% was recorded between 1991 and 2001 as a result of the recent war. Apart from coastal Novalja, all municipalities recorded dramatic population decreases during this period.

Some 60% of the population lives in towns, the largest being Gospić with about 13,000 inhabitants (26% of the County's population) followed by Otočac with about 10,400 and Senj with some 8,100. Lika-Senj County has the highest natural population decrease (deaths minus newborns) in Croatia (7.6 per thousand inhabitants).

3.1.3 Economy and development strategy

Even before the recent war, Lika-Senj County has consistently lagged behind the rest of Croatia in terms of economic development and social well-being. According to the Regional Operation Programme (ROP) for the County, the per capita GDP and unemployment level are below Croatian average. However, in year 2004 the GDP per capita has been 26.9% above Croatian average due to construction of the Zagreb – Split motorway. This has considerably distorted both, the GDP level and structure. Gross domestic product of the County in year 2004 (last available figure) amounted to 3.2 billion kn, some 1.5% of the Croatian GDP (Table 3.1)

Table 3.1: GDP by economic sector in Lika-Senj County, 2004(current prices)



Source: DZS, 2006

According to the ROP, the short and medium term economic development of Lika-Senj should be concentrated on: *tourism, agriculture and forestry and wood processing.*

Based on this assessment of development potentials, the following vision for Lika-Senj County has been adopted:

OUR VISION

In 2010/12 Licko-Senjska County will be a modern region. Per capita GDP will meet the Croatian average, and unemployment will be half of that experienced in 2004. The economy will be driven by resurgence of the tourism industry and by small and medium enterprises using local raw materials and producing high value added products. Our agriculture will be restructured and will successfully produce products for local and export consumption. The quality of life and natural beauty of our County will be second to none in Croatia. Our County will be a place where people can successfully live, and will be known for the implementation of sustainable development projects.

Source: ROP of Lika-Senj County, 2005

3.1.4 Access

Major road transportation routes traverse Lika-Senj County including the important Zagreb – Split motorway, which passes through Karlovac and offers links to Bosiljevo, Brinje, Otočac, Gospić, Zadar and Šibenik.

The main railway line through the County is the (Zagreb – Karlovac – Ogulin -) Gospić - Knin (- Split) connection, currently being upgraded. The existing railway modernisation strategy also suggests the need to maintain the so-called “Una-route” railway connection with Split (Knin - Lička Kaldrma – Bihać - Sunja) through Bosnia and Herzegovina.

While there are no international airports in Lika-Senj County, three international airports outside the County are easily accessible within 1.5-2 hours drive, i.e. Zagreb, Rijeka (island of Krk) and Zadar Airports.

In addition, three small (sports and/or military) airports are located in the County. These are Udbina military airport, Otočac (sports) airport and the former military airport at Željava

Sea transport has a long tradition in Lika-Senj County though the international significance of the Rijeka port has led to the slow death of the small cargo ports of the County. There are still a number of seaports in the County including in Senj, Karlobag, Novalja, Drljanda, Jablanac, Žigljen and Prizna, and many other smaller ports. Further, according to the Spatial Plan for Lika-Senj County, a nautical-tourist centre (NTC) is planned at Lukovo Šugarje–Cove Porat (Municipality of Karlobag).

3.1.5 Public infrastructure

Water supply

Regardless of the large reserves of high quality underground water in Lika-Senj County (estimated at some 1.4 billion m³), the existing water supply system is inadequate due to age, lack of proper maintenance and as a result of the recent war. According to the Spatial Plan for Lika-

Senj, water losses are huge, estimated at some 60%. Today, some 84% of the population are connected to the public water supply systems. The main regional water supply system services the County coastal strip, Gospić, and the islands of Pag and Rab while the rest of the County is serviced by a total of 10 local public water supply systems.

Drainage/sewage

The drainage and sewage treatment throughout Lika-Senj County is still unsatisfactory and some systems were severely damaged during the recent war. Most smaller communities in the rural areas never had adequate sewage systems in place and have relied on septic tanks. Nevertheless, water treatment plants have been built in Gospić, Otočac, Senj and Kalobag.

A major concern in this regard represents the sewage/drainage and waste water treatment of Plitvice Lakes NP, though the problem is equally serious in most urban settlements throughout the County, mostly due to permeability of the karst relief and possible pollution of the riverbeds and underground reserves of drinkable water.

Waste management

The Waste Management System throughout Lika-Senj is generally unsatisfactory, especially in respect of the disposal of solid wastes. Of 13 official waste dumps, only the dump in Podum near Otočac is regulated. Common problems of other waste dumps include: no building and usage permits; no methane gas-regulation system; no waste-water or leach ate drainage; no fire prevention; no security service; lack of maintenance equipment., etc. In order to improve such situation, a new Waste Management Plan for the County is under way.

Electricity and gas supply

Electricity supply in Lika-Senj County is a part of the national system which includes production, transmission, distribution and consumption of electrical energy. Lika-Senj is a significant producer of electricity, accounting for 12% of Croatia's total electricity production. There are two major hydro-electric power plants at Senj and Sklope. Most distribution network is 110 kV with only one 220/110 kV transformer station located in Senj.

Lika-Senj is currently not connected to the national gas distribution system. However, according to the National strategy of gas supply, the main gas pipeline is going to pass through the County in direction of Zadar and Split.

Communications network

Public telecommunications services in Lika-Senj County are provided almost entirely by Croatian Telecommunications (HT), excluding part of the mobile telecommunications services provided VIPNet, Tele 2, etc. Mobile network covers all urban areas and larger settlements, as well as all main roads. The coverage in rural areas is about 90%.

3.2 Tourism resources, facilities and services

3.2.1 Natural resources

Lika-Senj County possesses a rich and diversified tourism resource base, evenly dispersed throughout the four characteristic sub-regions:

- The island of Pag (north-western falls within Lika-Senj)
- The coastal strip underneath the Velebit Mountain range
- The national parks and other protected areas, and
- The continental part of the County under no special protection.

Natural tourism resources of *the island of Pag* include: beautiful gravel beaches (Zrče, Straško, Planjka, Caska, Ručica etc.), olive groves (Lun), „moon landscape“, and high quality diving opportunities (including the newly discovered marine archaeological site of amphorae, dating from the first century BC).

The *coastal strip* underneath the Velebit Mountain massif is characterized by ragged terrain and numerous gorges cut into the mountain slopes forming shallow coves with pebbly beaches. A typical example is the Zavratinica Bay near the town of Jablanac.

National parks. Plitvice Lakes NP is the oldest and largest national park in Croatia. The park is famous for the calcareous layers that have created barriers which have transformed the valley of the upper Korana River into a series of 16 large and many smaller lakes that form terraces, connected in a step-like fashion. The park area is almost 200 square kilometres, holding diverse fauna including bears and wolves, and over 120 species of birds, of which 70 species are nesting.

The North Velebit NP was designated a national park due to its rich karst formations, outstanding biodiversity and exquisitely beautiful nature on a relatively small area. The Park covers 109 km². Its most beautiful parts are the Hajducki and Rozanski Ledges Strict Reserve, known for its geomorphologic phenomena - the pits (more than 150 discovered).

Paklenica NP covers an area of 96 km² of which only a minor part is located within Lika-Senj County. The park stretches from the eastern coast of the Adriatic Sea to the highest peaks of the Velebit Mountains, Vaganski vrh (1,757 m) and Sveto Brdo (1,753 m). The park is rich in beech and black pine forests, deep canyons, and karst formations.

The *continental part of the County* includes the basin of western Kapela Mountain and the highlands, the valley of Gacka River, and the plateau of central Lika. The basins of the Lika, Gacka and Krbava Rivers are natural reservoirs with many springs of drinkable water rising from the depths of the karst underground. Further, the Gacka and Lika rivers, as well as other smaller rivers, abound the endemic Gacka trout, whereas the Gacka river accounts for the second longest underground stream in Europe.

3.2.2 Cultural resources

Apart from its natural resources, Lika-Senj also offers a heterogeneous cultural heritage, reflected in the differences in dialect, material monuments and traditional heritage between the continental area, coastal strip and the island of Pag. However, the cultural and historical resources in the County do not match its natural resources.

Nevertheless, most prominent cultural resource is the town of **Senj**, the most important urban settlement of this sub-region and the oldest town on the Croatian Littoral, dating back some 3,000 years. It is especially known for Fort Nehaj, built in 1558. The old city centre is a living museum with numerous squares and narrow streets.

The identified resources are classified according to their potential development in Table 3.2 (accessibility, condition and presentation, interpretation, and availability of promotion materials).

Table 3.2: *Resources and attraction base of Lika-Senj County*

CULTURAL RESOURCES	
ARCHEOLOGICAL LOCATIONS	N T
INTERPR. CENTER	N
MUSEUMS	N G

Source: *The Consultants, 2007*

Sve tiš t
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Senj),

3.2.3 Existing tourism facilities and services

There are 45 accommodation facilities in Lika-Senj offering 10,200 rooms (accommodation units) with a total of 28,150 bed spaces. A breakdown of the accommodation capacity by municipality and type of accommodation are shown in Table 3.3.

Table 3.3: *Accommodation capacity in Lika-Senj County by type & municipality, 2006*

Source: DZS, 2006.

Data presented in the table indicate that:

- Most of the 8,260 rooms with approximately 23,500 beds located at the Adriatic coast in Novalja and Senj municipalities are provided by private households (15,600 beds) and camping sites (almost 6,700 beds).
- Most hotels and similar establishments are located in Plitvice Municipality within the Plitvice Lakes National Park (450 rooms, 940 bed), followed by Novalja (200 rooms, 400 beds), Karlobag (175 rooms and 350 beds), and Senj (75 rooms and 130 beds).
- The administrative centre in Gospić only has a capacity of 75 rooms and about 160 beds, of which 55 rooms and 110 beds in hotel accommodation. Similarly, Otočac, only offers 100 rooms, mainly in private households (90 rooms).

Apart from accommodation providers, there were 37 registered business entities within the F&B sector (restaurants, bars and others) in Lika-Senj in 2005 while there were almost 450 individually owned private F&B outlets (primarily bars and cafes), bringing the total number of F&B operators in Lika-Senj County to almost 500.

Like in Karlovac County, there are only a few other tourism related business operations such as tour operators and travel agencies, tourist attractions and entertainment operators, souvenir crafts shops, tour guides, etc. in Lika-Senj and very limited information available other them. This seriously affects the development of attractive tourism products and the establishment of a proper value chain within the sector.

3.2.4 Organization of the tourist sector – private and public

Apart from the Lika-Senj County Tourism Board, there are seven municipality tourism boards, i.e.: Novalja, Stara Novalja, Senj, Karlobag, Gospić, Otočac and Plitvice Lakes.

The County's Chamber of Commerce is located in Otočac and has a Cultural Tourism Affiliation with about 30 members. In contrast to Karlovac Chamber, there is an active Group of hotels, restaurants, nautical tourism and travel agents with about 50 members.

The County Chamber of Trade and Crafts is located in Gospić. It has the Tourism and Catering Guild with about 390 members. Further, the Chamber of Lika-Senj County has four Tradesman Associations (Novalja, Senj, Gospić, Otočac) with the Catering and Tourism Vocational Section founded in each of them.

3.3 Market and tourism statistics analysis

3.3.1 Measuring tourism in Croatia and in the planning area

Reference is made to Section 2.3.1. for a description of how tourism is measured in Croatia and in the planning area of Karlovac and Lika-Senj Counties, i.e. the Central Bureau of Statistics' (CBS) collection and compilation of guest arrivals and number of nights spent at the registered accommodation establishments, and the qualitative information about the profile, attitudes and expenditure collected by the Institute for Tourism through their TOMAS surveys.

3.3.2 Guest arrivals and overnights

In 2006 there were about 312,200 guest arrivals recorded at registered accommodation facilities in Lika-Senj, spending a total almost 1.2 million tourist nights at these establishments. This accounts for 3% of the guest arrivals and 2.2% of the bed nights in Croatia as a whole. Table 3.4 shows a breakdown of guest arrivals and bed nights by municipality and type of accommodation.

Table 3.4: Guest arrivals and overnights in Lika-Senj County by accommodation type and municipality, 2006

	Total		Hotels		Similar to hotels*		Campsites		Private accommodation		Other complementary**	
	# of arrivals	# of overnights	# of arrivals	# of overnights	# of arrivals	# of overnights	# of arrivals	# of overnights	# of arrivals	# of overnights	# of arrivals	# of overnights
LIČKO-SENJSKA COUNTY	312.166	1.184.299	128.943	199.676	20.133	62.954	43.696	293.273	116.801	614.625	2.593	13.771
Gospić	10.663	13.848	0	0	7.581	9.316	0	0	3.082	4.532	0	0
Karlobag	16.280	79.208	0	0	5.740	19.800	804	1.783	9.396	56.570	340	1.055
Lovinj	0	0	0	0	0	0	0	0	0	0	0	0
Novalja	96.656	694.341	9.284	41.662	3.741	28.729	36.676	276.488	45.759	337.219	1.196	10.243
Otočac	2.457	7.475	967	3.172	0	0	0	0	1.490	4.303	0	0
Perušić	41	41	0	0	0	0	0	0	41	41	0	0
Senj	42.643	199.371	4.482	6.644	3.014	5.030	6.216	15.002	27.874	170.222	1.057	2.473
Plitvička Jezera	143.426	190.045	114.210	148.198	57	79	0	0	29.159	41.738	0	0

*) Such as hotel villages, apartment villages, pensions

*) Other complementary accommodation: workers' holiday accommodation, youth hotels & hostels, inns, mountain lodges

Source: DZS, 2006

The average length of stay was measured at 3.8 nights, ranging from 7.2 nights in Novalja, 4.9 nights in Karlobag, 4.7 nights in Senj, 3.0 nights in Otočac, to 1.3 nights in Gospić and Plitvice Lakes.

In 2006, Plitvice Lakes recorded the highest proportion of guest arrivals in Lika-Senj with about 143,500 (almost 46% of the County total). However, due to longer average length of stay, Novalja recorded almost 60% of the total number of bed nights spent in Lika-Senj.

Private accommodations account for most of the tourist nights spent in Lika-Senj in 2006 with some 615,000 bed nights (almost 52% of the County total). At the same time, campsites recorded almost 293,300 overnights (about 25% of the total), while hotels and similar establishments only came in third with some 262,600 bed nights (22% of the total).

3.3.3 Evaluation of the tourism experience

In Lika Senj, the TOMAS Summer 2004 survey was conducted in Karlobag, Novalja, Senj, Stara Novalja, St. Juraj and Sitnica. In total, the county accounted for 2.5% of tourist arrivals and it was represented in the survey sample with 4.5%. The survey showed, among others:

- Summer visitors to Lika-Senj County are mostly young to mid-aged, relatively well educated, travelling with family members or with a partner; arrive independently, some without any prior bookings; loyal visitors to Croatia (85% repeat visitors) though as many as 53% made their first visit to Lika-Senj County; more often than in the rest of the Croatia spending a short holiday in the County (up to four days).
- In addition, 52% of the summer tourists in the coastal area of Lika-Senj are active while 48% come to relax (compared to the national average of 77%).
- Relatively large proportions of the surveyed tourists stated that they were engaged in sport activities such as sailing, cycling, scuba diving, adventure sports (hang-gliding, rock climbing and similar), horse riding, and fishing.
- However, in general, visitors to Lika-Senj County recorded extremely low levels of satisfaction about the facilities and services offered. Thus, except for the assessment of the quality of accommodation, value for money, and suitability of the destination for family holidays, which were rated as average, visitors expressed low or very low levels of satisfaction with all other services and facilities

3.3.4 The value of tourism in Lika-Senj County

As in Karlovac County, on the basis of a series of assumptions, an estimate for the tourism receipts in Lika-Senj County has been made as summarised in Table 3.5. Thus, tourism receipts in Lika-Senj County are estimated at some **EUR 119.5 million**.

Table 3.5: *Total tourism related receipts in Lika-Senj County*

Source: Institute for Tourism, Zagreb, 2007.

3.3.5 Market segmentation

Like in the rest of Croatia, tourism in Lika-Senj County is highly seasonal with 88% of the total bed nights being spent in 2006 during the four summer months of June – September.

Based on the 2006 statistics (Table 3.6), domestic tourism accounted for 12.7% of the guest arrivals and 11.2% of the total number of bed nights spent in registered accommodation facilities in Lika-Senj. The most important international markets for the County are Slovenia (12.6% of guest arrivals and 23.4% of bed nights), Germany (11.8% of guest arrivals and 16.4% of bed nights), and Italy (12.8% of guest arrivals and 11.4% of bed nights). Other international markets included the Czech Republic, France and Austria.

Table 3.6: *Guest arrivals and overnights in Lika-Senj County by country of origin, 2006*

Source: DZS, 2006

3.4 Current tourism policies, strategies and development objectives

3.4.1 National tourism policies and strategic guidelines

Croatia has traditionally been a tourist destination and the Government has in September 2003 adopted a national tourism strategy focusing on sustainable development entitled ***Croatian Tourism Development by 2010 – strategy report***. According to this strategy, the tourism vision statement for Croatia states:

Tourism significantly contributes to the Republic of Croatia's economic growth and the prosperity of its populace, based on the sustainable use of natural, cultural and historical potentials and actively participating in their preservation and development, therefore forming an environment attractive to investors.

Further, the Ministry of Tourism has initiated the preparation of a Strategy for the Development of Social Tourism in Croatia with the aim to enhance the administrative capacity of the state administration in respect to tourism policies and measures, and whose long-term goal is to enhance economic and social cohesion by reducing seasonality in tourism, contributing to sustainable employment and enhancing social inclusion of vulnerable social groups.

3.4.2 Regional tourism policies, strategies and development priorities

Regional tourism policies, strategies and development priorities for both, Karlovac and Lika-Senj Counties, have been formulated in their respective Regional Operational Plans (ROP).

Karlovac County

Based on its natural resources, preserved environment, a variety of still unspoiled natural beauties, various cultural and historic heritage sites, as well as to a unique karst landscape with four appealing rivers, the ROP stated that Karlovac County has **significant potential for the development of tourism**. However, the main development thrust should be dedicated to continued development of the selective tourism products. Such orientation should allow for the rapid positioning of Karlovac County as a destination for **active holidaymaking**.

Further, the **strategic position of the County within “the soft stomach” of Croatia** constitutes a great advantage in comparison to most other counties. This is primarily due to the proximity of large generating markets of weekend demand (Zagreb and Rijeka). In line with such proclamation, the following priorities have been outlined: Improvement and better promotion of tourism; Improvement in environmental protection; Improvement of general and tourism related public infrastructure; and Improvement in the protection of nature.

Lika-Senj County

The ROP for Lika-Senj County has defined key tourism policies, strategies and development priorities in the short and medium term. Due to its geomorphologic diversity, the tourism development in the County should focus on both, the continental part of the County (stressing the potential of the national parks, and especially Plitvice Lakes NP), and the coastal region (focussing on the cultural heritage of Senj and the natural beauty of Novalja on the island of Pag). The following priorities have been outlined: a) Development of selective tourism offers and basic infrastructure for the development of new tourism models / new products; b) Preserving natural, cultural and traditional heritage; c) Creating and implementing educational programs in tourism; d) Activating Plitvice Lakes NP and other national parks as regional development engines; e) Upgrading of the public infrastructure; f) Building purification systems for polluting industrial and other facilities; and g) Increasing the level of education and technical equipment of the local population.

4 SWOT analysis and strategic issues

4.1 Introduction

On the basis of the analysis of the existing situation of tourism in Karlovac and Lika-Senj Counties as described in Chapters 2 and 3, the two counties certainly possess the potential for further tourism development based on its rich nature-based and historic / cultural attractions.

However, the situation analysis also proved that the two counties are faced with a number of challenges that need to be overcome or reduced if the potential for tourism development is to be realised. These challenges relate to a series of different sub-aspects of the planning, development, operation and marketing of tourism in the project area, i.e.:

- Tourism resource and attraction base
- Access and infrastructure and accessibility
- Tourism facilities and services
- Economic and business environment
- Human resources
- Marketing and promotion
- Institutional structures.

As a result, the subsequent analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of the tourism sector in the combined planning area is undertaken in this section in accordance with these sub-aspects.

Finally, in the course of the SWOT analysis, certain strategic advantages that the counties are endowed with stand out from other strengths. These provide the basis for the sustainable development of the tourism sector in Karlovac and Lika-Senj. On the other hand, the most important strategic disadvantages revealed during the SWOT analysis that need to be carefully considered when developing the Master Plan for the two counties are listed at the end of this section.

The SWOT analysis for each of these aspects are presented in Sections 4.2 – 4.7 respectively while Section 4.8 concludes the findings into overall strategic advantages and disadvantages for further development of tourism in the planning area.

4.2 Tourism resource and attraction base

The planning area's unique tourism resource and attraction base, characterised by a diversity of rare landscapes and wide open, still unpolluted space, represents a great potential for repeated tourist visitation and should, therefore, be considered as one of the major building blocks on which further tourism development should be based. With this in mind, one should especially stress the very existence of Plitvice Lakes NP and other two National parks (North Velebit and

Paklenica), as well as the nature reserve Velebit as a key distinctive feature of the Region. Together with its access to the Adriatic sea, including the possibility for coastal tourism development, great potential for the “special interest” market, as well as the presence of several interesting historical heritage sites, these are the features which represent major strengths to build on in the future years.

Most important weaknesses that have been detected in terms of the resource and attractions base potential evaluation refer to lack of professionally designed products that are, at present, not suited to international market requirements, inadequate interpretation at sites and attractions (including the lack of “on site” tourism facilities), as well as inadequate protection of natural resources. Additionally, one should not forget the fact that the whole planning area, apart from the Plitvice Lakes NP, is still relatively unknown to the international market.

A more detailed SWOT of the tourism resource and attraction base of the planning area is presented as follows:



4.3 Access and infrastructure

What differentiates the planning area from other (continental) Counties has a lot to do with its strategic location in the “soft belly” of Croatia. Hence, all the traffic routes connecting Central Europe with the Adriatic lead through the Region. Apart from its favourable location, strengths to play on include the relative vicinity of three international airports reachable within an hour, as well as the newly build motorway network which has to a large extent eased the congestion during the summer months. The newly built motorway has also largely increased the accessibility

of the Region and opened it up for potential tourist visitation. This is of particular interest for the towns of Ogulin, Otočac, Gospić and Lovinac.

However, lack of direct international access to the planning area, as well as comparatively few low cost airline companies that, at present, fly to Croatia represent weaknesses that can easily be improved in the years to come. On the other hand, inadequate general infrastructure, especially pronounced in the area of outdated water supply, drainage/sewage and solid waste management, are weaknesses that require considerable investment and will not be possible to deal with in the short run. Nevertheless, these weaknesses need to be looked into and solved if the planning area intends to pursue tourism development

A more detailed SWOT of the access and infrastructural features of the planning area are presented as follows:



4.4 Tourism facilities and services

Due to some extent to its low level of population density, and in contrast to its great resource base potential, there are too few tourism facilities in most of the planning area. The only exception to that are the Plitvice Lakes NP, and the island of Pag (municipality of Novalja). Nevertheless, there are some hotel and restaurant facilities, some of which have been built recently, which do offer international quality standards.

On the other hand, the list of detected weaknesses is much longer. These, in particular, refer to a lack of private sector services providers, especially touroperators, travel agents, tour guides, special interest services providers etc. On top of that, there is an evident lack of tourism facilities located close to the attractions. Finally, due to only a few locations where information on tourism facilities and/or services can be obtained, coupled with erratic opening practices of these, a large number of potential visitors is not given the opportunity to learn more about the planning area and spend more time discovering its beauties. There is no doubt that such deficiencies seriously affect the establishment of the proper tourism value chain, with negative direct impacts on both, diversification of tourist experiences and tourism receipts.

A more detailed SWOT of the existing tourism facilities and services of the planning area are presented as follows:



4.5 Economic and business environment

In general, overall economic and business environment within a certain territory can play a major role not only in terms of its total development perspective, but also in terms of development of certain economic sectors. Tourism is no exception to that. In this regard, at present, the weaknesses related to the economic and business environment framework considerably outweigh the strengths.

Probably the most serious deficiency in the present economic and business environment is the lack of private sector entrepreneurs in the tourism sector, and their lack of confidence to invest in the tourism sector. As a consequence, there are very few private sector initiatives that can add to the new tourism sector dynamics in the region. The situation could be somewhat better had the financial market been less rigid.

Nevertheless, there are a few strengths one should be aware of and capitalize on them. These refer predominantly to the growing awareness in the local community, as well as in the official Counties' administration, of the economic potential embodied in the tourism sector. Providing this awareness does not stay only in the declarative domain, but gets materialised in various initiatives on the public-public, public-private and private-private level, the increased supply of various tourist facilities/services throughout the planning area should get underway. Of course, such initiatives should be coupled with an improvement and/or amendment in the currently available incentive system for SMEs start-ups.

The existing tourism facilities and services SWOT for the planning area is summarised as follows:



4.6 Human resources

As in the case of economic and business environment, the detected weaknesses, at present, significantly outweigh the strengths in the human resources and labour market related issues within the planning area. This fact needs to be taken with utmost seriousness, since tourism, being a service industry, unconditionally relies on the human factor.

Namely, although the local people are known for their hospitality and friendliness, and have expressed a positive attitude towards tourism as a developmental priority, there are serious problems one will have to overcome in order to ensure successful implementation of the tourism masterplan. These are predominantly related to low service quality issue, a fact that cannot be overseen regardless of the existence of several facilities with top quality service one can run across. Although the low service quality, presumably, has a lot to do with few skilled personnel in the tourism sector due mostly to unfavourable demographic structure, long-term depopulation trends and migration of more skilled labour to bigger urban centres outside the planning area, the improvement of the present service quality has no alternative.

Another weakness that needs special attention in order to ensure service quality, guest satisfaction and repeated visitation refers to rather weak managerial potential, especially compared to international demand requirements.

The SWOT reflecting the human resources and labour market issues for the planning area is summarised as follows:



4.7 Marketing and promotion

Despite the fact that the situation in the domain of marketing and promotion for the planning area seems to be somewhat better, as compared to human resources and business environment, this does not mean that there are no challenges to address in the short and medium term.

On the positive side, due to the institutionalised role of the Tourism Boards in the marketing sphere throughout the planning area, the quality and variety of existing promotional material is of a good quality. The same can be said for the state of the art of the web pages. Finally, due to regular presence of Tourism Boards on various international tourism trade fairs, including the largest in Berlin, the region is already included in brochures of several touroperators, offering/selling predominantly niche market products.

The major weaknesses in the marketing and promotion sphere in the planning region refers to the non existence of a strategic marketing framework. This, coupled with no positioning statement and no branding strategy, implies that the planning area, at present, does not possess neither an identity, nor an image that would be known/recognised internationally, and/or that would enable the Region to differentiate itself from the competing destinations. Apart from these most relevant weaknesses, one should also mention the insufficient promotional budgets that does not allow for targeted market research and acquisition of professional help in terms of various marketing related activities.

The SWOT reflecting the marketing and promotion issues for the planning area is summarised as follows:

Marketing and Promotion	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Focus on niche market products • Institutionalised tourism marketing role for TB of the region • Good quality promotional materials (brochures, leaflets) • Regular presence at international trade fairs • Well organized web pages 	<ul style="list-style-type: none"> • No strategic marketing framework • No positioning and branding strategy and therefore lack of established identity for the counties • Little understanding of current and future markets due to no target marketing strategy • Annual tourism marketing plans not guided by marketing strategy • Limited joint marketing activities between the two counties • Insufficient marketing and promotion budget • Insufficient number of tourism information centres • Weak strategic marketing capacity at local level • Limited public-private marketing initiatives
Opportunities	Threats
<ul style="list-style-type: none"> • Development of joint tourism marketing strategy • forthcoming national marketing strategy improved tourism marketing and promotion • Product diversification • Improvement in product presentation • Niche /direct marketing • Potential for weekend demand • Favourable long term trends in tourism demand 	<ul style="list-style-type: none"> • Continued lack of funds for international tourism marketing and promotion • Utilisation of scarce financial resources for other activities • Continued ineffective marketing due to absence of strategy

4.8 Institutional structures

In terms of institutional support, the existence of a basic institutional framework for regulation and management of the tourism development process, as well as the officially expressed political interest for tourism development in the planning area have been identified as the most relevant strengths for future tourism development in the planning area. Together with an improved and more active role of the Tourism Boards and existing system of financial aid to SME start ups, provided for by the Ministry of Sea, Tourism, Communications and Development as well as Ministry of Economy, Labour and Entrepreneurship, it can be concluded that all the necessary formal institutional preconditions for future development are in place.

However, in order to create a stimulating environment for tourism development within the planning area, there is still a lot of work to be done, especially if one bears in mind a quite long list of identified weaknesses still present. Out of these, one should especially stress the lack of a well articulated and commonly shared tourism vision, lack of any sort of quality management system encompassing different activities/services/facilities in the tourism sector, as well as pronounced dominance of the public sector's representation, and hence, public sector's preferences in the activity of the Tourism Boards. As a result of such situation, there are almost no concepts and development programs underway, in particular those that would involve private sector investment on the basis of private-public partnerships.

The SWOT reflecting the sphere of institutional structures for the planning area is summarised as follows:



4.9 Conclusions on the SWOT analysis

According to the analysis described above, certain strategic advantages that the counties are endowed with stand out. These relate predominantly to concentration and diversity of natural attractions, offering a vast potential for special interest tourism and generating year-round demand. Also, one should stress favourable location and excellent accessibility, and stakeholders' support for tourism development. All of the above should provide the basis for the long-term sustainable development of the tourism sector in Karlovac and Lika-Senj in the years to come.

On the other hand, the most important strategic disadvantages which are listed below need to be carefully considered when developing the Master Plan for the two counties.

STR

● *Overall rich natural*

In order to capitalise on the detected strategic advantages, several barriers need to be overcome. Firstly, tourism related infrastructure needs to be developed (attractions, accommodation, F&B facilities, information centres, etc.). Secondly, overall service quality needs to be enhanced and improved. To achieve this, more investment of the private sector is necessary. These, however, need to be coupled with stronger guidance, mitigation and partnership with the public sector.

5 Vision, mission and strategic objectives

5.1 Introduction

The aim of this part of the Tourism Master Plan is to outline the vision, mission and strategic objectives that will drive tourism development in Karlovac / Lika-Senj tourism area.

A vision is the desired end, or an image of the future toward which the stakeholders are committed. Visioning provides a sense of destiny. In terms of future tourism development, the vision is the concept of what a certain region really wants to achieve in this regard. It captures the imagination of the tourism sector of the destination and provides a focus for its development efforts. Therefore, achieving the ser vision requires the public and private tourism stakeholders to buy-in. In Karlovac and Lika-Senj Counties, key stakeholders include the local government and its agencies, particularly the county and municipality tourism boards, the private tourism sector operators, the business sector as well as civil society at large.

The strategic vision for tourism development in any destination including the Karlovac /Lika-Senj tourism area should normally reflect at least the four following elements:

- The purpose: Why do we want to develop tourism? The ‘reason for being’
- The values: What type of values do we want our area to portray? What do we believe in? What are our moral principles?
- The envisioned future: What should our position be in the global market and vis-à-vis the competition? What are our competitive advantages? Where will be in the future if we achieve our goals?
- Standards and behaviours: How do we operate? What are our competencies? How do we act? How do we serve our customers?

A mission statement, on the other hand, is a statement of purpose and provides the basis for developing plans and allocating resources. It should be general and not include measurable goals which may be subject to change. The mission aims to realise/achieve the vision in respect of tourism development.

The mission provides a concise overview of how the tourism sector currently operates, which are its customers and what they require. It considers the issues of ‘who we are, what we do, and for whom we do it.’ It should present key information about the sector:

- Which are the markets that we are aiming to serve?
- Which are the products that have to be developed and offered?
- What are our strengths and capabilities?
- What is unique about us?

- What are our accomplishments?

5.2 Methodology and approach

As it is the local tourism stakeholders who will eventually be responsible for both the implementation of this master plan and for tourism development in Karlovac and Lika-Senj in general, it is of the utmost importance that the vision and mission of tourism development are crafted by them. The role of the Consultants have been to guide and assist in the process, ensuring, ultimately, that this is the vision and mission in which the local community / stakeholders believe in and which they will be able to share commitment for. Inputs have been provided by a range of individuals and obtained through the organisation of a series of meetings and workshops.

To ensure ownership of the vision and mission, several rounds of consultations were conducted and facilitated by the consultants. Two workshops were held with the Working Group members, taking them gradually through the process. At the first meeting the Working Group members were acquainted with the components of the vision/mission statements and their role in future tourism development. The members were requested to think through the product base that the Karlovac / Lika-Senj tourism area disposes of and should capitalise on in the future. Finally, on that basis, the Working Group members were asked to come up with their individual mission and vision statements on which basis the Working Group, at the second workshop, arrived at a joint consensus.

The draft vision and mission statements proposed by the Working Group were then presented at a stakeholders' workshop attended by public and private tourism sector representatives from both Counties. The workshop participants commented, discussed, refined and reformulated the draft vision and mission statements proposed by the Working Group. The process resulted in a joint consensus on both the future vision for tourism development in the Project area, and on the mission for the stakeholders and the community at large.

5.3 Guiding principles for tourism development

In the process of formulating the vision and mission statements for the Karlovac / Lika-Senj tourism area, the stakeholders of the two counties identified several key principles on which future tourism development should be built. These are:

a. Respect for the environment

The stakeholders are aware that the wide, clean, unpolluted and sparsely populated space is their major advantage and they would like to protect it for the benefit of, both, tourism development and their own quality of life. Thus, they endorse the principles of sustainability as the fundamental development principle.

b. Valuing the uniqueness of the Project area

In line with the respect for the environment, the stakeholders are fully aware of the diversity of their attraction base and its ability to offer an array of tourism experiences. They, therefore, opt to develop tourism in such a manner that they become recognised as a year-

round destination, offering unique, authentic and original experiences for various market segments.

c. Commitment to market-driven industry

An increase in the quality of life – improved living standard, job creation, social and cultural development – are all important elements that the stakeholders want to incorporate in the vision for tourism development in the Project area. To ensure this, they want to build a market-driven tourism industry, designing experiences, products and services that will meet the expectations of the target markets. At the same time, however, they stressed the need to protect their resource base to ensure long-term sustainable development.

d. Commitment to create a supportive environment for tourism development

The stakeholders also recognise the need to create a new frame of mind that will support desired tourism development. Thus, they identify the core values which need to be promoted as a foundation to achieve the shared vision. These are: (i) innovativeness in tourism development, (ii) commitment to permanent education - to ensure that the products and services delivered are continuously improved and aligned with market expectations, (iii) team work and partnership - as a prerequisite for sound destination management and delivering the promised unique experiences, and (iv) mutual trust.

5.4 Vision and mission for Karlovac and Lika-Senj Counties

The stakeholders' vision for tourism development in Karlovac / Lika-Senj tourism area is a reflection of the above guiding principles. As such, tourism should provide a multitude of activities throughout the year. It should also be able to deliver unique tourism experiences suited to different market niches. This uniqueness should be built on the diverse tourism resources of the Project area – from national and nature parks in the hinterland, beautiful and unique coastal area, pristine waters in the lower lying parts of the region, interplay of stone and water producing beautiful karst morphology, gentle wine-growing hills and history of the military frontier that produced unique social and economic systems.

Since tourism is a people-industry, traditional friendliness of local people is an essential ingredient that the project area should focus on to deliver really unique tourism experiences. More than anything, the new vision of the Project area should strongly suggest that both, natural and cultural resources should be preserved and protected from deterioration i.e. used in a sustainable manner, stressing the need to ensure not only the environmental, but also human, social and economical sustainability. All of these elements are succinctly expressed in the jointly formulated vision for tourism development in Karlovac / Lika-Senj tourism area, which reads:

Vision

The Karlovac/Lika-Senj tourism area will become a year-round tourism destination, recognised for offering unique tourism experiences based on its diverse tourism resources, hospitable local population and long term sustainability.

The mission, expressing the underlying values and behaviour principles that will lead to achieving the vision and defining the reason for its development, is quite naturally, built on the same principles. Increased quality of life is the paramount objective. The quality of life refers to the increased standard of living, further economic development and better employment opportunities, reversing of the currently declining rate of population growth and out-migration. It also implies that tourism development should not jeopardise the way of life that people of the two counties would like to maintain.

To achieve the vision, the stakeholders express their awareness and the need to introduce new standards of work related behaviour that would support public-private, private-private and public-public partnerships and create an environment open to, and supporting development initiatives. Thus, the mission statement should focus on promoting the innovativeness and permanent education, as without it, it would not be possible to create unique experiences that the markets desire. At the same time, partnerships, mutual trust and team work are fundamental building blocks of sound destination management that must be the basis for achieving the vision.

Succinctly, the stakeholders framed all these objectives into a short mission statement:

Mission

In order to increase quality of life in our area we will develop tourism using our diverse natural and cultural heritage sustainably, while respecting the wishes of our guests. Our success will be based on innovation, team work and partnership, continuous education and mutual trust.

5.5 Strategic development objectives

Strategic development objectives are the different goals or aims that are set out to be achieved. They break the vision down into achievable and defined goals but have a medium to long term focus. The strategic objectives for tourism development in Karlovac / Lika-Senj tourism area are what the stakeholders need to work towards and implement to fulfil the mission and achieve the vision.

The strategic objectives must abide to certain guidelines and should be:

- a) Relevant to the vision as well as to other goals
- b) Measurable and where possible quantifiable
- c) Clear in terms of results.

Based on the findings of the situation and SWOT analyses, the identification of strategic advantages and disadvantages, as well as contemporary trends in tourism demand, and tourism development principles, the following strategic objectives for future tourism development in Karlovac / Lika-Senj tourism area should be highlighted:

Objective 1: Creating an environment supportive of tourism development in the region

As a prerequisite for a coordinated tourism development that would lead to the realisation of the vision and, as reflected in the mission, generate an environment conducive to tourism development:

- Creation and establishment of a well defined institutional framework for tourism development and quality destination management throughout the Project area by means of:
 - reshaping of the existing tourism related institutions and
 - introducing a new institutional structure based on public-private partnership
- Creation of a network of services for private entrepreneurship and investment (financial back-up, counselling, guidance, facilitation) and continuous support in development initiatives (new types of accommodation facilities, selective products, rural tourism, local gastronomy, availability of souvenirs, crafts etc.)
- Careful protection of the overall natural environment both within National Parks, other protected areas, and generally throughout the Project area
- Enhancement of industry standards and skill levels to ensure the quality tourism management and services embodied in the mission statement

- Definition of a unique, tourism oriented, cultural policy encompassing the whole Project area with special emphasis on traditional values, habits and local lifestyles.

Objective 2: Establish a tourism infrastructure able to serve markets attracted by the diversity of tourism experiences offered

While the area is offering a resource base for a variety of experiences, the tourists require services in line with the experiences promised and offered. In the context of the current level of tourism related services offered, the attention should be focused on:

- Improving the accommodation sector – in terms of availability, quality and diversity. This means upgrading the existing hotels to international standards and requirements and diversify existing accommodation supply by opening small, family-owned and family-run hotels, bed & breakfast pensions and theme hotels, in line with diverse tourism experiences that the area seeks to offer;
- Developing several breakthrough resort projects as anchors and drivers for tourism development, and market promoters of the Project area¹;
- Improving the restaurant and retail sector - as in the case of the accommodation sector, the food and beverage and retail sectors have to reflect the overall uniqueness of the area. Thus, the number of restaurants and retail outlets for local food, drink and craft produces should be increased, their quality improved (reflecting both in the type and variety of food offered as well as in their overall design) with the accompanied improvement in the service quality

Objective 3: Diversify tourism products/attractions

The main building block of the vision is the provision of unique tourism experiences based on the richness and variety of tourism related resources in the Project area. However, most of these fundamental building blocks are not market ready, lacking basic infrastructure (accessibility, signposting, interpretation, additional site services, etc.) and the following should be strived for:

- Developing diverse high quality tourism experiences (integrated tourism products), based on a diversity of natural and cultural resources to ensure the tourism activity throughout the year;
- Creating new, innovative tourism experiences and/or products resulting in the establishment of a tourism value chain for the Project area,
- introducing new products and experiences in such a manner to decrease dependency of the project area tourism performance on the sun and sea tourism product (Novalja) and

¹ This objective is closely related to necessary improvements of the capital infrastructure in the Project area, especially within sewage, and solid waste management.

reduce pressure of excursionists/short stay visitors to the Plitvice Lakes national park area

- creating conditions for year round operation in order to decrease the existing tourism seasonality

Objective 4: Achieving market recognition

Finally, in accordance with the vision statement, the aim of developing tourism in Karlovac / Lika-Senj tourism area is to enable the region to become a tourist destination that the markets recognise for the diversity of its attractions and the unique experiences offered. Therefore, activities should be aimed at:

- Market repositioning and image generation by means of efficient and effective commercialization of key tourism experiences and products;
- Decreasing the reliance on a small number of originating markets, market segments and distribution channels,
- Establishing an efficient and coordinated approach to marketing and a coordinated sales effort.

Concrete economic targets of the tourism Master plan

Providing that in the implementation phase of the tourism master plan, the 10 projects that would have been selected for immediate execution are accomplished, and providing that the tourism development process in the Project area continues to stick to the above stated common vision and general objectives, abiding in full to the sustainable development principles, until year 2020, it is to expect at least the following macroeconomic effects for the joint Project area:

- ➔ Total investment in tourism sector of some ... million EUR,
- ➔ An increase in total accommodation capacity by ...% (...units)
- ➔ An increase in the number of directly employed in the tourism sector by ... people,
- ➔ An increase in the total tourism receipts in the Project area of Million EUR

5.6 Application of the vision, mission and strategic objectives in further master planning

Vision and mission statements, as well as strategic objectives derived from them represent focal points not only for all further master planning activities, but for the effective implementation of the Master plan as well. In this regard, there are at least four relevant issues one should point out:

- ➔ Tourism development of a certain region / area / territory calls for proper market positioning and image generation. Predefined vision, mission and strategic objectives provide all the necessary inputs for both. In other words, it would be impossible to effectively position a certain region / area / territory on the global tourism market, fulfilling at the same time the expectations of the local community, without the awareness of what are the main development goals incorporated in the vision, mission and strategic objectives.
- ➔ Vision and mission statements and strategic development objectives are also vital in assessing the key market segments the region / area / territory is going to target on the global market. This, further, implies a more focused approach to the market and a more efficient use of scarce promotional budget.
- ➔ Apart from effective market positioning, and closely related to it, tourism development of a certain region / area / territory is contingent on the existence and marketability of its products / services. In this respect, the vision, mission and strategic objectives predefine which products will be developed and offered to the market, and which products are to be avoided. Therefore, all product development proposals that do not support the adopted vision, mission and strategic objectives should be avoided and disregarded.
- ➔ The master planning process should end up with the proposal of 25 project ideas, out of which 10 projects should be selected for immediate implementation. These projects should not only speed up the overall tourism development process in the Project area, but represent case studies on which one should build on and learn from as well. In order to evaluate each project proposal objectively, a set of evaluation criteria should be established. Without the vision, mission and strategic objectives already in place, one would have no means whatsoever to establish these criteria.

Therefore, the adoption of the Counties' vision and mission, as well as strategic objectives for future tourism development represents the key strategic element that will enable the consultants to proceed with further master planning activities and especially those related to market positioning, product development and project selection in the most appropriate manner.

6 Tourism development prospects – niche products and niche markets

6.1 Introduction and methodology

The Terms of Reference call for a separate Niche Markets and Niche Products Report being produced as a technical background study for the Tourism Master Plan. This report was formally submitted to the stakeholder organisations in August 2007.

To evaluate the potential for continued tourism development, the resources for tourism in respect of existing and potential natural, cultural and other types of tourist attractions must be reviewed.

Building on the findings of the Situation and SWOT Analyses, presented in Chapters 2-3 and Chapter 4 respectively, this chapter therefore first considers the existing products that are offered in the counties and the potential products that could be offered, making recommendations about improvements and expansions where necessary, as well as recommending on new developments. It then describes the markets that are currently visiting the counties and provides profiles of typical visitors that would be interested in the existing and potential tourism products in the region. Finally, marketing tools and techniques are recommended to reach and attract these markets.

The methodology to evaluate the existing tourism products and those with potential for development as well as the markets that are and would be attracted to them, consisted of a number of actions including field visits within the project area, interviews with key informants and a review of relevant documentation.

6.1.1 The evaluation of tourist attractions in the project area

As part of the process, the Consultants have created a database of 'attractions' and devised a scheme to evaluate their suitability and potential for attracting tourists to the project area, and for further development. The attractions are grouped in five categories and nine sub-categories as shown in Table 6.1 overleaf:

Table 6.1: *Classifying attractions*

<u>CATEGORY</u>	<u>SUB-CATEGORY</u>
• Natural	→ Lakes
	→ Rivers
	→ Mountain
	→ Caves
	→ Marine
• Cultural	→ History
	→ Religion
	→ Folkloric
	→ Ethnic
• Sports and recreation	
• Events	
• Others	

Each attraction is briefly described in the database including listing of contact details for attraction administration, information and promotion (e.g. websites). The requirements and needs for improvement or development are subsequently identified.

The attractions are evaluated against the criteria described below and given both a qualitative and quantitative rating. This identifies the attractions with the greatest potential for bringing tourists to the project area. The assessment criteria include an appraisal of ease of access to the attraction for visitors, an appreciation of the attraction's international and domestic importance (therefore indicating the types of the markets it could attract), its distinction level (in other words how unique it is compared to other tourism products) and its potential for development. Further, each attraction is given a qualitative rating according to the evaluator's judgment as well as a quantitative rating based on the rating awarded for each criterion. Finally, the rationale behind the rating awarded is explained.

Table 6.2: *Assessment of attractions in the project area*

<u>CRITERIA</u>	<u>QUALITATIVE RATING</u>	<u>QUANTITATIVE RATING</u>
• Accessibility	→ Very Easy	→ 3
	→ Easy	→ 2
	→ Difficult	→ 1
	→ High	→ 3
• International Importance	→ Medium	→ 2
	→ Low	→ 1
	→ High	→ 3
• Domestic Importance	→ Medium	→ 2
	→ Low	→ 1
	→ High	→ 3
• Distinction Level	→ Medium	→ 2
	→ Low	→ 1
	→ High	→ 3
• Potential for Development	→ Medium	→ 2
	→ Low	→ 1

The maximum score amounts to 15 points. Attractions scoring between 11 and 15 points are considered as prime or major attractions within the project area capable of attracting visitors to the area in their own right; those scoring between 7 and 10 points are attractions of secondary importance but which provide additional features encouraging visits to the area; if scoring below 7, the attraction is of minor importance but supports the overall character of the area. Table 6.3 below shows an example of the evaluation of one of the attractions recorded in the database, the city of Duga Resa.

Table 6.3: Evaluation of the city of Duga Resa as a tourist attraction

Name	Duga Resa City		
Location	Duga Resa		
County	Karlovac		
Email	info@tz-dugaresa.hr		
Telephone	047 844 752		
Web Page	http://www.dugaresa.hr/eindex.asp		
Description	Duga Resa City is located in the contact zone of the Highland and Pannonian Croatia. Duga Resa City with its 58 km ² is one of the smaller units of the local self-government in the County of Karlovac. There are 12,000 inhabitants living in town. It is situated by the river Mrežnica and Vinica Hill (321m). This region is known by its strong winters and hot summers. The hot summers offer excellent opportunities to enjoy Mrežnica river. Winters are very cold with lots of snow.		
Needs/Improvements	When thinking of Duga Resa think of Lanark World Heritage site (very similar story) - great potential, some initiative to develop a museum dedicated to textile heritage, with a universally appealing story if well and professionally presented and told.		
Category	Cultural	Sub-Category	Cultural - History
Accessibility	Easy		
International Importance	High		
Domestic Importance	High		
Distinction Level	High		
Potential for Development	High		
Rating	Very High	Score	14
Rationale	It is a well preserved industrial city - with residential quarters for craftsman, residences of the owner, the old factory building, preserved bath house, the old factory plants with power-plant, school and kindergarten. Well documented history of how it was to live and work in Duga Resa in time of the industrial revolution.		

Source: The Consultants' attractions database

6.1.2 Researching tourist markets

Researching actual and potential tourist markets to the project area involved several methods including consulting with stakeholders, extrapolating from secondary research sources especially the TOMAS surveys conducted by the Institute for Tourism, as well as analysing relevant studies and reports. The TOMAS surveys were particularly useful in this exercise as they provided the most indicative figures for tourist volumes in the area and an excellent appreciation on tourist profiles. TOMAS tracks visitor motivation, activities, satisfaction and expenditure of several market segments - summer tourists on a regular basis and occasional surveys such as TOMAS Transit, TOMAS Nautical, TOMAS National parks, TOMAS Cruise, TOMAS Zagreb, TOMAS Domestic travel, TOMAS Slavonija. The most relevant surveys for the purpose of this report are:

- TOMAS Summer - a survey of summer visitors along the coast (six surveys undertaken since 1987). The last survey, covering 4,500 tourists was conducted from June to September in 2004 in seven coastal counties with the sample stratified by the seven coastal counties included in the survey, type of accommodation (hotels, resorts, camps, private accommodation) and country of origin. The results of the recent 2007 survey will be available early next year.
- TOMAS Transit – a survey of the attitudes and expenditures of tourist travelling by motor vehicle on their way to coastal destinations was conducted from July to September 2005 in the seven counties at the destination arrival point. A sample of 3,000 tourists was stratified by seven coastal counties, type of accommodation and country of origin.
- TOMAS Domestic Travel – was conducted in 2004 to estimate the volume and characteristics of travel by Croatian residents. It was a national household survey conducted from January to December, with a sample of 3,000 stratified by the six regions included and size of settlements (four groups of settlements based on population size).

Ideally, a visitor survey should be conducted at various destinations in the project area to obtain further detailed appreciation, behaviour and intention data. However, this is beyond the scope of the Tourism Master Plan project and would require a major market research project over a sustained period of time. It is recommended that this type of research is carried out in the future and a system devised to monitor visitor volumes and profiles in the project area on a regular basis.

6.2 Existing and potential products

6.2.1 Existing tourism products

Karlovac and Lika-Senj Counties possess a rich variety of landscapes and environments ranging from agricultural lowlands to high mountain peaks and plateaus, major river systems, a coastal belt and islands in the Adriatic Sea. A substantial area is protected as national parks and nature

parks. These attributes offer visitors the opportunity to enjoy a variety of activities. The available tourism products can be classified as follows:

- Nature and nature-based activities
- Sea and sea-based activities
- Historical and cultural heritage
- Industrial heritage

Tourism resources are appraised according to their characteristics as related to the natural environment, cultural heritage and other types of resources. Both Counties are considered as one integrated region in this analysis to ensure that products that are common to both areas or are geographically complementary are treated in a holistic manner.

Nature and nature-based products

The stunning nature of the Counties is probably the main pull factor for tourists to visit the region, especially to experience the UNESCO World Heritage Site of Plitvice Lakes National Park with a large forest area, 16 lakes and the cascading waterfalls, and to explore the Velebit Mountain Range. The Velebit range has been declared in its entirety as a Nature Park, and recognized as a UNESCO Biosphere Reserve. Within the Nature Park, two areas are further protected as the North Velebit and Paklenica National Parks. The following section covers tourist activities and experiences that can be enjoyed in the project area, in addition to general sightseeing at the national and nature parks.

Hiking

There are numerous excellent hiking areas within the project area and hiking trails have been prepared in several areas. Hiking is well established and mapped out with well defined trails in **Velebit**, **Klek** and the area around **Plitvice Lakes**. The 50 km Premužić trail along the top of the Velebit Mountain is particularly attractive and has been designed to allow hikers of all fitness levels and age to travel through this harsh and hostile terrain and enjoy the wild karsts formations, beautiful views over the north Adriatic Sea and occasionally spot wildlife such as wild goats.

Other hiking areas in the project area include:

- The Bjelolasica area north of Ogulin including the special nature reserve Bijele and Samarske Stijene, where 19 trails (ranging from moderately to very difficult) and three short tourist trails (approximately one hour long) are marked.
- The Petrova Gora Mountain to the South East of Karlovac City with its mix of woodlands, deep gorges, recently re-established mountain trails and ancient Roman routes as well as sites of historical importance.
- The island of Pag where the tourist office has identified 14 trekking and mountain biking routes including the 'Stone-pit route', the 'Bird route' through the Velo Blato

ornithological park, the 'Salty route' passing a number of salt pans, and the 'Wine route' which ends at a wine cellar where hikers can enjoy an excellent meal.

- Around Karlovac, a number of shorter trails are established leading to attractive vantage points such as Martinščak, Vinica, Vodenica, Kalvarija. For the more serious hikers, these are linked by the Dubovac Hiking Trail taking about eight hours and passing near Ozalj and Ribnik Castles, through picturesque villages with interesting churches and along river banks.
- The Lička Plješivica, which was before the recent war an established hiking destination with well marked trails and hiking lodges, now has only two areas accessible – Medvjedak and Mrsinj. The mine-fields are preventing the mountain to be further explored for visitation purposes.

Evaluation of the hiking product: This product is a strong attraction for active tourists to the region, especially in the protected areas. It appears to be relatively well organised, and with stronger marketing, the region could become known as a major hiking destination in Southern Europe that could appeal to both the international and the domestic markets. At present, the hiking paths network is well developed and marked, with specialist maps of the region available. However, the product as such is directed mostly at the dedicated hikers, while the general public have little awareness of it and would find it difficult to access. Therefore, there is a need for user-friendly marking and better marketing to expand the product.

Climbing (free climbing and alpinism)

There is a significant and well-known climbing zone in the project area, at the **Klek Mountain** near Ogulin, which offers a challenging 200 metre vertical rock with several different climbing routes. In the Velebit Mountain Range, the Nature Park has established a free climbing zone at **Ravni Dabar** with climbing permitted at Visibaba - Agin Kuk (six routes), Čelina Kuk (three routes) and Rujičin Kuk (17 routes).

Evaluation of the climbing/mountaineering product: The area provides good features for this market. However, it is unlikely that it would attract large numbers of international tourists outside climbing competitions and events but would certainly appeal to the specialist domestic and possibly regional markets. To some extent, Klek has gained some international recognition as the "*cradle of mountaineering*."

Caving

The Karlovac and Lika-Senj project area has the highest concentration of caves and pits in Croatia and is considered to be one of the most interesting areas for caving in Europe, not only because of the sheer numbers of caves and pits and their dimensions, but also because a large number of caves have not been explored yet.

The caves open to the general public are:

- Baraćeve Caves at Rakovica,
- Golubnjača at Plitvice Lakes National Park,
- Samogradska (Grabovača Cave Park at Perušić) and
- Vrlovka Cave at Kamanje (near Ozalj).

The Grabovača cave complex is particularly worth mentioning, as a quarter of all protected speleological features in Croatia are found here, with the exception of Samogradska Cave, several can be visited for sport caving. The Municipality of Perušić has founded a public institution responsible for managing the Cave Park. This should guarantee good visitor management for the general public at Samogradska cave as well as for sport caving at the other six caves in the park. The access to other caves and pits is only possible with trained and certified speleologists upon obtaining the prior approval from the relevant Ministry.

Evaluation of the caving product: With the karsts formations in most of the region, there are many caves, some of which are amongst the longest in the world. Specialists of Croatian speleological societies organise caving training and caving expeditions for the more adventurous visitors. However, only a few caves are accessible to the general public. Grabovača Cave Complex has ambitious plans but lacks funding to realise its tourism potential. The North Velebit National Park is preparing to open two pits to the public within the next 12 months. With the significant growth of the international caving demand, there is a potential to utilise these resources to develop a strong caving niche product.

Cyclotourism

The project area offers excellent cycling terrain and this is a product which is becoming well established. Cycling routes have been established and promoted by the local and county tourism boards. The best cycling areas are:

- Throughout Karlovac County. A well established organisation exists and the Karlovac Tourist Board promotes 550 km of tracks along 10 routes. A 'bike and bed' network comprises 105 accommodation providers along the cycling routes with support services such as guides, bike rentals and repair and servicing
- Bicycle trail Ogulin-Jospidol-Plaški-Saborsko-Plitvice Lakes, already marked in the tourism map of Europe in the catalogue of the Alpe-Adria association.
- Around the Sjeverni Velebit National Park (around Krasno and Baške Oštarije)
- The island of Pag
- Some shorter cycling trails are designed around towns and villages (i.e. Duga Resa Draganić, Ozalj, Ogulin, Rakovica among else)

Evaluation of the cycling product: The product is becoming quite well established in the region. It appeals to the specialist domestic and international cycling markets as well as to holidaymakers who would enjoy cycling as an activity during their stay. There are a number of accommodation establishments along these routes, certified and is promoted as bike-friendly accommodation. The product is well organised, with quality marketing materials and promoted at specialist international trade fairs. To fully exploit the cycling product, more focused positioning of the project region as an attractive tourist region would be required.

Skiing

Although not reputed as a ski area, there are a number of facilities for visitors to enjoy, especially at the ***Croatian Olympic Centre “Bjelolasica”*** which is the largest ski centre in the country. The complex boasts three cable lifts and three drag lifts on a 25 acres skiing area. The centre has a substantial accommodation capacity, restaurants, bars as well as other sporting facilities (mini golf, tennis, basketball). It also offers a number of programmes and services such as team building events, a ‘school for nature’ and the arrangement of seminars and meetings.

There are two other small ski lifts which mainly attract the domestic market from the Dalmatian Coast. They are located at ***Krasno*** and ***Baške Oštarije***. Finally, there is a small ski lift in ***Mukinje*** within the Plitvice Lakes National Park, as an additional product of the Park during the winter-season.

Further, Lovinac and Jasenice Municipalities have since 2005 worked on the development of a major integrated mountain tourism resort under the name of ***“Sveto Brdo”***. The European Commission has provided financial assistance in the amount of EUR 1.8 million, of which EUR one million for de-mining and EUR 800,000 in technical assistance for feasibility analysis and management planning studies. Further support has been provided by the Ministry of Tourism, the Ministry of Culture and the World Bank.

While the primary aim of the Sveto Brdo project is to provide Lika-Senj and Zadar Counties with an engine for social and economic development, the proposed mountain tourism resort if developed will be one of the most largest tourism resorts in Croatia linking the Adriatic Sea, the Velebit Mountains and rural hinterland of Lika in a unique all-season adventure mix.

Evaluation of the skiing product: The Olympic Centre can certainly attract domestic as well as some regional visitors, particularly if events are organised and the centre is properly marketed. However, it is unlikely that the region will become a major skiing destination given the proximity of the long established resorts in the other Central and Southern European countries.

Rafting and canoeing

The rivers within the project area provide ample opportunities to enjoy rafting and canoeing. More than half of the best rafting/canoeing rivers of Croatia are located in the project area including the Rivers Kupa, Mrežnica, Dobra, Korana and Una, although the only small part of Una is in the project region. The Dobra and the Una have been allocated a difficulty rating four, and the other rivers a rating of three. The best rivers for rafting are reputed to be the Dobra and the Kupa. On the Dobra, rafting is particularly suitable between Gojak and Lešće and canoeing between Kamačnik and Lake Bukovnik. There is a canoe and rafting club in Ogulin. A number of specialist tour operators offer white water rafting, canoeing and kayaking holidays to the region.

Evaluation of the rafting and canoeing product: The region is already well established as a rafting and canoeing destination with Croatian specialised in-bound tour operators already bringing in international tourists. There are several on-ground service providers. Certainly, with the product already established, it needs, as in the case with cycling, stronger and more coordinated marketing. Development of this product also requires appropriate planning to avoid

a danger of overuse that would be damaging to the waterfalls, whole other developments (i.e. accumulation lakes) do not adversely affect this tourism resource. razvojne opcije (npr. izgradnja akumulacijskih jezera) ne bi uništili ovu resursnu osnovu.

Sport fishing

With a major river network and a long-established reputation for good sport fishing especially on the **Gacka River** where the main catch is the endemic Gacka trout, this is a major niche product for the project area which can be strongly promoted. Whilst trout fishing on the Gacka River is internationally well-known, notably in Japan, there are opportunities for fishing throughout the project area in rivers and lakes as well as larger game fishing in the Adriatic Sea. Trout is plentiful in most of the rivers in the region, Danube salmon can be caught in some of the river and carp and catfish in the lakes and down-stream of main rivers. The fishing season is in spring and summer. The sport is practiced throughout the project area on:

- River Gacka
- River Dobra
- River Korana
- River Kupa
- River Mrežnica
- River Slunjčica
- River Lika
- Lake Kosinjsko
- Lake Sabljaci

Evaluation of the fishing product: This is a very strong product for the region which has already proved itself internationally by attracting sport fishermen from as far as Japan. At least two UK operators organise fly fishing packages. However, facilities are not well developed with little quality accommodation available or services for fishermen. Trout farms in the area such as the Leko Trout Farm are poorly set up for tourism and, although small shops sell local produce, there is no visitor centre or guided visit of the farms.

Hunting

Hunting is well established within the project area and has a long history of tourism linkage. In Karlovac County, there are 175,000 hectares of hunting grounds, two-thirds of which are forested. Indeed, Karlovac accounts for almost 6% of Croatia's total forest reserves. In Lika-Senj, mountain hunting grounds amount to about 490 ha and offer excellent opportunities and hunting tourism, organised by hunting societies and hunting lease-holders. Big game hunting includes wild boar, red deer, doe, brown bear, mouflon, chamois and fallow deer. Small game available in the project area includes Greek partridge, snipe, quail, pheasant, rabbit and wild duck.

Wild boar hunting is organised in the Petrova Gora, Slunj, Pokuplje basin, the Bosiljevo hunting grounds and on the Perušić hunting grounds which is particularly famous and reputed for offering the best tusks in Croatia and the 4th best in the world.

There are several hunting lodges within the project area, many of these are managed by the Croatian Forests and by hunting societies. Some lodges are large enough and well equipped to host business meetings, receptions and celebrations.

Evaluation of the hunting product: This is the product which can offer a competitive advantage over competing neighbouring areas, and hunting can become one of the main niche products in the project area. As in the case with sport fishing, the infrastructure needs to be developed with more and better accommodation facilities and supporting services. However, the service providers are fragmented and with little cooperation between each other. The product would benefit from greater organisation and more integrated marketing to attract a greater number of hunting tourists.

Wildlife viewing

With the region's rich fauna, including large mammals such as bears and deer, and the great diversity of birds in the national parks, there should be good opportunities of developing an excellent wildlife viewing product including photo safaris. However, this does not seem to have been exploited in the project area. If developed, it would expand the tourism portfolio by establishing organised animal viewing experiences. The Poveljansko and Kolansko Blato on the island of Pag is particularly interesting and has been declared as ornithological reserve but it is little known even within the regional boundaries. There is also the Gama Game Reserve near Ogulin, a private hunting ground, which offers organised animal viewing and feeding. Studies of bird species are under way in Velebit Nature Park.

Evaluation of the wildlife viewing product: Although potentially a very lucrative product, there have not been serious attempts to develop this product, apart from the experience organised at Gama Game Reserve, mostly due to the fact that tour operators in the region have not recognised the potential of this tourism activity.

Paragliding

In Croatia, there are several registered paragliding launching areas, of which one of the best known is Bjelopolje, near Korenica, a valley with abundant air flows. Competitions, summer camps and sport club meetings are occasionally organised there. Another launching area is **Bjelolasica** near Ogulin. However, the best paragliding area is at Stolac near Vratnik in the Velebit Mountain Range with excellent wind conditions and good road access.

Evaluation of the paragliding product: In spite of the excellent conditions for paragliding in the project area, this product is currently not developed. There are only about a dozen paragliding clubs in Croatia, with almost 300 members. They are investing their efforts in attracting international, high profile competitions, with an intention of putting Croatia on the world paragliding map. For the area to develop paragliding, access roads need to be established, accommodation and transport provided and, for the general tourists, tandem flights could be organised. Tandem flights are allowed only with certified instructors, active within the clubs. However, the product is virtually inaccessible to the general public, as clubs are not promoting this type of experience.

Camping

Camping is fairly well developed in parts of the project area with an official campsites network concentrated around the Plitvice Lakes National Park and in the coastal region. In 2006, camping accounted for 30% of total bed nights in the project area (50% in Karlovac County) within 11 campsites including 'auto camps'.

These offer a variety of services such as washing and cooking facilities, restaurants and snack bars, shops, bicycle rental, sporting facilities (e.g. swimming, canoeing, and tennis), playgrounds, and tourist information.

Evaluation of the camping product: With the project area's obvious potential for tourism products based around nature and out-door activities, camping is extremely apt. Camping should be further developed and organised in the hinterland of the project area and promoted to the wider market.

Sea and sea-based products

Beaches

Although this is not a niche product, it cannot be overlooked since 47% of the total number of bed nights spent in the project area in 2006 was recorded in Novalja, the main beach centre on the island of Pag. There is the reputed Zrće beach which is one of the main summer entertainment centres along the Adriatic Coast, and a number of small, picturesque bays offering peace and tranquillity. The spectacular coastline underneath the Velebit complements the interesting mountain formation of the south slopes of Velebit, although making it less popular for the more general sun and sea seekers.

Sailing

The area between the Velebit massif and the island of Pag is a challenge for sailors due to the strong and unpredictable wind – "*the bura*", blowing from the continent, particularly around the town of Senj. For ten years, regattas have been organised at Senj every July. During the stakeholders' workshops, it was suggested that the *bura* phenomenon could possibly be exploited to develop a specialised sailing product, such as a nautical school for advanced sailors in Senj and this could be further expanded with the competitions in adverse weather conditions.

Diving

Diving is very well established on the island of Pag. The localities for diving include a number of shipwrecks, caves, diving walls as well as underground Roman archaeological sites. Diving opportunities are organised by certified diving centres offering a range of diving experiences from beginners to advanced level, night diving, and diving schools.

Evaluation of the diving product: Although this product is already established with a variety of sites and localities, it can be further expanded. With the worldwide growth of the diving market,

diving is becoming more of a mainstream product rather than a niche product. There are a growing number of people travelling abroad with the expressed purpose of learning to dive. Added to this group are people keen on snorkelling or diving with professionals for the first time. The project area should exploit these opportunities by establishing packages which can be sold to the international market.

Historical and cultural heritage products

Castles and fortresses

Historically, the Karlovac and Lika-Senj project area comprised the so-called Military Krajina border with the Ottoman Empire. It acted as a barrier to stop the spread of the Ottoman Empire and, as a consequence, many forts and fortified castles were erected over a 300-year period. The project area has a concentration of these remains, some of which are spectacular and well preserved, such as the Ogulin, Dubovac and Ozalj Castles. One of the largest and best fortified is the Karlovac Star within the city of Karlovac, though currently needing major refurbishment and interpretation. Along the coast there is the large and well preserved Nehaj Fortress in Senj. There are also a large number of castle ruins being preserved or under reconstruction, which are of passing interest, especially to tourists interested in heritage.

Evaluation of the castles and fortresses product: Whilst the potential is enormous, there has been very little tourism development around castles and fortresses. Some can currently be visited, especially those housing museums (Ozalj and Ogulin, and at times Dubovac). However, this is not well organised or managed. There are initiatives for some castles (e.g. Ribnik, Bosiljevo and Dubovac) to turn them into conference centres and accommodation facilities though with little success to date. To exploit this product for tourism purposes, several improvements are required. Firstly, the viability of converting some of these into boutique hotels should be investigated. Then, there is a need to develop several visitor information centres at points of particular tourist interest which would promote and interpret the history behind the existence of the castles and how they can be visited. The centres would also provide information on other tourism products in the region. Finally, it seems opportune to develop a historical castle/fortress route linking the sites. This could be promoted domestically, regionally and internationally to heritage visitors. Developing these initiatives will provide local jobs at the visitor centres and accommodation facilities, as well as tour guiding services.

Archaeological sites

Most of the archaeological remains date from pre-Roman times. The area was settled by an Illyrian tribe, the Japodi, whose artefacts can be found throughout the project region. There are also remains of Roman roads, a well preserved Aqueduct and a 'sunken city' near Novalja.

Evaluation of the archaeological sites product: Archaeology in the region is unlikely to become a major tourism product that would motivate people to visit the region in their own right. However, these sites can be developed as local, tertiary attractions to be visited by tourists already in the region. They would enhance the range of products available and increase tourist satisfaction, but bring in little in terms of additional demand.

Churches and monasteries

The region is rich with churches and monasteries of which the Franciscan Monastery and the Church of the Holy Cross in Karlovac, the Paulin Monastery and the Church of our Lady of the Snows in Kamensko, the cathedral of Annunciation the Blessed Virgin Mary in Gospić stand out. In Senj, the Cathedral of the Virgin Mary houses a permanent exhibition of the sacral heritage which is open to the public. There are several important pilgrimage sites including the nationally renowned Lady of Krasno. The other pilgrim sites are Kuterevo (the Virgin Mary of Carmela), Trošmarija near Ogulin, Oštarije (the Blessed Virgin Mary of Miracles) and Dubovac (national shrine of St. Joseph).

Evaluation of the churches and monasteries product: Whilst there are many churches, few would be of specific interest to the general tourist. However, they might appeal to those who are highly knowledgeable and interested in sacral heritage. The opportunity for developing religious tourism lays in pilgrimage to sites of importance, in particular Krasno. Pilgrimage tourism could become a major source of tourists as illustrated by the case of Međugorje in Herzegovina.

Famous historical figures

There are a few famous figures associated with the region, of which the best known is Nikola Tesla, the engineer in the field of electricity and magnetism and inventor of the alternating current electric power. UNESCO declared 2006 the year of Nikola Tesla to mark the 150 year of his birth. As a result, the Nikola Tesla Memorial Centre has been built in Smiljan, in the house where he was born. Another well-known family is Frankopan/Zrinski (middle ages) whose names are connected with some of the castles, churches and monasteries in the region (e.g. Ogulin, Ozalj).

Ivana Brlić Mažuranić, a famous fairy-tales writer was born in Ogulin and is often referred to as the Croatian Hans Christian Andersen. It is said that Mount Klek with its shape of the sleeping giant and the lush, albeit wild nature, inspired many of her tales. Her tales are still popular with Croatian children and are obligatory reading. There is a very popular cartoon based on her stories with a range of merchandise widely available. One of the exhibit rooms at the municipal museum in Ogulin is dedicated to the writer. Another famous figure is Ante Starčević, writer and politician born in 1823, who advocated an independent Croatian state. His house in Žitnik is set up as a memorial centre and is open to visitors.

Evaluation of the famous historical figures product: The Nikola Tesla Memorial Centre has the potential to become a major attraction in the region in line with attractions built around other world famous figures such as the Thomas Alva Edison Memorial Tower and Museum in Menlo Park, New Jersey. The recently built Memorial Centre is very interesting and well presented. Its main market is now school excursions. There is a need to enhance visitor numbers by stronger marketing and some additional tourism facilities and services as well as directional signs within the region.

The Frankopan/Zrinski family history is presented in regional museums but the story of the two most famous Croatian noble families could be better interpreted if all related artefacts are collected and exhibited at one well marketed site.

The story of Ivana Brlić Mažuranić in Ogulin could become as famous as Hans Christian Andersen in Denmark if it is developed and organised properly and the local NGO together with the support by the Municipality and Tourism Board is currently developing a cultural tourism project based around this famous Croatian story teller (the project “Ivana’s house of fairy-tales” is currently in its implementation phase), and networking with other European birth cities of famous fairy-tale writers.

Folklore

Various amateur folklore clubs preserve the dances, music and customs of the region. More than 40 folklore societies are active in Karlovac County and 9 in Lika-Senj. They organise various folklore events/parades of local and regional significance during which folklore clubs gather and perform. These societies cooperate well with the tourism boards and participate in tourism-related promotional events. The local tradition is also nurtured through citizen associations set up as NGOs with the mission to maintain and preserve ethnological heritage (and, through the process, to provide employment or a subsidiary source of income mostly for the female population of the region). One example of such an association is the “Gačanka” NGO that organises courses for traditional textile weaving, the “Eko-Kosinj” which promotes healthy living and protection of natural and cultural heritage of the Kosinj Valley, or the Tara Citizens Association in Ličko Petrovo Selo that manufactures original knitted or woven garments and many other products made of homespun wool. The customs are also preserved through the Community Education Centres (Pučka otvorena učilišta) that organise courses to revive the old or forgotten crafts of the region

Evaluation of the folklore product: Although folklore is not a strong product in the region that will attract many visitors, it enhances the product portfolio in several ways. It is an add-on value to the organised tours and various incentive programmes. During the season, regular folklore evenings with traditional dinner can be offered while the traditional products can be promoted as authentic souvenirs of the region. In addition, organised events can be a pull factor for at least the regional market, if properly promoted.

Legends, myths and historical stories

The town of Ogulin is home to two nationally renowned and popular legends – one recounts the story of the witches of Ogulin and the other that of the Đula. The Klek, because of its shape as a sleeping giant, inspired popular imagination and thus many tales evolve around it. The most famous of these tell the tales of the witches of Klek. At midnight, on stormy nights, witches from around the world gather on the mountain, sing, dance and cry so loudly that they can be heard in Ogulin. Occasionally, small events are organised on the theme, and witches greet tourists arriving to Ogulin by Karlek – the tourist train run by Croatian Railways at weekends. Legend has it that Ogulin fortress was initially known as Đula town, and there is the story of a girl Đula who, suffering from unrequited love, jumped into the 30 meter deep abyss into the river Dobra, from where the Đula Abyss was named. Occasionally, on civic celebration a theatrical play about Đula is performed. Reference should be made to the initiative taken by the Municipality of Ogulin regarding the “*Ivanina kuća bajke*” project. See Famous historical figures.

Along the coast, the town of Senj is the setting for many interesting stories, the most well known and historically founded is that of the Uskok's of Senj. These Croatian soldiers waged guerrilla war against the Ottomans. As these advanced towards the west, the Uskok sheltered in Senj, and joined the Habsburg Military Frontier. However, since the Austrians did not pay their wages regularly, the Uskok often resorted to piracy using their fleet of swift small boats. With the first trade treaties signed between Venice and the Ottoman requiring safe passage for the trade ships, the Uskoks were a menace and were behind two major wars - reigniting the war between the Austrians and the Ottomans, and later, between Venice and Austria. Finally, they were disbanded in the early 17th Century and settled mostly in the area around Zagreb. The stories of their military strengths, courage and skills are kept alive, and the Nehaj Fortress, which houses an exhibition dedicated to the Uskoks' history, fame and fate.

Evaluation of the legends and myths product: Recently, the legend of the witches at Klek was used to position Ogulin as a tourism destination. This involved a festival as well as linking the imagery of witches with other events attracting national recognition. However, as a consequence certain associations or groups with beliefs in magic were also attracted to the festival. It now seems that the local community are hesitant about continuing to link tourism with the legend of witches. The story of the Senj's Uskok is currently presented in Nehaj fortress and Senj's municipal museum. There is a potential of building on this legend to provide Senj with a unique identity.

Events and festivals

The region hosts various events celebrating the regional way of life and its customs. Of the better known are the Karlovac Beer Festival held in late August and the International Folklore Festival in July. Karlovac also hosts the Medieval Fair in Dubovac Fortress in late May. Other nationally recognised events in the area are the Summer Carnival in Senj in July and the Fairy Tale Festival in Ogulin held in June. In spring, events related to Easter celebrations are held in most towns. During the summer, a variety of cultural events are organised in the coastal area to increase the average length of stay of visitors (e.g. Senj, Novalja) or in the hinterland to enhance the cultural life of the resident population (e.g. Ogulin, Gospić), usually known as Summer Festivals. Pilgrimages are frequent on the 15th August (Assumption of Virgin Mary), of which the largest is in Krasno, while autumn is the time of the year when harvest and food festivals are organised (e.g. Autumn in Lika held in Gospić, the Vine Festival in Vivodina, the Mushroom Evening and Autumn in Courtyards in Duga Resa, and the Chestnut Festival in Kamanje). Finally, towns regularly organise their own celebrations.

Evaluation of the events and festivals product: Most of the present events are organised for the local market, with the exception of the Karlovac Beer Festival that is nationally promoted and various folklore parades/festivals that promote tourism through attracting a sizeable number of participants to the local area. Most events are organised by the non-professional event organisers (NGOs, tourism boards, Community Education Centres) often lacking appropriate event organisation and marketing skills and are short in duration. They are unlikely to become major pull factors for tourism in the region. However, if the events portfolio is developed and communicated to regional visitors, they can enhance their stay and tour organisers can be sure that there is some event somewhere in the region to visit at any given time.

Agro-tourism

In Croatia, agro-tourism refers to offering services to visitors in family farms and is regulated by law. Currently, there is no agro-tourism households registered in the project area. However, the product is offered to some extent around Plitvice Lakes where a number of rural households are offering accommodation in their homes to visitors to Plitvice Lakes NP, as well as around Otočac, mostly to satisfy demand by fishermen and hunters.

Evaluation of the agro-tourism product: Although, agro-tourism households are not formally registered in the project area, there are households already involved in offering accommodation and farm-based experiences to tourists. However, while satisfying the basic legal requirements, they offer little in terms of reflecting uniqueness of the area and differ vastly in quality of both facilities and services. Certainly, the development of agro-tourism is part of the stakeholders' tourism vision, but service providers need education and a set of guidelines on how to develop it properly.

Ethno-villages

The water-mill village of **Rastoke** is a living village that has truly preserved its traditional character and has been included in the national register of protected heritage. It is "*the village of watermills*" where houses were built above water-streams, ponds and waterfalls. The village is divided into Upper and Lower Rastoke, of which Lower Rastoke is more attractive. A number of owners have restored their houses and offer rooms to visitors. Other visitor facilities include souvenir shops and restaurants. In the middle of Lower Rastoke, the Holjevac family has set up a restaurant, souvenir shop, a small conference facility, and a small accommodation facility. It organises functions and offers estate visits for a small fee.

On the Korana river, close to the Plitvice lakes, there is a village Korana where traditional houses and water mills were restored and available for visit.

Several ethno villages exist in the region in various state of preservation. There is a small **Ethno-park** near **Ozalj** with a couple of traditional wooden houses covered with straw, low-ceiling peasant rooms, kitchen and storage areas with the original furniture as well as household artefacts. Finally, the **Ethno-village** in *Lovinac* will be completed soon.

The Velebit Mountain Range was also inhabited by shepherds (pastirski stanovi) who moved their sheep up the mountain during the summer season and built their summer dwelling as seasonal homes. Today, most are abandoned and in ruins. However, there are a substantial number of relatively well-preserved dwellings in the **Senj hinterland**. These could be restored into living historical museums or themed accommodation.

Evaluation of the ethno-villages product: This product is yet not developed but has some potential. The village of Rastoke certainly has the potential of becoming a major attraction in the project area. However, to see the most attractive sections of the village, visitors have to walk through private properties and many owners are unhappy with this situation. Certainly, to fully utilise the tourism potential of Rastoke, community tourism development programme need to be

initiated. The Ozalj ethno-park can also become an interesting attraction to be included in the general itinerary of the region, provided it is better promoted. Finally, the shepherd villages of the Velebit region need to be developed for visits and properly presented.

Industrial heritage products

Wine production

Wine production in the region is concentrated in the three main areas of: a) the hills of **Karlovac** (850 ha) near Pokuplje, b) **Ozalj and Vivodina** (770 ha) near Plešivica and c) the **island of Pag** (480 ha) in the Croatian Primorje. The most advanced in terms of product development are the winemakers in Vivodina, organised in the Association of Winegrowers, Winemakers and Fruit Producers. About eight wineries are receiving visitors subject to prior booking. On the island of Pag, the wine-growing area is small and fragmented. However, the Boškinac family estate has vineyards, wine-cellars and recently, a hotel was added to the estate.

Evaluation of the wine production product: This growing attraction for the region is encouraging a number of initiatives, especially in the Vivodina region, where winemakers are increasingly promoting visitation to their cellars to increase sales and improve the reputation of their wines. However, the Vivodina region is part of the wider Plešivica wine growing region of Zagreb County. Plešivica has well established wine roads, quality promotional material and a very good web-site linked Zagreb County Tourism Board. The Vivodina wine-growing area should be integrated into this already established Plešivica Wine Route. In addition, the wineries must improve their visitor facilities including signage, their tasting rooms and sales area and they must develop a range of add-on products to enhance their market appeal.

Water mills

The project area has many water mills at its numerous rivers. They are in various states of repair and some have been preserved and can be visited by tourists. The most notable are the water mills in **Sinac** (the Gacka River), where several mills are restored and operational, the **Špoljarić mlin** in Korana village (Plitvice Lakes), and the water-mill at the **Holjevac family estate in Rastoke**. With prior arrangement (except for the Špoljarić mill) the mills are open with flour production and sales.

Evaluation of the water mills product: This is currently a family run concept which has not been properly commercialised. The mills are open mostly by prior arrangement. Most of the mills throughout the country offer the same concept. Therefore, the product may be of limited appeal to visitors who might have seen them elsewhere in Croatia (e.g. Paklenica and Krka National Parks). However, the water mills might be an interesting side-attractions for visitors in the region.

Textile factories

The **textile factory** at **Duga Resa** has an impressive and well documented history. It was built on the banks of the Mrežnica River at the end of 19th Century, and was responsible for the growth of Duga Resa. The current complex includes the original factory buildings, the power

plant, houses for master craftsmen, and the owner estate with the guest house and well established park, the administration building as well as the kindergarten and medical centre facilities built for the factory workers.

Evaluation of the textile industrial heritage product: This product does not exist at the moment, apart from some organised tours stopping at the small factory outlet located in the main market square of Duga Resa. Currently, there is a heritage study underway to establish a factory museum and large outlet shop. However, the entire factory complex (with the surrounding service areas) deserves to be developed for tourism and could potentially be a major attraction of the area. There are many fascinating, well documented stories of life in the 19th Century textile factory of Duga Resa that can be revived with a suitable visitor interpretation and management centre, given that most of the original buildings are well preserved.

Other heritage products

The ***Munjara*** power station at ***Ozalj***, sitting above the waterfall is another interesting industrial heritage attraction. It is a beautiful neo-Renaissance stone building, resembling a palace built at the turn of the century.

The ***meteorological station*** in ***Zavižan*** is also of interest. Famous for being the highest altitude station in Croatia when established in 1953, it is the most important station for tracking climate and weather conditions in the Croatian mountains. There are plans to turn it into an observatory. Three generations of the Vukušić family have been looking after the station for the last 44 years. After their stories of mining the station appeared on the cover page of the Croatian edition of the National Geographic they became national celebrities. They often share their stories with visitors and provide a tour of the station to organised groups.

Evaluation of other heritage products: The meteorological station in Zavižanj can become a significant attraction of the North Velebit NP. Currently, presentation and interpretation is provided by appointment only. Certainly, if better information were available and interpretation improved, the station could become a major attraction in this part of Velebit. Oppositely, it is unlikely that the Ozalj power plant can become a major attraction that will bring tourists to the project area. However, with basic interpretation, it can be an interesting attraction for visitors already in the region.

6.3 Identification of actual and potential market demand

This section analyses the markets that are presently, or could be attracted to the project area. It is based on consultation with stakeholders, reviews of secondary research and informed conjecture based on the size and behaviour of niche markets around the world. Current visitors to Karlovac and Lika-Senj project area can be categorised in four main market segments:

- The holiday market on the Adriatic Coast
- The transit market on the way to the Adriatic Coast
- The domestic market, mainly from Zagreb, the largest urban centre of the country
- The special interest market

6.3.1 The holiday market at the Adriatic Coast

In 2006, Croatia recorded 10.3 mil guest arrivals and 53 million overnights at commercial accommodation establishments, concentrated during the summer season in the seven coastal counties. Tourists staying at coastal resorts and villages in Lika-Senj County and, towards the north, in Primorje-Gorje County are the most likely to also visit the interior of the project area (the hinterland).

In 2006, the coastal area of Lika-Senj County recorded around 156,000 guest arrivals who stayed at the respective accommodation establishments for an average 7 days in Novalja, well above the national average of 5.1 days, and the 4.9 and 4.7 days recorded in Karlobag and Senj respectively. Summer visitors to Lika-Senj County are characterised as being:

- Mostly young (23%) to mid-aged (72%), relatively well educated, visiting with family members or with a partner,
- Coming from Slovenia (13% of total arrivals), Italy (13%), Germany (12%), France (7%), Austria and Czech Republic (4% each)
- Well informed as they search a wide variety of sources to get information about the County, particularly relying on printed advertising and the Internet, but also on newspapers and journals, tourist fairs, TV and radio
- Arrive independently, some without any prior bookings, mostly by car (66%), motor-bike (9%) and camper van (17%)
- Repeat visitors to Croatia with 85% having already visited Croatia before. In comparison, a large proportion (53%) of the average Croatian summer visitor, is visiting the destination in the County for the first time
- More likely than visitors to other areas of Croatia to spend a short time in the County (28%)
- Active – more than half of the visitors engage in sporting activities such as sailing, cycling, scuba diving, adventure sports (hang-gliding, rock climbing and similar), horse riding, and fishing, while this is the case for only some 20% at the national level

In comparison, the coastal area of the Primorje-Gorje County recorded about 2.1 million guest arrivals at commercial accommodation establishments, with an average length of stay of about five days. However, coastal destinations and islands close to the project area (Brakar, Crikvenica, Kraljevica, Novi Vinodolski, Krk, Baška, Rab) record about 800,000 guest arrivals. Tourists in Primorje-Gorje County are characterised as being:

- Mostly mid aged (50%) or older (27%), well educated, spending their holidays with family members or a partner
- Coming from Croatia (20% of total arrivals), Germany (18%), Italy (15%), Slovenia (12%), Austria (10%), Hungary (5%) and Czech Republic (4%)
- Relying on previous stay or VFR to obtain information, followed by the Internet
- Mobile, as they organise their holidays independently arriving by car or motor-bike (74%) and 15.5% by camper
- Highly loyal to Croatia with 88% repeat visitors and to the destination they are visiting (with 67% repeat visitors)

- Mostly spending their main holiday (80%)
- Less active, preferring rest and relaxation (76%), while participation in the non-water related activities attracted about 25% or less (ref. Table 6.4).

Table 6.4: Activities of summer visitors in Lika-Senj and Primorje-Gorje Counties

Activities	Total (7 coastal counties)	Primorje-Gorje County	Lika-Senj County
Swimming	98.3	98.3	99.5
Restaurants	86.2	83.9	87.7
Rest/relaxation	77.0	76.5	47.9
Nature walk	72.9	71.7	62.8
Self-organised excursions	71.0	59.9	68.9
Local entertainment events	66.0	54.6	66.6
Sightseeing	66.9	62.2	57.1
Excursions to NPs	47.7	22.7	49.0
Boating	47.0	36.2	50.3
Cycling	45.0	33.8	55.1
Organised excursions	44.8	25.8	51.2
Museums	43.0	37.4	56.7
Concerts	38.7	16.9	53.5
Scuba diving	37.9	26.0	44.6
Tennis	36.3	16.7	44.8
Fishing	31.8	18.4	43.9
Water skiing	24.2	9.6	46.4
Health and recreation programs	23.6	7.9	39.3
Surfboarding	22.9	10.6	48.8
Sailing	21.6	6.8	60.4
Horse riding	18.1	5.2	32.0
Hiking	17.1	10.5	38.0
Adventure sports	13.9	15.0	41.7

Source: Institute for Tourism (2005) TOMAS Summer 2004

However, the visitors to these counties were not entirely satisfied with some elements of the tourism product (Table 6.5). Of a total of 21 services, facilities and/or activities being rated, only three achieved an average rating, i.e. quality of accommodation, value for money and suitability for family holidays. All other services, facilities and/or activities were rated low or very low. It is surprising that even characteristics relating to the scenic beauty and the natural environment of the area were rated as very low in Lika Senj County. However, when compared with the 2001 survey results, visitor satisfaction has increased slightly.

A sizeable proportion of visitors undertake self-organised and organised excursions suggesting that they could enjoy activities in the project area hinterland. However, the research indicates that they are dissatisfied with the range of excursions on offer, the quality of information, the availability of sporting opportunities and signage to tourist attractions. Providing that the products of the project area get better organised and more efficiently promoted to this captive market, it is reasonable to expect that a proportion of this demand can be diverted towards the hinterland of the project area.

Table 6.5: Satisfaction of summer visitors in Lika-Senj and Primorje-Gorje Counties

Satisfaction	Total (7 costal counties)	Primorje- Gorje County	Lika-Senj County
Scenic beauty	5	5	1
Suitability for family holidays	4	4	3
Personal safety	4	3	2
Friendliness of staff	5	4	2
Friendliness of locals	3	3	2
Service quality	3	3	2
Piece and quiet	3	3	2
Picturesque and tidy	3	3	2
Environmental preservation	3	3	2
Accommodation quality	3	3	3
Wealth of gastronomy in restaurants	3	3	2
Availability of organized excursions	2	1	2
Overall value for money	2	2	3
Accessibility of destination	1	1	1
Information quality	1	1	2
Wealth of sport opportunities	1	1	2
Quality of attraction signage	1	1	2
Quality of local transport	1	1	1
Entertainment	1	1	1
Shopping	1	1	2
Cultural festival/events	1	1	1

* range from 1=very bad to 5=excellent

Source: Institute for Tourism (2005) TOMAS Summer 2004

6.3.2 The transit market

Very little is known about the transit market, although the project area is along the main transit corridor. However, characteristics of this market can be gauged based on the results of the Institute for Tourism's TOMAS Transit 2006 survey. This is a survey of visitors travelling to the Croatian coastal destinations during the four summer months, providing information about the propensity to undertake side visits, the frequency and reasons for stopping and the attractions most visited en route. According to the survey results, transiting tourists form a potentially significant captive market as about 25% stated that they normally stop spontaneously to visit interesting places and sites when travelling for leisure reasons and about one third prefer visiting new and unknown places while travelling. However, to encourage these people to stop, timely information along the way is needed as only 13% actually plan to visit an attraction en route. The main obstacle for not visiting attractions whilst transiting was a lack of awareness of attractions to visit or the belief that everything of value has already been visited.

6.3.3 The domestic market

Of the some eight million overnight trips undertaken by Croatians within Croatia, 7.8% or 620,000 were made to the project area. Local residents were the biggest source of these trips (37.6%), followed by those from Zagreb and its surroundings (22.6%), the neighbouring region of Istra, Kvarner and Gorski Kotar (16.7%) and Northern Croatia (12.8%).

Most of these trips are organised independently (93%) and visitors either came with family members (36%), with a partner (22%), with friends (19%) or were travelling alone (24%). The main motives for travel to the project area are 'rest and relaxation' (76%), followed by 'visiting friends and relatives' (11%). This is partly reflected in the nature of accommodation used, where the majority stay in their own holiday homes (42%) or in the homes of relatives/friends (38%). A small proportion use hotels and other commercial accommodation (7%) and private accommodation (6%).

Croatian residents were also recorded to undertake about 11.2 million day trips of which around 940,000 were taken in the project area. Local residents (about 45%) accounted for most of the day trips, followed by Zagreb residents (31%) and Istra, Kvarner and Gorski Kotar residents (13%). In contrast to the overnight trips, day-trips were undertaken for a wider range of reasons. While rest and relaxation (36%) and VFR (47%) dominated, health reasons motivated 15% of these trips, sport and recreation 10%, gastronomy 9%, cultural heritage 6 and religion about 5%.

6.3.4 The special interest market

The analysis of the products available in the region carried out for this study clearly shows that the bulk of the demand to the project area can be generated by targeting the special interest markets. In broad terms, these refer to the nature-based and culture-based market segments.

Nature-based tourism is defined by the UNWTO as travel motivated by viewing and enjoying nature and the majority of demand comes from 12 developed countries: the USA, the UK, Germany, Australia, France, Sweden, Netherlands, Denmark, Norway, Austria, Canada and New Zealand. At the end of the 1990s, it was estimated that the nature-based market accounts for 7% of worldwide tourism demand, growing at a fast rate of between 10 and 30% per annum. Given the wide range of motivating factors that attract people to nature, and the large number of activities that tourists participate in during these trips, there are several sub-segments of this market such as eco-tourism and adventure tourism. Ecotourism combines nature based experiences with the discovery of traditional cultures and local ways of life. It accounts for between 2 and 4% of the total international tourism demand.

Adventure tourism is further categories into 'soft' and 'hard' adventure, and at the end of 1990s, the demand was estimated to grow about 8% annually. Soft adventure refers to activities with a certain amount of perceived risk but a low level of real risk, requiring minimal commitment and skills. 'Hard' adventure entails high levels of risk, intense commitment and advanced skills. Examples of 'hard' adventures include kayaking and white-water rafting, scuba diving, off-road mountain biking, paragliding, rock climbing and caving. 'Soft' adventure activities are hiking, bicycle touring, horse riding, bird watching and wildlife watching.

In 2003, there were around half a million adventure travel trips (excluding domestic adventure holidays) taken in Europe. Within Europe, four countries account for more than half the adventure travel market: Germany (23%), Great Britain (16%), France (7%) and the Netherlands (6%), while Italy, Switzerland, Belgium, Sweden, Russia and Spain together account for 22%. The market mostly consists of young and the baby-boom generation, with the soft adventure market prevailing among the middle-age group (36 to 55). Demand is growing, and the recent trend is for family friendly products including transport to allow children to keep up with the adults (e.g. riding a donkey while the parents walk) attracting the ex-backpackers' market, who want more than 'Sun & Sea' with their family. Short adventure breaks – three to four nights programmes are also attracting a growing market.

For some of these market segments, specific research data is available, while others such as caving, rafting or paragliding are not well researched at the moment. Thus, in the remainder of this section on the niche markets, an attempt has been made to quantify and describe each niche market segment using available research data and reports and, wherever possible, indicating demand from the current Croatian markets (predominantly coastal summer demand as demonstrated by the TOMAS Summer surveys).

Hiking

In Europe, 'walking or hiking' is the most popular 'soft' adventure travel activity, attracting all age groups and social classes, although the ABC1 group is the most prominent in this segment. AB social groups are classified by marketers as the 'Professional and Higher Managerial' class and the C1 group as the 'Middle Management and Supervisory' class. This is confirmed by the Scottish research on the hiking market revealing that hikers represent a broad selection of people, mainly couples without children, over half under the age of 44, belonging mostly to the upper income bracket. Most of the walking and hiking demand emanates from Germany, the UK and the Netherlands and in the summer months there are many hikers from France, Czech Republic and Slovenia. According to the TOMAS Summer survey, about 10% of tourists staying in Primorje-Gorje County, and 38% of those staying in Lika-Senj County participated in hiking while holidaying. In addition, hiking is a well organised activity in Croatia with almost every Croatian city having one or several hiking societies associated with the Croatian Hiking Federation, although the total number of hikers is not known. Besides the physical challenge and self-initiated drives, hikers search for peaceful enjoyment of the nature and the feeling of health and well being. Providing that the hiking experience is well organised, such as it is in Scotland, there are good growth prospects for this market.

Cyclotourism

In Europe, cycling is the most popular activity after walking taken up by adventure travellers, especially the French. It is estimated that the proportion of Europeans using cycling as the primary means of travel will rise by 6 to 13% over the next ten years. There is also a significant market of those for whom cycling is an important additional activity. Cyclists are primarily motivated by health reasons and the desire to be in a nature/countryside environment, and to relax and escape from the daily routine. Passionate cyclists are either very young (20 to 25 years of age) or middle aged (40 to 55), travelling in small groups with the bicycle as the main transport

means. Recreational cyclists plan their routes while at a destination and need good information and maps. Their main motivation is to enjoy the scenery and explore natural and cultural attractions along the way. According to the TOMAS Summer survey, 55% of visitors to Lika-Senj County and 34% of visitors to Primorje-Gorje County cycle while on holidays in the area.

Sport fishing

Sport fishing is one of the most popular leisure activities and in 2003 it was estimated that there was about 23 million anglers in Western and Central European countries. Of those, over four million reside in the UK and France, about 3.5 million in Germany, and close to one million in Italy. This market tends to be 40+ years of age, mostly males and financially well off. Dedicated anglers searching for 'the big catch', require good accommodation close to the fishing grounds and are ready to pay for supporting services (platforms or boat rental, F&B and supply delivery). They have little interest in other attractions of a destination. Recreational anglers use fishing as an excuse for being outdoors, are less concerned about the supporting infrastructure and services and spend just a few hours fishing each day. These markets represent good prospects for the project area and fishing is already highly popular among the tourists staying in Lika-Senj County with more than half (55%) enjoying fishing while on holidays, compared to only 18% in the neighbouring Primorje-Gorje County

Rafting / canoeing

There is little published information about this market segment although some studies were conducted several years ago in the United States and more recently in Canada. For instance, the Travel Industry Association's (TIA) National Travel Survey carried out in the US in 1997 revealed that 8% of the US adult population had undertaken rafting or kayaking within the previous five years, corresponding to some 14 million people. It also showed that 34% of these were accompanied by their children which would suggest that there is a strong family market sub-segment in the rafting/canoeing market.

A more recent study published in March 2007 was conducted for Tourism British Columbia in Canada on the US river rafters market. It concluded that American River Rafters represent a relatively small niche market of 2.4 million, located in just about all the states within the US. Men may predominate, but 4 in 10 River Rafters are actually women. All age groups are represented, but once a traveller reaches 55 years of age, he or she is unlikely to seek white water rafting experiences. Consistent with their ages, American River Rafters are parents (55%) or, less commonly, a partner in a couple (30%). They live in households of about three people on average. About half are university educated, three-quarters are actively engaged in the labour force and two-fifths live in households with at least one person occupying an executive, managerial or professional position. Their incomes reflect the fact that some river rafters are at the early stages of their working years whereas others are at their career and earning peaks. Thus, about 3 in 10 have household incomes below 60,000 US Dollars (USD) and similar proportions are in the USD 60,000 to USD 100,000 bracket and in the more affluent USD 100,000+ bracket.

They tend to be 'outdoors' tourists and enjoy activities such as camping, skiing, hiking and so on... but they are not especially prone to taking cultural, culinary or shopping trips.

Wildlife watching

The UNWTO estimates that the wildlife watching market amounts to 7% of the total international travel and is predicted to grow in the future. It is estimated that in UK there are about two million birdwatchers, 18 million in USA and about 2.2 million in Canada. Wildlife watchers, apart from enjoying the watching of wildlife in its natural environment, also appreciate beautiful scenery, the guide's knowledge and approach and like the opportunity of interacting with locals. They are usually high income earners and educated, in the middle or upper age brackets, demanding quality wildlife viewing experiences and preferring friendly and good quality accommodation in B&B and small family hotels. For the occasional wildlife watchers, viewing animals and nature is part of the holiday trip. Being less knowledgeable about wildlife, the information and interpretation that they receive at the site is critical.

Hunting

There are approximately 6.4 million hunters within the European Union countries, Switzerland and Norway, with the largest number in France (1.7 million), followed by Italy and Spain (about one million), UK (625,000), Germany, Finland and Sweden (about 300,000 in each country) and Austria (110,000). It is estimated that between 20 and 30% travel abroad to hunt. Although estimates vary, about 1,200 Euro is spent per person per hunt. Italians mostly prefer European destinations, Germans like to hunt in Scandinavia and Eastern European countries, Spanish hunters prefer North America, while those from the Benelux like to hunt in Africa.

It is estimated that there are about 50,000 hunters in Croatia organised in 850 hunting societies. Approximately 10,000 foreign hunters come to Croatia yearly, mostly attracted by hunting competitions. Croatian hunting grounds attract mostly Italians and Austrians, and in recent years, Scandinavians.

In terms of their psychological profile, they are traditional and require that the hunting ethics are respected. They can be tempted by the novelty of either a new destination or hunting new species. They enjoy achievement and therefore favour destinations where successful hunting is likely. They are also practical and require professional and competent organization of the hunting experience. While they are generally characterised as high spenders, value-for-money is important to them.

When choosing a destination, the most important factors that they consider are the types of game offered, attractive countryside and the likelihood of a successful hunt. In addition, they also enjoy nature watching, rest and socializing. They prefer to stay in forest cottages, farm accommodation or family inns.

Most of them organize their trip independently through friends and recommendations, although they are increasingly buying all-inclusive packages for distant or unknown destination. The market is characterized by small, independent travel agencies that advertise mostly in the classified section of specialized magazines. Typically, the all-inclusive package offers transport, choice of accommodation, refreshments and snacks in the field, dinners and a hunting guide with additional services such as permits or the rental of fire arms. These packages are either marketed to hunters as luxury trips with good trophy and a high chance of a successful outcome, or

emphasizing adventure and physical challenge, or offering family packages combining family holidays with hunting.

Caving

The caving market is growing at a substantial rate. The 'Union de Internationale de Speleology', (the international caving body) counts 60 member countries. In the UK alone, a conservative estimate puts the number of caving products at 150 and there are probably many more. Furthermore, to respond to market demand for new, adventurous and alternative tourism experiences, several countries in Europe (such as France, Turkey, and Spain) have developed cave accommodation ranging from comfortable three-star dwellings to basic accommodation.

Diving

The Professional Association of Diving Instructors (PADI) has It is estimated in 2003, that there are about seven million active divers worldwide, and that about one in two divers take a holiday abroad each year. The largest diving tourism markets in Europe are Germany (400,000 divers), France and Italy (300,000 each), the UK (200,000) and the Netherlands (70,000). The market is growing rapidly. Divers are young to middle age (15 to 34 years old) and the majority are male (60%) although women are increasingly enjoying the sport. Scuba diving is also popular among the summer visitors with 45% of those in Lika-Senj County and 26% of those in Primorje-Gorje County reported to enjoy scuba-diving in 2004, and for 3%, diving was one of the three main motives for travelling to these counties.

Touring

In this context touring refers to the type of holiday activity which involves exploring an area thoroughly, rather than concentrating on a particular destination, attraction or activity. The size of this market is difficult to ascertain. According to a survey of German travellers, touring is the third most popular holiday activity (after Sun & Sea and city breaks), with 11% of the German population - almost seven million - enjoying touring holidays in 2000. Touring is also popular with French tourists who like to combine nature and culture-based experiences while touring. Touring seems to be more common when visiting distant or unknown destinations. Certainly, the growing demand for touring tourism is being met, or probably even spurred, by the development of theme itineraries all over Europe. It appears that summer visitors to the two counties (Lika-Senj and Primorje-Gorje) might provide a good source for touring in the project area as 69% and 60% respectively are reported to enjoy self-organised excursions while holidaying in these counties.

Itinerary users are motivated by the feeling of discovery while travelling, the desire to meet locals and socialise with other tourists in their party. They start planning their trip before departure (therefore, the brown tourism signage is not an effective means of promotion for this segment), use maps, brochures, and information centres. They are mostly 50+ years of age, empty nesters, travelling with a partner, spouse or with friends. When on the road, they are unlikely to stop to visit tourism information centres, but rely mostly on interpretation boards erected at the viewing platforms, tourism sites and at the attractions.

Wine tourism

With the regional wines virtually unknown in international markets, and the low level of tourism activity in the region, the main market for regional wineries is the domestic market. According to a recent survey of Croatian residents conducted by the Institute for Tourism, the propensity to visit wineries and wine regions while on short trips is high excluding main holidays along the coast. Of almost half a million Croatian residents that have travelled over the past two years for leisure, about 130,000 visited the wine country, and about 166,000 drove along the wine routes. During these trips, they purchased local wine (61%) and local food (63%) and ordered local wines while in restaurants (53%). However, their preferred wine tourism destinations are Slavonia, Istria and Dalmatia. Only 5% considered the region of Plešivica as an attractive wine destination, suggesting that the area needs much stronger promotion and image building to attract visitors.

In general, there are two types of wine tourists – those for whom wineries are the focal point of the trip, representing about 10% of the Croatian wine tourist market, and those for whom wineries are interesting side attractions. Further, wine visitors want the opportunity to taste and buy wine, enjoy the landscape of the wine country, be made welcome by the winery staff and have the opportunity of talking with knowledgeable people about wine.

Research on wine tourism in Toscana, Italy revealed that most wine tourists to the region search for information in wine shops and tourist information centres, and frequently use the brochures distributed at accommodation facilities. About a third consults specialised printed guides, while about 20% of visitors rely on recommendations by restaurant owners and staff.

Heritage

The UNWTO estimates that cultural heritage tourism accounts for 37% of international travel and the demand is growing at a fast rate. The market for cultural/heritage tourism is extremely competitive. In general, cultural tourists are well educated and financially well off. They are mostly professionals working in the cultural sector, and are experienced travellers demanding value for money. They tend to be older and there are slightly more women in this segment than men. Tangible heritage such as castles, fortresses, museums and galleries tend to attract the older, nostalgia driven market segments, while the younger segment are more attracted to cultural events. While only 7% of the tourists to Croatia cite culture as the main reason for visiting the country, a high proportion of visitors to the country enjoy cultural attractions. According to the TOMAS Summer 2004 market research, 65% of tourists holidaying along the Adriatic Coast visit heritage sites, 43% museums and galleries and 67% community festivals and events.

The domestic market is also a lucrative market for the region's cultural and heritage products. In 2002, Croatian residents recorded almost 21 million visits to cultural attractions and events, including 3.7 million to heritage sites and 1.9 million to community events. Cultural products were consumed on every fourth overnight trip and every tenth day trip, with heritage sites and museums being the most popular attractions visited.

Religious / pilgrimage

Pilgrimage tourism involves visits to sacred places for devotion, spirituality and worship and the journey is the focus of the experience. Visiting the shrine for devotion is the main purpose for travel. However, religious tourism becomes part of cultural tourism when it takes place in religious buildings, at sites and at monuments where these are the motivating factor of the trip. Churches and monasteries are religious sites of historic and artistic importance and religious festivals are associated with major religious holidays or to honour the patron saints. There are excellent opportunities for product bundling – i.e. linking holy sites with other attractions of the region, in particular local folklore, tales, and legends for the nostalgia driven market and also offering the opportunity to enjoy other natural and cultural attractions.

6.4 Improvement and expansion of existing products, clusters & markets

This section focuses on tourism product improvements and considers conservation and physical development as well as the planning and organisation required to carry out the improvements. For each product or micro destination, service areas are identified and three to four clusters or hubs, where services are available, or should be developed, are highlighted (e.g. accommodation, catering and retail outlets...).

A cluster is a grouping of related businesses by either geographical region or industry. There are several types of clusters. Porter (1990) identified the *industrial cluster* where businesses are related because they are buyers and suppliers of each other, or they use common technologies, distribution channels or labour pools. *Regional clusters* are geographic agglomerations of firms in the same or closely related industries – a micro-location where services (=micro-characteristics) required for a specific market are concentrated.

To facilitate the geographical product mapping, the Karlovac and Lika-Senj project area has been divided into several geographical sub-regions as follows:

1. ***Pokuplje*** – the area around Karlovac, including Karlovac, Ozalj, Kamanje, Žakanje, Ribnik, Draganić, Duga Resa, Netretići, Bosiljevo, Generalski Stol, Barilović and Lasinja)
2. ***Kordun*** the area south of Karlovac, including Slunj, Rakovica, Plitvice Lakes, Cetingrad, Vojnić and Krnjak
3. ***Ogulin region*** – the area South-East of Karlovac including the Velika Kapela mountain range (administratively including Ogulin, Tounj, Josipdol, Plaški and Saborsko)
4. ***Velebitsko podgorje*** – Krasno, Senj, Karlobag and Baške Oštarije
5. ***Lika*** – Gospić, Perušić and Lovinac
6. ***Gacka valley*** – Otočac, Brinje, Vrhovine
7. ***Krbava and Pounje*** - Korenica, Udbina, Donji Lapac
8. ***Novalja***

6.4.1 Improvements of existing products

This section refers to the products that are already being offered in the region to a greater or lesser extent, those which the region has gained a certain reputation for as well as products with high market potential. The potential of each product is assessed and its development needs described. A table is provided identifying the location where the product can be found within the project area, the clusters that are serving it, and the markets that are, or are likely to be attracted.

Hiking

Potential: Very high within the whole project area

Improvement/development needs:

- Should be strongly promoted with brochures, trail guides, itineraries
- To increase the economic return from this product, the experience should be packaged (transfer, accommodation, maps, guides and similar)
- Should be easily accessed from major road systems
- There should be a choice of options for walks at any key destination with some mix of natural and cultural themes
- A mix of difficulties and duration of the hikes, e.g. less than 30 minute return, one hour, etc.
- Trails should be designed, whenever possible, in a circular manner, so that hikers can return to the parking area
- For longer hikes, transport should be arranged so that hikers can be picked up and taken to the parking lot or the accommodation
- Each major location should provide at least some of the following facilities: picnic facilities, barbecues, toilets, access for disabled people, shelter, viewing platforms, etc.

Region	Clusters	Locations	Markets
<i>Velebitske podgorje</i>	<i>Senj/Sv. Juraj</i>	<i>Vratnik Ostari</i>	- Domestic - Tourists visiting the Adriatic Coast - International (regional as well as further afield)
	<i>Krasno</i>	<i>Ostari, Zavižan</i>	
	<i>Lablanac</i>	<i>Alan, Kozjak</i>	
	<i>Gospić</i>	<i>Štirovača, Baške Oštarije</i>	
	<i>Karlobag</i>	<i>Baške Oštarije</i>	
<i>Kordun</i>	<i>Rakevica</i>	<i>Plitvice Lakes</i>	
<i>Ogulin region</i>	<i>Ogulin</i>	<i>Klek</i>	
		<i>Bjelolasica</i>	
<i>Pokuplje</i>	<i>Karlovac</i>	<i>MartinsČak</i>	
	<i>Duga Resa</i>	<i>Vinica</i>	
	<i>Ozalj</i>	<i>Vedenica</i>	
<i>Island of Pag</i>	<i>Novižja</i>	<i>Sv. Vrid</i>	

Climbing

Potential: High at specific areas in the project areas

Improvement/development needs:

- Better promotion in regional markets
- Creation of packages for climbers of different skills levels
- Some infrastructure improvements
- Development of support services

Region	Clusters	Locations	Markets
<i>Ogulin region</i>	<i>Ogulin</i>	<i>Klek Mountain</i>	- Domestic - Some regional
<i>Velebit</i>	<i>Baške Oštarije</i>	<i>Visibaba - Agin kuk</i> <i>Gelina Kuk</i> <i>Rujicin Kuk</i>	

Sport fishing

Potential: Very high within the whole project area

Improvement/development needs:

- Should be strongly promoted through Internet portals, brochures, articles in specialised magazine and trade shows
- Should be better organised through creative packages that include guides/tuition, fish permits, several fishing locations for each day and a choice of accommodation
- A range of packages should be designed based on the angler's skill level (e.g. for beginners, intermediate and advanced) and length of stay (half day, full day, couple of days, a week)
- The infrastructure for sport fishing needs to be improved – jetties, fishing platforms, angling-specific directional signage at key river and lake locations, parking lots
- Support services should be developed such as boat hire, equipment hire, printed guides on fish stock, provision of high quality local information through information centres, sport fishing literature, retail outlets and accommodation.

Region	Clusters	Locations	Markets
<i>Gacka</i>	<i>Otočac</i>	<i>Gacka River</i>	- International, passionate
	<i>Gospić</i>	<i>Kosinj Lake</i>	- Domestic
<i>Peckuplje</i>	<i>Karlovac</i>	<i>Kupa with tributary creeks Kupčića and Čurak; Šumbar Lake complex; Korana, Mrežnica, Debra</i>	- Regional
<i>Kordun</i>	<i>Šunj</i>	<i>Mrežnica; Korana/Šunjčica; Lička Jesenica</i>	
<i>Ogulin region</i>	<i>Ogulin</i>	<i>Debra; Šabljak Lake</i>	

<i>Lika</i>	<i>Gospić</i>	<i>Kosinj Lake</i>	
	<i>Lovinac</i>	<i>Žigica</i>	

Cyclotourism

Potential: Very high within the whole project area

Improvement/development needs:

- Should be strongly promoted through Internet portals, brochures, articles in specialised magazine and trade show
- Should be expanded to include shorter and less strenuous cycling for recreational cyclists (15 to 20 km circular trails, such as those organized around Duga Resa or Draganić)
- Trails should be themed and bundled with the attractions and services along the way (e.g. churches and castles trail; romantic bridges trail; nature itinerary trails; pristine villages trail) to increase their attractiveness and widen their market appeal to recreational cyclists
- Bicycle hire facilities should be provided
- Some high profile cycling competitions should be organised to increase the profile of the region among the passionate cycle tourism market
- Information on cycling opportunities should be made easily accessible to regional visitors

Region	Clusters	Locations	Markets
<i>Pokuplje</i>	<i>Karlovac</i>	<i>Laškovc; Draganić - Ozalj;</i> <i>Ozalj - Vivedina; Žakanje</i> <i>Netretić</i>	<i>- Domestic</i> <i>- Regional</i> <i>- International</i> <i>- Tourists on the Adriatic Coast</i>
<i>Ogulin-region</i>	<i>Ogulin</i>	<i>Tounj; Medruš; Bjelolasica-</i> <i>Vrelo</i>	
<i>Kordun</i>	<i>Šunj</i>	<i>Sabersko - Rakovica; Šunj-</i> <i>Četingrad</i>	
<i>Velebitske podgorje</i>	<i>Krasno</i>		
	<i>Baške</i> <i>Oštarije</i>		
	<i>Senj</i>	<i>Vratnik</i>	
<i>Island of Pag</i>	<i>Novi Vinja</i>		

Hunting

Potential: Very high within the whole project area

Improvement/development needs:

- Should be better organised offering complete packages that includes guides, a range of accommodation, catering and refreshments, permit provision, etc.
- Packages should be developed to suit a range of hunters – from those travelling exclusively for hunting purposes to those wanting to experience some hunting while travelling with family/friends

- Should be better organised to avoid fragmentation and uncertainty and the product should be better promoted to potential markets

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Region	Clusters	Locations	Market
<i>Peckuplje</i>	<i>Karlovac</i>	<i>Bošiljevo; Ozalj</i>	- Domestic - Regional - International
<i>Ogulin-region</i>	<i>Ogulin</i>	<i>Velika and Mala Kapela; Gama Hunting Grounds</i>	
<i>Kordun</i>	<i>Vejnič</i>	<i>Petrevagera</i>	
	<i>Šunj</i>	<i>Šunj hunting grounds</i>	
<i>Lika</i>	<i>Gospić</i>	<i>Perušić</i>	
<i>Čačka</i>	<i>Brinje</i>	<i>Crno jezero</i>	
<i>Velebitske podgorje</i>		<i>Crno jezero</i>	

Rafting / canoeing

Potential: High within the whole project area

Improvement/development needs:

- As with other niche products with high development potential rafting and canoeing should be strongly promoted with brochures, river guides indicating stretches of waters that are navigable, and their degrees of difficulties
- A clear marketing plan should be formulated to attract domestic and regional tourists, tourists holidaying on the Adriatic Coast as well as the international and domestic specialist adventure tourist
- The number of local operators should be expanded. Once well-established, rafting operators provide a good source of employment for the local area. For instance, in British Columbia in Canada, there are 55 river rafting companies, five are very large operators that employ between 25 and 70 staff during the summer months, another 5 or 6 are medium-size operators that employ between 10 and 25 people during the peak months, and the balance tends to be small owner-operated businesses that employ up to 10 people during the summer months
- Training schools could be developed for the general public and for certifying river guides
- A calendar of rafting and canoeing events should be produced such as competitions which should be repeated on an annual basis so that these become established as regular occasions to visit the project area

Region	Clusters	Locations	Markets
<i>Peckuplje</i>	<i>Zvečaj</i>	<i>Mrežnica</i>	- Domestic - Regional - International - Tourists on the Adriatic Coast
	<i>Karlovac</i>	<i>Kupa</i>	
<i>Ogulin-region</i>	<i>Ogulin</i>	<i>Dobra (Podumel)</i>	
<i>Kordun</i>	<i>Šunj/Rastek</i>	<i>Kerana, Šunjčica</i>	
<i>Krbava i Pounje</i>	<i>Donji Lapac</i>	<i>Una (downstream from Štrbački buk)</i>	

Caving

Potential: High within the whole project area

Improvement/development needs:

- Caves and pits should be categorised based on the possibility to receive visitors: those that can be visited by the general public and those that can be explored by more experienced and skilled caving tourists – the aim should be to have at least 10 caves well organised for visitation of various levels of access difficulties, in cooperation with the Croatian Speleological Society
- Caving experiences should be organised in terms of access, opening hours, entrance fees, interpretation and guides as well as provision of the appropriate equipment
- In general, the product should be better organised and promoted

Region	Clusters	Locations	Markets
<i>Velebitske Podgorje</i>	<i>Krasno</i>	<i>Within NP North Velebit</i>	<ul style="list-style-type: none"> - Domestic - Regional - International potential - Visits to the more accessible caves for tourists on the Adriatic Coast
<i>Peckuplje</i>	<i>Ozalj</i>	<i>Trlevka (Kamanje)</i>	
<i>Ogulin region</i>	<i>Ogulin</i>	<i>Cave complex Đula - Medvedica</i>	
<i>Kordun</i>	<i>Štunj/Rastek</i>	<i>BaraČeve Caves; Goslubnjača</i>	
<i>Lika</i>	<i>Gospić</i>	<i>Grabovača Cave Park (Perušić)</i>	

Diving

Potential: Medium

Improvement/development needs:

The diving product is already well-established and well-organised on the island of Pag. Operators should continue to:

- ensure diversity of sites and localities to dive
- ensure that the diving experience is packaged and well promoted
- provide a clear link between diving and the exploration of ancient Roman vestiges as well as sunken ships in the area

Winter sports

Potential: Medium in the Bjelolasica area

Improvement/development needs:

- The area should promote the winter instead of trying to compete with the classical down-hill skiing products
- Existing hiking trails or new ones should be developed and cleared for the winter hiking experience or Nordic skiing, as is the common practice at ski resorts in Austria, for example
- The product can be enhanced by offering dog and horse driven sledges or motorised sledging could be provided along safe trails
- The winter experience should be packaged for short and weekend stays including a choice of accommodation, information on activities available, bundling them with gastronomic offers and cultural heritage attractions
- The prime markets should be the family market from the coast with the lure of experiencing the way locals live through the winter

Region	Clusters	Locations	Markets
<i>Ogulin area</i>	<i>Vrbe</i>	<i>ČOT Bjelolasica</i>	<i>- Domestic family market from the Adriatic Coast</i>
<i>Velebitske Podgorje</i>	<i>Krasno</i>	<i>Within NP North Velebit</i>	
<i>Kordun</i>	<i>Bakevica</i>	<i>Mukinje</i>	<i>- Some regional – especially for training at the Olympic Centre</i>
<i>Lika</i>	<i>Gospić</i>	<i>Baške Oštarije</i>	

6.4.2 Development of new products

While the project area offers an array of other types of experiences as indicated in the first part of this report, most of these are not systematically organised and promoted systematically. Therefore, this section describes the products that the area can offer and that have good market potentials.

Cultural / historic heritage

Potential: High in the entire project area

There is an opportunity of creating a variety of themed routes linking attractions together. However, too many themed routes in an area can create confusion and it is therefore recommended that these routes and itineraries are packaged together into scenic or tourist drives or a heritage trails network. Each would then be labelled with a theme reflecting the nature of what they offer (e.g. a castle tour, a wine route, and so on). These routes should use state, county and regional roads where appropriate, and designed so that they are easy to access from the highway network. In designing the routes, the following should be considered:

- The needs of the typical user of such routes in the project area: in transit, those who might want to get off the highway at one point and return to the highway once the scenic drive is completed and, secondly, visitors staying at centres or resorts who have to return to the departure point either using a circular route or, possibly, returning back using the highway
- Whenever possible, developing integrated routes, joining two or three compatible themes through which the appeal of touring routes in the area would be widened

- In addition to the scenic and attraction value offered by the route, whenever possible ensuring they cross areas where commercial tourism facilities are located, in order to ensure the comfort of travellers as well as to ensure that the route generates an appropriate level of economic benefit

Basic steps in route design should be followed:

1. Identify the area and tourism products along the route
 - a. Establish the route geographically
 - b. Identify products and services to be included like cultural sites and monuments, cultural institutions, accommodation and F&B providers
 - c. Ensure access and basic interpretation at the selected sites
 - d. Develop roadside facilities – viewing platforms or areas with high scenic values, resting places with washroom facilities, information and interpretation boards
 - e. Develop a consistent signage policy – use standard brown signage with specially designed logos which would clearly identify the route as a part of the heritage trail network
2. Create partnership with stakeholders to ensure that the idea is supported by those involved; identify and train tour operators to promote and package the trail experience
3. Marketing and promotion
 - a. Prepare marketing material (brochures, maps for self-guided tours, web-sites, CD Rom) and develop a user information kit – containing maps and other relevant information for local promotion
 - b. Distribute materials to reach domestic visitors, visitors in transit, holidaymakers in the area and targeted European markets
 - c. Direct marketing through domestic and European tour operators with the assistance of the Croatian National Tourist Board (CNTB) and their foreign office representatives

In addition to following these basic steps, the heritage trail network has to respect the national scenic and cultural network promoted as part of the 'Look Around' initiative. This project was initiated by the Ministry of Tourism, Transport, Sea and Development and supported by the Croatian National Tourist Board (CNTB). 'Look Around' consists of 10 routes and a 'Look Around' map has already been distributed this summer. Of the 10 routes, the following are relevant to the project area:

1. *The Mountain routes –Mail coach routes*

This route goes from Rijeka to Zagreb, via Karlovac mostly following the old Josephina road, and in Karlovac County, it includes major attractions such as Karlovac Star, Dubovac, Bosiljevo, Novigrad na Dobri, Ogulin, Ribnik, Ozalj, Kamensko.

2. *The Lika way – Routes of the sources of nature*

This route is concentrated mostly in the project area with the exception of its southern part extending into Zadar (Gračac) County. It starts in Karlovac, and goes through Slunj (Rastoke), Rakovica (Plitvice Lakes), Gračac (Cerovačke Caves), Gospić (branching off to Karlobag), Otočac (branching off to Senj), Jospidol and back to Karlovac.

3. ***The Kvarner road – Routes of fragrant rivieras and islands***

This road only touches Lika-Senj County, as it starts in Rijeka, then goes south through Senj and in Jablanac it turns back north through the islands of Primorje-Gorje County.

4. ***The North Dalmatian trail – The routes of Croatian rulers***

This northern section of the trail passes through the coastal part of Lika-Senj County from Karlobag, north to Prizna where it crosses to the island of Pag.

Region	Clusters	Theme	Description
Pokuplje	Karlovac	Castle and wine route	Enhancement of the Mountain routes. Since the wine production of the area is relatively small, there is a high concentration of castles, linking the two themes and widening the appeal of the route.
Kordun/ Lika/ Gacka valleys	Karlovac	The Ottoman defenders route	Enhancement of the Lika way. Includes the fortresses of the region, ensuring that the area of East Kordun (towards the Sisak-Moslavina County) is included.
Kordun – Gacka - Lika	Karlovac	The romantic bridges and pristine river valleys route	Enhancement of the Mountain Routes and Lika Way. The bridges and the river valleys concentrated in the Pokuplje region should be highlighted by the trail.
Kordun/ Lika	Slunj	The shepherd's way – gastro route	This should include cheese makers, sheep farms, sour cabbage factory, potato growers, water mills, local gastronomy restaurants.
Velebitsko Podgorje	Senj	The wild forest and bare karsts route	Linking the Kvarner road and North Dalmatian Trail connecting the coastal area from Senj to Karlobag.
Pag	Novalja	The 'finer things in life' route	To enhance/complement the North Dalmatian Trail; Exploring wine, olive oil and cheese production, sampling Pag's lamb, visiting Pag's sea-salt factory and enjoying the art of Pag's lace. Add the mystery of the sunken city, harking back to Roman times.

Wildlife viewing

Potential: High in the entire project area

Development needs:

- Develop infrastructure for wildlife watching such as viewing stations or platforms
- Describe the species that can be seen at each spot
- Develop wildlife watching trails with the appropriate descriptions
- Prepare appropriate interpretation materials – good spots for viewing wildlife, species to be spotted, their description, etc.
- Educate guides and accommodation providers on the needs of this market segments
- Ensure that wildlife is interpreted at the information centres (the most appropriate are those within the national and nature parks) where printed guides could be purchased and other equipment hired (e.g. binoculars)

Developing inland resorts

Potential: high in Bjelolasica, Rakovica and Sveto Brdo (Lovinac), Donji Babin Potok (western entrance to Plitvice Lakes National Park).

Development needs:

- Develop anchor resorts that will function as tourist attraction and accommodation centres
- Ensure that a range of activities are available at the resorts
- Ensure that the resort product is complemented by the attractions/activities available in the surrounding area
- Ensure that these resorts benefit local communities through employment creation and the sales of local produce
- Use these anchor resorts as platforms to promote the entire project area

Region	Clusters	Locations	Markets
Ogulin area	Bjelolasica- Lasenak	TOC Bjelolasica	- Domestic family market - Special interest market -
Lika	Lovinac	Sv. Brdo	
Kordun	Rakovica	Around Rakovica/Sunj	

Developing agro-tourism

Potential: High in the Pokuplje, Kordun and Gacka Valley

Development needs:

- Ensure that farms have good access to the local road network.

- Ensure that farms have attractive settings to provide either farm accommodation or/and the experience of farm activities
- Ensure that farms establish good service standards and consistency
- Assist potential entrepreneurs in establishing and organising tourism farms featuring traditional architecture and traditional atmosphere
- Develop an agro-tourism brand that would give high market exposure to this product
- Bear in mind that most of the niche market prefer good quality accommodation in small accommodation establishments, and that one of the motives for them is to meet local people – these are requirements that well organised agro-tourism farms can provide to most of the niche markets attracted to the area

Region	Clusters	Locations	Markets
<i>Pokuplje</i>	<i>Karlovac/Duga Resa</i>	<i>Vrbovina, river valleys</i>	<ul style="list-style-type: none"> - Domestic family market - Special interest market
<i>Kordun</i>	<i>Bakevica/Sunj</i>	<i>Entire area</i>	
<i>Gacka Valley</i>	<i>Otočac</i>	<i>Entire valley</i>	

Small planes, gliders, paragliding and paraschuting

Potential: High in Bjelopolje and North Velebit

Development needs:

- Ensure access roads
- Develop signage and support infrastructure
- Ensure additional services such as transport to the take off, and pick up from the landing area
- Package the experience with accommodation and transport
- Promote the region as a prime region for paragliding/sky-based activities in the country
- Contact associations abroad to increase awareness of opportunities and facilities in the area.

Region	Clusters	Locations	Markets
<i>Krbava/Pounje</i>	<i>Krenica</i>	<i>Bjelopelje</i>	<ul style="list-style-type: none"> - Special interest market
<i>Velebitske Podgorje</i>	<i>Senj</i>	<i>Stolac</i>	

6.5 Reaching niche markets

A selection of tools and techniques are used by destination marketers to market products and experiences in their areas. These include promotional actions, information provision, collection and analysis, as well as sales and public relations activities. The following sections describe the most appropriate marketing tools and techniques which should be employed by the County Tourism Boards to reach the niche markets identified in the analysis described in this report. They include:

- Media advertising
- Advertising on the web
- Website presence and e-marketing
- Production and distribution of collaterals
- Attendance at selected trade and consumer fairs
- Market representation
- Direct marketing
- Familiarisation trips
- Public relations activities
- Tourist Information Centres / Brochure Display Units
- Research and evaluation

6.5.1 Media advertising

Advertising is generally the most expensive method of reaching a target market and has to be used strategically to be effective, particularly when dealing with niche markets. The skill of the marketer is to choose the most appropriate advertising channel to promote the niche products of the project area.

For the promotion of the niche products identified in the previous section, it is unlikely that television advertising would be used as this requires large amounts of funds and a sustained campaign in generating markets. However, interesting products in the project area could be featured within a wider marketing effort covering Croatia as a whole and conducted at the national level. Similarly, radio advertising would not be effective, and the only market that could be reached, would be the domestic market. A radio campaign would only be viable for a specific event (e.g. a rafting competition).

The best use of media advertising is through the printed press. Advertising here should be directed through specialist channels rather than through mainstream newspapers and magazines (although there may be occasions or opportunities when a well placed advert could be useful, for instance in connection with an article on trout fishing). Once the product is developed and organised, it is important to research the specialist publications in the tourist generating markets that are targeted and, at the appropriate time, launch an advertising campaign promoting the services and facilities of the destination. Often, the most efficient and cost effective method is to partner with a tour operator in the generating market. This has also the advantage of providing interested tourists with a point of contact where they can find further information as well as book their trips.

Examples of specialist magazines in selected countries are provided in the Niche Products and Niche Markets Report, August 2007 to illustrate the type of publications that may be selected in publicity campaigns.

Trade advertising is an essential form of media advertising. The destination's specialist products must be promoted in publications aimed at the tourism trade such as travel agents and tour operators. One such newspaper is the Travel Trade Gazette which has a global distribution and is

a point of reference for many travel and tourism professionals around the world (<http://www.ttglive.com/>).

In addition to those general principles, the Croatian National Tourist Board (CNTB), with its network of offices abroad, can help to this end. They can help in selecting the most appropriate media for the selected products. They can also organise regularly familiarisation trips for foreign journalists who are increasingly searching for new and exciting experiences and activities, while the CNTB is generously sponsoring their expense (see Section 6.5.7 below). The project area should work closely with the CNTB to ensure that journalists are introduced to the regional attractions and activities in a planned and organised manner.

6.5.2 Advertising on the web

Developing a good or several good web portals on the Internet to showcase the destination's products is essential in this day and age. This topic is treated in more detail in the next sections. The World Wide Web is becoming an excellent advertising channel. Niche products can be promoted through specialist websites and even specialist blogs that will accept to feature adverts, write about the project area's specialist products or provide links to websites where these are featured. The links below provide examples of websites and blogs focusing on the identified niche products:

Cycling:	www.cyclingtheworld.org/ www.touringcyclist.co.uk/
Pilgrimage:	www.religioustravel.blogspot.com/
Hiking:	www.hikerwriter.com/
Fishing:	www.anglersnet.co.uk/ www.cyberangler.com/ www.kupa-flyfishing.com/
Rafting:	www.startadventure.net/potential-sites-for-rafting-canoeing-and-%20kayaking.htm www.raft.hr/Html/English/linkovi.htm
Hunting:	www.identicards.com/links/otherinternationalhunting.html www.trmichels.com/WebringInternationalHunting.htm
Caving:	www.outdooraward.com/find/search/caving www.outdoorstaff.co.uk/linkssafe/cave.html
Wildlife:	www.wildlifer.com/wildlifesites/birds.html www.blinklist.com/tag/wildlife/
Pilgrimage:	www.religioustravel.blogspot.com/

It is strongly recommended that the services of an online advertising agency be commissioned. This is explained in greater detail in Section 5.1.3.

6.5.3 Website presence and e-marketing

One of the most significant changes in the global tourism environment has been the massive growth in the use of the Internet. Today, in most countries with high levels of Internet penetration, the Internet is now used as both the primary source of obtaining destination information, and for expediting transactions (e.g. booking, reservation and payment for tourism services). This has meant that the Internet is now one of the most important marketing channels for any tourism organisation: not only does it offer global reach, but it is also one of the most cost effective ways of reaching potential customers.

One of the key roles of a Destination Marketing Organisation (DMO) such as the Kalovac and Lika Senj Tourism Boards is to be the primary source of information for potential customers; in many cases acting as the first point of reference about the destination. The potential customer expects the DMO to provide rich and detailed information about the destination, as well as comprehensive information about the various local service and product providers (e.g. accommodation providers, tour operators, ancillary tourism services etc.). Therefore, it is important to establish one or more websites that are professionally designed and set up to present the niche products of the project area to the market. It is strongly recommended that website design specialists are retained to create the sites and to advise on online marketing and branding strategies. Given the fierce competition for the attention of Internet users, memorable web names and addresses must be secured.

Many of the traditional marketing channels have both high establishment costs, as well as high direct costs. For example, it is very expensive to produce a television advert and to purchase advertising slots on various television channels. Whilst online marketing can have high set-up costs – the cost of commissioning professionals to develop websites – the direct costs are very low. The ongoing operational costs of online marketing consist of site promotion (keyword optimisation, link promotion and – possibly- pay per click advertising), hosting costs (i.e. the cost of hosting a website) and ongoing site maintenance and content generation. Relative to other marketing channels, these costs, whilst not trivial, are still very low – particularly when considering the potential huge reach to a global audience that online marketing can have.

Search engines are extremely powerful – 70% of Internet “journeys” begin with a search engine so making sure that the sites are present is key. Payment is only made when an interested customer clicks – so therefore this is pre-qualified traffic. If sites appear in the main body of the listings i.e. not the paid-for links then no payment is made at all. Getting the sites featured prominently on Yahoo, Google, MSN, etc. is absolutely crucial to be successful online.

An analysis of search volumes made by UK online users on activity holidays on Yahoo during the month of June 2007 revealed some interesting results. The following key words were looked up during the month: ‘fishing holidays’ – 10,811 searches; ‘walking holidays’ – 5,903; and ‘cycling holidays’ – 13,595. Yahoo controls about 30% of the market which suggests that there were over 36,000 searches for fishing holidays, over 19,500 searches for walking holidays, and nearly 45,500 searches for cycling holidays in June 2007.

It is strongly recommended that a digital media agency is commissioned to enhance online presence and develop marketing and advertising strategies. One such agency is Unique Digital Marketing (www.unique-digital.co.uk). The benefits of using such specialised agencies are:

- 1) The media owners to a large degree pay agencies to do the work for you through media commissions
- 2) Digital or online marketing activity requires tools and measurement systems that are relatively complex to put in place
- 3) Through experience, an agency will know what to pay for marketing collateral – the client may not – media owners will obviously charge as much as they can get away with – agencies will negotiate these prices down.

6.5.4 Production and distribution of collaterals

Several collaterals focusing on the niche products in the project area already exist, some of which are very good in terms of quality and information provided. However, as the niche products are further developed and better organized through the impact of the priority projects, new collateral material promoting each niche product within the area in an integrated manner, describing facilities, services and providing background information, will need to be produced.

There are two principal objectives in producing collateral material: 1) attracting visitors to the destination; and 2) informing the travel trade and visitors about products and services at the destination. The ultimate objective is to encourage the trade to include the project area in their plans and contract local suppliers of tourism products (it is essential that these become established), convince the media to give exposure to the destination, and persuade visitors either directly or through intermediaries such as travel agents and tour operators to purchase tourism goods and services in the region.

Collaterals used to attract visitors include brochures, leaflets, DVDs, CDs, and so on. These should be distributed through tourist information centres and tourist offices, directly to the inbound tourist trade in the generating markets (e.g. tour operators) and at trade fairs.

Collaterals designed to inform about tourism products include: a sales manual aimed at the trade, a PR/media kit aimed at the media, tourist guides to products and services at the destination, a calendar of events through the year, and maps indicating the location of attractions and tourism services at the destination.

Other advertising methods that should not be neglected include the use of posters, outdoor advertising (e.g. billboards along the side of the road) and points of sale (e.g. at retail outlets selling related equipment, for instance, promoting the hunting facilities and services in the project area at shops selling hunting gear where the target markets are located).

6.5.5 Attendance at selected trade and consumer fairs

It is recommended that in the future, the counties attend fairs jointly to promote the products of the project area. This will provide synergy and cost savings, increase awareness about the region as a whole and what it has to offer as well as placing a consistent message.

There are a number of trade fairs where the niche products can be promoted and some are already attended by the tourism boards. These include:

- the **C-B-R Leisure and Travel Trade Fair** in Southern Germany, a large fair focused on recreation including cycling, hiking and fishing attracting more than 1,500 exhibitors from 67 countries and 114,000 visitors in 2007;
- **World Religious Travel Expo** in Orlando, Florida (October 2008);
- the **International Hunting and Fishing Fair** in Zagreb which takes place in May;
- **Hunting Belgium**, the last of which took place in May 2007

More general tourism fairs include:

- **ITB** in Berlin,
- **World Travel Market** in London,
- the **Salon du Tourisme** in Paris and
- **FITUR** in Spain

An appropriate mix of events to attend should be defined in the future marketing plans for the project area and will depend on the target market to be attracted and the cost/benefit (e.g. whether the anticipated results would justify the cost of participating in the fair).

6.5.6 Direct marketing

Systematic direct marketing campaigns should be carried out on a regular basis. This would involve identifying associations, clubs, societies and organizations associated with the niche products available in the project area; sending brochures and leaflets about facilities and services available; and keeping them regularly informed about events and changes using the post and email. It is important that a database of such associations be developed and constantly kept up to date. For instance, cycling organizations that could be contacted: the **Adventure Cycling Association** - America's premier non-profit organization dedicated to bicycle travel, with over 42,000 members nationwide (www.adv-cycling.org) and the **Allgemeiner Deutscher Fahrradclub** – Germany's Cycling Association (<http://www.adfc.de/>).

6.5.7 Familiarisation trips

An important activity is to invite journalists and the tourism trade in potential generating countries to the project area. These are known as familiarisation trips, or “*jam trips*.” It is important that the purpose of the visit and its objectives are clearly defined, for instance

introducing a new attraction or a new tourism facility in the project area; reminding key people about the destination and inviting them to see how it has progressed; acquainting travel agents with the product and showing them the most effective way to sell it; or furthering commercial ties between suppliers and outside firms. The objectives will determine the target members to be invited to participate and the composition of these groups.

The group composition may comprise journalists, tour operators, travel writers, travel agents, airline representatives, public sector officials or a combination of these. It is important that the people invited have a proven track record in their field to ensure that the effort is not wasted. For instance, only journalists with confirmed commissions for appropriate publications should be invited.

Local tourism service providers should contribute either entirely or in part to the cost of the familiarisation trip. Airlines should be approached for providing free or reduced flights, hotels for accommodation, and restaurants for meals and attractions for free entrances. The motive for their financial participation is that they will benefit from free advertising through the journalists, or increased business from operators. The cost of fam trips can be minimal to the organising institution if funding options are fully explored.

It is vital to contact participants on their return to sound out their opinions about the trip and what was presented to them. Further information and help should be offered and requests made for copies of their articles or brochures. The impact of the trip must be monitored, measured and quantified.

6.5.8 Public relations activities

Public Relations (PR) is a very effective marketing technique to promote products. PR actions will be particularly important in the short term to raise the awareness of the project area as a viable and exciting tourist destination with many activities to enjoy.

PR activities in destination marketing involve developing and maintaining relationships with the media, in particular with journalists and with the tourism industry both at the destination and in the target markets. PR experts should behave both pro-actively and reactively when events dictate.

The focus is on influencing target groups so that they view the products of the area positively including:

- Informing the media about important tourism events through press releases
- Generating positive media coverage both in the domestic market and in the international market either through providing articles and video footage on the project area's tourism products, festivals and events to newspapers and television stations or encouraging journalists' coverage. To facilitate this, journalists should be invited on familiarisation trips (see above) and a media kit should be developed with all relevant information on tourism in Karlovac and Lika Senj

- Managing relationships with the media and the travel industry both at home and abroad and maintaining contacts on a regular basis with updates through a newsletter (email or printed) and timely press releases on developments in the project area
- Organising and attending selected tourism trade shows in conjunction with the CNTB trade fair attendance programme. These must be carefully selected to ensure the best potential for reaching the priority markets for the project area
- Lobbying opinion leaders and key public figures to put in place the right conditions to market the project area
- Encouraging the tourism industry and the local community in the project area to support marketing activities through awareness campaigns and the organisation of events.

A photo library should be made available to journalists, tour operators and to people who want to feature the products of the region in publications. Photos should be classified according to product types and themes as well as attractions in the region. Photos should be commissioned from professionals and copyright should be owned by the tourism boards.

6.5.9 Market representation

One method that is increasingly used by tourist destinations is hiring a PR company in the tourist generating country to support promotion and sales efforts. Developing an effective and efficient market representation structure involves recruiting a marketing firm with extensive contacts and distribution network in the generating market to represent the interests of the destination. The market representation firm should therefore be selected carefully.

A consortium of preferred agents and operators collaborates with the market representation firm on different promotional actions such as agreeing tour packages with inbound operators; sharing the costs of producing special brochures and flyers designed specifically for the local market; and contributing to media advertising.

Whilst this method of promoting a destination in the generating markets is far more cost effective and efficient than working through a tourist office abroad, or relying upon national carrier offices, which have different objectives and target markets, it is nonetheless an expensive option which may be beyond the means of the DMOs in the project area, at least in the short term.

6.5.10 Tourist Information Centres / brochure display units

Information on the niche products should be distributed via a network of Tourist Information Centres (TIC) throughout the project area. These should be of different types and sizes depending on their location and level of visitation. TICs should be located where tourists congregate: in city centres, at transport terminals, at city entrances and by attractions, and they should be easily identifiable. Depending on the area and the concentrations of tourists, they may be open year round or just during the tourist season. The principal functions of TICs are to provide visitors with information on places to visit, services and local facilities in the area, information about accommodation and a reservation service, transport information, a listing of

events and festivals in the area, and a range of publicity material. A priority project on conducting a feasibility study to set up a TIC system is proposed in this Tourism Master Plan.

Brochure display units may also be placed in areas where people congregate (where there is no TIC) such as retail outlets as well as train and bus stations. These should be well stocked on a regular basis.

6.5.11 Research and evaluation

It is important that the impact and effectiveness of the marketing techniques employed are evaluated on a continuing basis. This will indicate which techniques are the most effective and where to concentrate the marketing efforts and investment. Common techniques include surveys with local stakeholders and partners in the generating areas, visitor satisfaction surveys and accommodation occupancy surveys.

6.6 Conclusion

This report has identified the niche products that are most likely to attract visitors to Karlovac and Lika-Senj Counties and suggested improvements to existing and development of new products. It has identified clusters within the project area associated with these niche products where facilities and services are or could be concentrated and it presented a variety of tools and techniques to reach and target corresponding niche tourist markets.

7 Institutional structure of tourism in Karlovac / Lika-Senj

7.1 Introduction, objectives and issues

7.1.1 Introduction

When discussing the future institutional structure of tourism in the Karlovac and Lika-Senj project area, it is essential to note that while the Terms of Reference (TOR) are clear in their requirement for establishing an organisational structure *“that will be responsible for the implementation of the Tourism Master Plan in both counties jointly,”* this objective was recently deviated from by the final beneficiaries and the client.

Following informal notification in October 2007 by both the Chairperson of the Project Steering Committee and the EC Delegation, the Consultants was in November 2007 formally advised that the beneficiaries and the contracting authorities (CFCU, the MSTTD and the EC Delegation) had agreed that no joint tourism related implementation structure should be established. This was partly due to difficulties for the two counties in joining forces in the effort to establish a joint implementation structure.

Further, the classification of the two counties in different NUTS II regions would hinder that the two counties could apply for EC funding of joint project initiatives.

Subsequently, the original Terms of Reference were modified to reflect the decision not to establish a new joint organisational structure to implement the Tourism Master Plan. These modifications are illustrated in Annex 2.

Given the original requirements of the TOR and the advanced stage of the project and the preparation for the establishment of a joint implementation structure at the time of redefining the priorities relating to this structure, this chapter still provides a description of the alternative institutional structures identified and discussed with the involved stakeholder organisations and the Project Steering Committee during the project implementation.

7.1.2 Overall objectives

In the Consultants' view, there were three main objectives behind the original objective of establishing a joint tourism institutional structure for Karlovac and Lika-Senj Counties, i.e.:

- Ensure the implementation of the Tourism Master Plan (TMP)
- Become a focal point of public-private partnership within the tourism sector

- Ensure general destination management – including the strategic planning, development and marketing of tourism in the project area.

The original Terms of Reference (TOR) support these objectives through, first requiring the Consultants to:

“Explore the possibilities for the establishment of a (formal or informal) joint organisation that will be responsible for the implementation of the Tourism Master Plan (TPM) in both counties jointly.”

In this connection, the original TOR state:

“It is essential that the Tourism Master Plan contains one strategy and one implementation structure for both counties together.”

Further, the TOR originally stipulated that the Consultants shall:

“Assess the chances for establishing a public-privately funded organisation, thus incorporating the private sector in the strategic development of regional tourism.”

And the consultants shall:

“....ensure the active involvement of all relevant stakeholders....and guide them towards ‘innovative’ ways of cooperation (e.g. public-private partnerships).”

In preparing the short- and medium-term action plans, the original TOR also stipulated that:

“The short-term action plan must include a solution for the implementation structures at the regional level”.... and....“The mid-term action programme shall at least contain: solutions for a permanent implementation structure.”

Furthermore, the TOR stated that tourism development activities in the two counties have so far been undertaken as isolated actions by different stakeholders rather than in a structured manner. In this connection, the originally required outputs included:

“Establishment of a joint implementation structure prepared....for planning and execution of tourism development activities.”

In summary, a primary objective of the establishment of a joint institutional structure in accordance with the original TOR would be to ensure the effective implementation of the TMP – with direct private sector involvement, and contribution within a public-private partnership.

As such, a new institutional structure could, and should become the focal point of (‘innovative’) cooperation between the public and private tourism sector in Karlovac and Lika-Senj tourism planning area.

Further, in the Consultants' view due consideration should be given to general tourism destination management activities. This would be particularly important in light of the limited resources of the existing County Tourism Boards that is fully recognised by all stakeholders.

7.1.3 Key issues

In identifying and deciding on the most appropriate institutional structure in Karlovac / Lika-Senj tourism planning area, there are a series of issues to consider. These include:

- Degree of integration of the implementation of activities relating to the Tourism Master Plan and activities relating to general tourism destination management
- Extent of destination management
- Degree of public-private partnership
- Degree of commitment by the public and private tourism sectors, and the subsequent willingness to provide the required resources
- Legal implications.

Degree of integration of the implementation of activities relating to the Tourism Master Plan and activities relating to general tourism destination management

While the immediate objective of establishing a joint institutional structure for the two counties was to ensure a successful implementation of the TMP, the more visionary objective in the medium- to long-term would be to ensure the general coordinated and structured planning, development and marketing of tourism in the two counties. Thus, the management of the implementation of the fairly specific activities and actions under the TMP should consider how the conduct of general tourism destination management activities could be ensured.

Extent of tourism destination management

The extent of destination management activities principally relates to the degree of commitment that a destination places on integrated tourism development in respect of resource allocation – and thus to the shape and size of the institutional structure in charge of the development.

Degree of public-private partnership – involvement of the private sector

In general, tourism is led and driven by the private sector – though within the legal and planning framework set by the public sector.

In recent years, many tourism destinations have realised the need of involving the private sector also in the strategic planning and development of tourism to ensure the long-term sustainable development of the sector.

This is generally ensured through effective public-private partnerships, and fitting well within the requirements of the TOR that call for the assessment of “*establishing a public-privately funded*

implementation organisation incorporating the private sector in the strategic development of tourism” in Karlovac / Lika-Senj project area.

The issue of private sector involvement is of utmost importance, and cannot be treated lightly. Often, the private sector is expected to contribute financially to tourism destination management, but is not given the accompanying involvement in the planning and monitoring process of this development.

Degree of commitment by the public and private tourism sectors, and the subsequent willingness to provide the required resources

The need for both public and private sector commitment to tourism development is of paramount importance for the planning and sustainable development of tourism in any destination. And commitment means willingness to invest the relatively limited resources required to ensure the necessary planned development.

Thus, the public sector needs to realise that to achieve set targets of tourism development, there is a need to allocate sufficient resources for managing, marketing and promoting tourism in the project area in an appropriate manner.

Similarly, if the private sector wants to be involved in the planning and management of tourism development, it must be willing to participate in the cost of destination management, even if the cost coverage initially is nominal.

Legal implications

In Croatia, the Law on Tourism Boards and Promotion of Croatian Tourism (National Gazette No. 30/94) and related laws on tourist taxes (National Gazette No 35/95) and membership of tourism boards (National Gazette No 35/95) set the framework for what institutional structure is possible to establish in the Karlovac / Lika-Senj tourism planning area.

7.1.4 Change of objectives and priorities

As stated in the introductory Section 7.1.1, the original objective of an organisational structure *“that will be responsible for the implementation of the Tourism Master Plan in both counties jointly,”* was recently (October/November 2007) deviated from by the beneficiaries and the client resulting in a clear decision not to require the establishment of a new joint organisational structure for the implementation of the Tourism Master Plan and general tourism destination management.

In reality, this decision will result in reliance of existing organisational structures, notably the two County Tourism Boards and the County Councils themselves in respect of these tasks.

However, given the original requirements of the TOR and the advanced stage of the project at the time of redefining the priorities in respect of the joint implementation structure, this chapter still describes alternative institutional structures identified and discussed with the Steering

Committee and individual stakeholder organisations during the course of the project implementation.

7.1.5 Structure of the chapter

Following this introductory section, **Section 7.2** describes the principal options for an overall tourism institutional structure in Karlovac / Lika-Senj tourism planning area, with a fully-integrated tourism organisation on the one side, and an informal structure based solely on existing institutions and organisations on the other, and various options in-between.

Section 7.3 summarises the guidelines originally given by the Project Steering Committee (PSC) and the PSC Chairman in respect of the preferences of the implementation structure. **Section 7.4** then outlines the roles and functions of a new tourism institutional structure in respect of TMP implementation and general tourism destination management.

On the basis of the guidelines provided by the Steering Committee and the PSC Chairman, **Section 7.5** outlines further possible options for a joint institutional implementation structure based on a business / professional institutional principle as currently seen in some regional development agencies in Croatia.

Irrespective of the eventual institutional structure to be developed, there are certain structural elements that need to be considered. This concerns among others, the administrative structure and its degree of competence in directing the daily management as laid out in **Section 7.6**.

Section 7.7 discusses the issue of operational costs of destination management under different organisational structures and levels of destination management with a comparative example from a similar sub-national tourist destination within the European Union as called for in the Terms of reference.

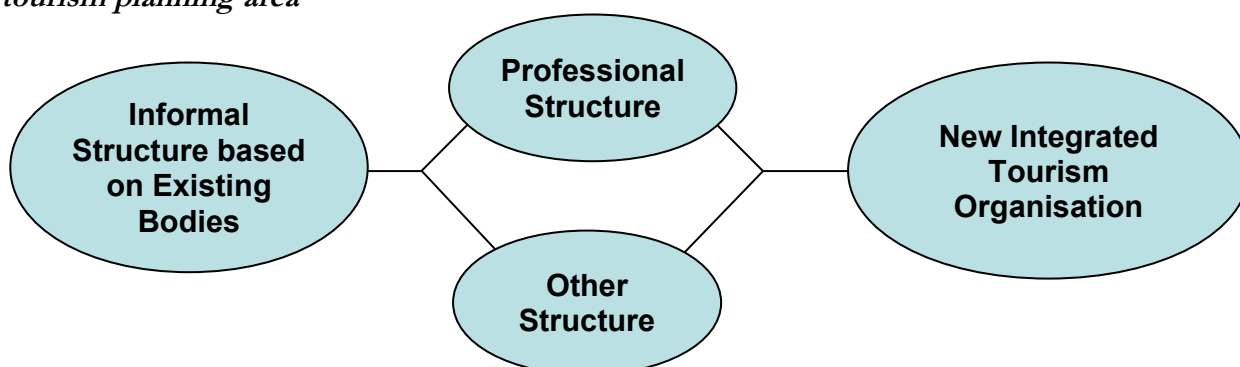
In this context, **Section 7.8** discusses the potential and recommended sources of revenue generation for the proposed tourism institutional structure, as well as for general tourism development of the planning area.

Finally, **Section 7.9** reflects on the prospect for sustainable development of tourism in Karlovac / Lika-Senj, given the decision not to establish a joint organisational structure and build on the existing County Tourism Boards and the planned county development agencies.

7.2 Main options for future tourism institutional structures

When identifying the different options for an institutional structure for the tourism sector in Karlovac / Lika-Senj tourism planning area, these range from the development of a new fully integrated joint regional tourism organisation replacing, or merging the two existing County Tourism Boards on the one side, to an informal structure based on existing institutions on the other (ref. Figure 7.1 overleaf). In-between there are other structures combining aspects of the two extremes, one of which could develop around a professional structure similar to the existing regional development agencies known from several counties in Croatia.

Figure 7.1: Band of options for tourism institutional structures in Karlovac / Lika-Senj tourism planning area



7.2.1 Full integration – a joint Karlovac / Lika-Senj Tourism Organisation

The fully integrated institutional structure would entail the establishment of a single regional tourism organisation replacing, or merging the two existing County Tourism Boards. This integrated tourism organisation would become responsible not only for the implementation of the Tourism Master Plan (TMP), but for all aspects of planning, development and marketing of tourism within the project area.

Thus, in addition to the implementation of TMP priority development projects and other activities, the integrated tourism organisation would take over all the destination management responsibilities of the existing County Tourism Boards including:

- Regional tourism policy and strategic planning
- Marketing and promotion
- Collection and provision of visitor and general information
- Product development
- Facilitation of the private tourism sector
- Tourism awareness

While the joint tourism organisation would fulfil the original intentions of the TOR to develop and market the combined area as a single tourist destination, and further give the advantage of pooling scarce resources for tourism planning and development together, the option would require the transfer of certain responsibilities currently resting with the county councils and the County Tourism Boards.

7.2.2 Laissez faire situation – using the existing institutional structures

In the informal 'laissez faire' structure, the implementation of the TMP, as well as general tourism destination management activities would be undertaken through the use of existing institutional structures, primarily through the County Tourism Boards, possibly assisted by municipality tourism boards, relevant departments within the county councils, Chambers of Commerce, etc.

The advantage of this informal structure is its simplicity as it would rely solely on existing institutions with no new institutional structures to be developed. On the other hand, in light of the already limited capacity and resources characterising the operation of particularly the two County Tourism Boards, the Steering Committee and other stakeholders felt a real danger that this option would not be able to ensure implementation of the Master Plan.

7.2.3 Semi-professional organisation parallel to existing structures

In-between the option of the full-blown joint tourism organisation and the informal structure building on the existing organisations, there are a number of possibilities for combining aspects of the two extreme options. One of these would be to develop an implementation structure similar to the existing regional development agencies known from several counties in Croatia with a semi-professional secretariat linked to the two existing County Tourism Boards and guided by an advisory board.

7.3 KALIS-TDA – the preferred institutional structure – July 2007

7.3.1 Guidelines from the Project Steering Committee

Already at an early stage of the project, at its second meeting on 2nd May 2007, the Project Steering Committee (PSC) was presented with the main options of the future institutional structure as discussed in Section 7.2 and requested to provide the Consultants with overall guidelines for the type of structure the PSC would be likely to accept and approve. This choice would obviously depend on resource availability and the distribution of responsibilities between the new structure and existing tourism and other organisations. At a subsequent meeting in June 2007 between the PSC Chairman, the two County Tourism Board Directors, the PMU and the Consultants, the following guidelines were provided:

- The fully integrated single tourism organisation for the two counties was not an option
- The laissez faire situation solely using existing institutions was not a viable option due to the current:
 - Limited capacity of the existing County Tourism Boards
 - Limited, if any public funding available for further tourism development
- There is a need for some form of public-private partnership
- There is a need for contribution of the private sector
- Consultants to develop alternative models based on the semi-professional / business structure as illustrated in Figure 7.2 overleaf while retaining the existing County Tourism Boards
 - Consultants to illustrate budget requirements in relationship to roles and functions of the implementation structure

Figure 7.2: *Semi-professional tourism institutional structure for the Karlovac / Lika-Senj tourism planning area*

On the basis of these guidelines, the Consultants presented to the Steering Committee, at its 2nd July 2007 meeting, three alternative organisational structures for a future Tourism Development Agency (TDA) for Karlovac and Lika-Senj Counties, all building on the semi-professional / business structure and retaining the existing County Tourism Boards in their current form. The three alternative structures varied in degree of integration and degree of powers given to a proposed Facilitation / Advisory Board, or Board of Directors.

In this context, the Steering Committee agreed to establish a joint tourism organisational structure that would combine the semi-professional approach of the regional development agencies with the necessary public-private partnership and involvement of all relevant stakeholder organisations through a Facilitation Board (e.g. county and municipality tourism boards, county councils, chambers of commerce and the private sector).

The preferred structure of the new Karlovac and Lika-Senj Tourism Development Agency (KALIS-TDA) is illustrated in Figure 7.3 overleaf.

7.3.2 Roles and functions of the ‘could-be’ KALIS-TDA

Since there was generally no stakeholder support for the establishment of a full-blown single regional tourism organisation for Karlovac and Lika-Senj Counties, the tasks of implementing the Tourism Master Plan and the conduct of general tourism destination management at the regional level would need to be split between the new KALIS-TDA and the existing County Tourism Boards.

Figure 7.3: *The organisational set-up of the future tourism institutional structure for Karlovac / Lika-Senj Counties as agreed by the Steering Committee in July 2007*

In general, the primary responsibility of KALIS-TDA would be to ensure the implementation of the Tourism Master Plan in close cooperation with other stakeholders, especially the two County Tourism Boards. More specifically, KALIS-TDA would be responsible for the implementation of the selected priority development projects including securing project funding.

However, in light of the limited capacity of the existing County Tourism Boards, recognised by all stakeholders, it was recommended that KALIS-TDA would support and assist the County Tourism Boards in part of their normal destination management tasks, and if deemed feasible, even take over some of these in the longer run.

Consequently, in the short run, the roles and functions of KALIS-TDA would include:

- Coordination of the implementation of the Tourism Master Plan for Karlovac and Lika-Senj Counties
- Enhancing the public-private partnership within the tourism sector in Karlovac and Lika-Senj Counties
- Become the focal point for the coordination of tourism planning and development in the Karlovac / Lika-Senj tourism area.

7.3.3 Planned organisational set-up of KALIS-TDA

Following the Steering Committee's initial approval to establish the joint Karlovac and Lika-Senj Tourism Development Agency (KALIS-TDA), a proper constitution was drafted and submitted to the Steering Committee in September 2007 for their comments.

To illustrate the advanced stage of the preparatory work for setting up KALIS-TDA at the time of deciding not to establish a joint implementation structure, the full draft constitution of KALIS-TDA is presented in Annex 3, detailing the composition and roles of the Facilitation Board, the TDA Council, and the Administration. Perhaps, the constitution could prove a useful tool in the future in case the stakeholders should decide to establish a similar structure for one or both counties.

7.4 Final organisational structure for TMP implementation

7.4.1 Introduction

Following the formal decision by the stakeholders and contracting authorities not to establish a joint tourism related organisational structure for Karlovac and Lika-Senj Counties, the responsibility of implementing the Tourism Master Plan (TMP) and for general development of tourism in the project area will rest with existing regional organisations, notably the two County Tourism Boards and the County Councils themselves.

The Steering Committee and the stakeholders in general still recognise the two County Tourism Boards will not be able to carry this responsibility alone due to their limited human and financial capacity. Therefore, the plan is to let the regional Development Agencies that both counties plan to establish be responsible for at least the implementation of the priority development projects.

On this basis, this section outlines the institutional structure that will now in reality become responsible for the implementation of the Tourism Master Plan, and also reflects on the general tourism destination management tasks, principally lodged with the two County Tourism Boards.

7.4.2 Organisation of Master Plan implementation

Regional development agencies– roles and functions

Already, a series of counties in Croatia has established regional development agencies to facilitate the local economic development through among others the formulation, funding application and implementation of development projects similar to the priority projects identified as part of the Tourism Master Plan (TMP).

Further, the development agencies help improving existing regional development programmes and ensure that they are in line with regional, national and EU policies and attract foreign investment.

One of the most progressive and professional of these regional agencies is the Varazdin County Development Agency (AZRA) that has specialised in both implementation of tourism related development projects in Varazdin County and also in assisting other regional and municipality agencies to create and implement development projects and programmes.

In this connection, the Consultants have made arrangements with the AZRA management to assist in the training of staff of the planned regional Development Agencies in Karlovac and Lika-Senj (ref. Section 9.4 below).

The Karlovac and Lika-Senj County Councils are also planning to establish regional Development Agencies, possibly by letting the existing Project Management Units (PMUs) develop into proper Development Agencies.

In respect of the implementation of the TMP, the regional Development Agencies are proposed to take responsibility of, among others:

- Formulating annual Activity Plans and Budgets focusing on the implementation of the ten priority development projects of the Tourism Master Plan (TMP) in accordance with the guidelines given in this plan, and where relevant incorporating other relevant TMP activities
- Ensuring close contact between the Development Agencies and the County and Municipality Tourism Boards, County Councils, National and Nature Parks, Chambers of Commerce, and the private tourism sector
- Ensuring awareness of the regional Development Agencies and their role in implementing the priority development projects forming part of the Tourism Development Plan for Karlovac and Lika-Senj Counties
- Keeping the accounts of the Agency in good order

Existing County Tourism Boards – roles and functions

As the legal entities in charge of the planning, marketing and promotion of tourism in their respective counties (Law on Tourism Boards and Promotion of Croatian Tourism – National Gazette No. 30/94), Karlovac and Lika-Senj County Tourism Boards are currently responsible for the following tasks in close consultation with the County Councils:

- Regional tourism policy and strategic planning
- Setting the framework for regional tourism planning and development, e.g. formulating regional tourism development plans and strategies
- Marketing and promotion of their respective county as a tourist destination
- Collection and provision of visitor and general information
- Product development
- Conduct of market research
- Facilitation of tourism investment and product development in cooperation with the forthcoming regional Development Agencies
- Regional tourism awareness

Limitations in budget and staff resources have in the past hampered that these tasks could all be undertaken in an optimal or appropriate manner. However, they are nevertheless essential tasks to undertake if the counties wish to develop tourism in any measurable ways – regardless of the organisational structure of the tourism sector.

Tourism Master Plan Implementation Advisory Group

One of the main features of the originally proposed joint organisational structure for Karlovac and Lika-Senj counties was the establishment of the Facilitation Board with broad representation of all stakeholders to ensure the close cooperation of public and private tourism sector stakeholders in respect of the implementation of the Tourism Master Plan and general tourism development issues.

Also in the case of no joint tourism related organisational structures to be established, it is important to enhance the cooperation of the public and private stakeholders to ensure a coordinated implementation of the Tourism Master Plan.

Therefore, it is suggested to establish a Tourism Master Plan Implementation Advisory Group that will become an advisory forum for the implementation of the Tourism Master Plan, and a source of advice and a vital forum of discussion between public and private tourism sector stakeholders for the County Development Agencies, the County Economy Departments and the County Tourism Boards.

The membership of the Advisory Group is smaller and their powers suggested to be much less than in the original proposed Advisory Board for the joint implementation structure. The membership would consist of:

- (a) The Deputy Mayors of Karlovac and Lika-Senj Counties
- (b) The Directors of the forthcoming Regional Development Agencies of Karlovac and Lika-Senj Counties – until established the agencies will be represented by the PMUs
- (c) The Directors of the two County Tourism Boards
- (d) 2 representatives of the Town and Municipality Tourism Boards, one from each county
- (e) 2 representatives of the National and Nature Parks in the two counties, one from each county (i.e. Plitvice Lakes and North Velebit National Parks and Velebit Nature Park)
- (f) 2 representatives of the County Chambers of Commerce and/or County Departments of Economics, one from each county
- (g) 4 private tourism sector representatives, two from each county, preferably representing the accommodation and tour operation/travel agency sectors.

The primary responsibility of the Advisory Group is to guide and assist the implementation of the Tourism Master Plan (TMP) in cooperation with the respective stakeholder organisations. As such, the Advisory Group will provide policy direction, oversight and advice for the implementation of the TMP through regular meetings, during which the County Tourism Boards and Development Agencies will report on implementation progress. More specifically, the roles and functions of the Advisory Group should include:

- Provide policy direction, advise and coordination for the implementation of the Tourism Master Plan
- Act as a forum for discussion of issues and aspects relating to the Tourism Master Plan implementation and facilitate cross-sectoral and cross-stakeholder cooperation
- Review and update the Tourism Master Plan on an annual basis and whenever major developments or events impacting on tourism development in the Karlovac and Lika-Senj Counties so require
- On the basis of the annual review of the Tourism Master Plan, formulate draft annual work programmes for the implementation of the TMP and advise on the distribution of responsibilities for implementation of the work programmes
- Ensure the close contact between the Advisory Group and the County and Municipality Tourism Boards, County Councils, National and Nature Parks, Chambers of Commerce, and the private tourism sector, and the general business environment
- Enhance the public-private partnership within the tourism sector in Karlovac and Lika-Senj Counties in general
- Promote general awareness in all layers of the society of the Tourism Master Plan, its objectives and the roles and functions of the Advisory Group
- To become the focal point for the coordination of tourism planning and development in the Karlovac / Lika-Senj tourism area
- Act as a Steering Committee for the implementation of individual priority development projects or other major TMP activities. Depending on the nature and characteristics of the individual priority project, particular organisations, bodies or individuals with specific

interests, skills and/or insight in the particular projects or activities can be invited to join the Steering Committee.

To benefit from the Consultants' experience in master plan implementation and establishment of tourism institutional structures, the inaugural meeting of the Advisory Group was held 31st January 2008 under the guidance of the Consultants. For the meeting, the Consultants had prepared draft Terms of Reference for the roles and functions of the Advisory Group. The meeting was attended by the great majority of the appointed members and decided to have the Terms of Reference translated and agreed at a subsequent meeting.

7.5 Proposed training programme for TMP stakeholders

7.5.1 Introduction, background and rationale

The original Terms of Reference (TOR) required that candidates for the staff positions within the planned joint organisational structure for the implementation of the Tourism Master Plan (TMP) would be identified and trained for their positions in the new organisation, tying the training activities to the envisioned joint implementation structure.

With the formal decision by the stakeholders and contracting authorities not to establish a joint tourism related organisational structure for Karlovac and Lika-Senj Counties, the TOR have been modified to reflect this new situation. Thus, the responsibility of implementing the TMP will generally rest with the two existing County Tourism Boards, the County Councils themselves, and planned regional Development Agencies.

However, although there will be no new joint tourism related organisation to take responsibility of the TPM implementation, there will still be a need for training in tourism related management, especially in consideration of the scarce human and financial resources available.

Further, since the regional Development Agencies, which will become responsible for the implementation of the priority development projects of the Master Plan, are yet not established, there will also be a need for training of the potential staff of these organisations.

On this basis, and following consultations with the Steering Committee Chairman in mid October 2007 with the aim to encourage the County Councils identifying appropriate staff for training, this paper outlines a proposed training programme that, if implemented, could greatly benefit stakeholder staff that are likely to become involved in the implementation of the Tourism Master Plan.

To fulfil their role in initiating the training activities, it was agreed with representatives of the Beneficiaries to aim at about six people to undergo training for the implementation of the Master Plan. Of these, two county staff (one from each County) will be selected and employed by the respective County Administrations. In addition, each County will identify one to two people with interest in the Tourism Master Plan project to be trained. Although these latter people would not be guaranteed employment by the County Administrations in the near future, they will constitute a future resource base.

These individuals are expected to be university educated and be proficient in English, but not necessarily having specific knowledge and skills of tourism planning and development and general project cycle management.

In addition to the specific training attachment arranged for the two Directors of the two County Tourism Boards, it is strongly recommended that the Directors, and possibly also the few other tourism board staff, should follow the training programme, although they may be familiar with some of the topics. This would also secure a closer working relation with the county staff foreseen to be engaged in the regional Development Agencies.

In this context, three training initiatives are proposed and described in the following, i.e.:

1. A training seminar in ***Tourism Planning and Development*** at the Croatian Institute for Tourism
2. A training programme in ***Project Cycle Management*** at the Varazdin County Development Agency (AZRA)
3. Training attachment for the County Tourism Board Directors at a regional tourism organisation in Denmark.

7.5.2 Training seminar in Tourism Planning and Development

Given the complexity of tourism, it is crucial that any person involved in tourism and tourism-related development, on a permanent or on a project basis, is introduced to some of the basic tourism related concepts and issues to equip them to better understand and manage tourism development projects and processes.

To this end, a two-day seminar is recommended. The seminar will cover the basic concepts and issues that are essential for the persons involved in the implementation of the Tourism Master Plan, especially the implementation of the priority development projects.

Content of the seminar

The Tourism Planning and Development seminar is proposed to provide an introduction and foundation of the fundamental tourism concepts and issues relevant to persons involved in tourism planning and development, on which the participants will be able to build up their tourism related knowledge and experience. Seven modules are considered.

Module 1: Introduction to tourism

Tourism is a complex activity and its complexity needs to be understood by anyone directly or indirectly involved in tourism planning and development. The objective of this introductory module is to:

- Definition of tourism terms and concepts: provides answers to questions such as ‘what is tourism,’ ‘who are tourists,’ ‘what are tourism products,’ and ‘what is meant by tourism destinations?’
- A brief overview of the history of tourism
- Identify the main types of tourism and main tourism development trends

Module 2: Socio-economic impacts of tourism

The aim of this module is to:

- Identify the economic and social benefits of tourism, especially from the regional perspective
- Explain how tourism is measured statistically and what are the limitations of such measurement
- Understand the wider socio-economic trends that influence tourism development, especially those affecting the project area.

Module 3: Structure and organisation of tourism industry

To be able to plan tourism development, it is important to understand how the tourism industry is structured. The aim of this module is to:

- Identify the sub-sectors within the tourism industry
- Understand the distribution chain, with special focus on tour and travel operations (the role, functions and basics of tour package)
- Understand the role of the private and public sectors in tourism
- Identify and explain the main tourism associations and their roles

Module 4: The accommodation and catering sub-sectors

Accommodation is an important component of the tourism supply chain and a number of development projects defined in the Tourism Master Plan deal with the issues of appropriate accommodation development for different market segments. Therefore, it is important that the participants understand the following:

- The structure and nature of the hospitality sector, distinguishing between the various categories of accommodation and catering
- Classification of accommodation with the reference to the current legislations
- The nature of demand for accommodation and how the sector responds to changing patterns of demand
- The relationship between the hospitality sub-sector and other sub-sectors of the tourism industry.

Module 5: Tourism resources and attractions

Tourism attractions prompt people to travel and, once in a destination, and help satisfying a range of their travel needs. The tourism attractions need to be managed properly to satisfy these visitor needs. Often, development of tourism products also requires investment in tourism attractions, for which donor funding might be sourced. The module will give the participants an understanding of:

- Definition of tourism resources and tourism attractions
- Classification of tourism attractions – the basis of product development
- Basic elements of tourism attraction management
- Main attractions and resources of the project area

Module 6: Tourism products of the project area

Once the participants understand the basic components of tourism, they have to understand how these are assembled to form the tourism products that are ready to be promoted in target markets. For this module we will use the Niche Market and Niche Products Report, which forms part of the Tourism Master Plan, so that the participants understand the issues from the regional perspective. Thus, the objective of this module is to:

- Introduce and explain the notion of the tourism product and current trends
- Provide an overview of the current and potential tourism products available in the project area
- Provide basic knowledge of niche market segments and mechanism to reach them
- Understanding of the relationship between tourism products and the priority development projects proposed in the Tourism Master Plan.

Module 7: Tourism development prospects and planning priorities of the project area

This module gives an overview of the importance of planning tourism development and the approach to tourism planning in the project area as adopted by the Tourism Master Plan. The specific objectives of this module are to:

- Introduce participants to the tourism planning process, with specific focus on the master-planning
- Introduce participants to the structure and contents of the Tourism Master Plan
- explain to the participants the different roles that the different stakeholders have in the tourism development process
- Demonstrate how the Tourism Master Plan should be used by different stakeholders
- Outline the main elements of the Tourism Master Plan relevant to the participants in respect to their role in the implementation of the Master Plan

The seminar was successfully organised at the Institute for Tourism 21-22 January 2008 with more than 20 participants from public and private tourism sector organisations in the two counties.

7.5.3 Education programme in Project Cycle Management

As the Tourism Master Plan follows the project-based implementation approach, the projects defined by the Tourism Master Plan will need to be implemented with the given deadlines, budgetary restrictions and through cooperation of various stakeholders in the various stages of the projects. Likewise, the tourism development is a long and continuous process where new projects will be appearing and have to be evaluated, elaborated and prepared for funding. Thus, the participants will need to obtain a sound knowledge in two areas: project proposal development and project implementation.

To ensure the maximum training efficiency, we have scanned the various development agencies in the country that are dealing with development and implementation of the, mostly, EU funded projects. Of those, we have identified the AZRA – development agency of the Varaždin County, as one of the more progressive in terms of the number of projects approved, number of project managed, number of staff directly and indirectly employed and the concentration of knowledge and experience that they have. AZRA is willing to educate the participants on the main aspect of, both, project documentation preparation and project implementation.

It is suggested that the education at AZRA be implemented early next year, preferable during January 2008. It will last four weeks – 20 working days, which will be undertaken by all participants at once, so that they are able to network effectively and create a nucleus of the project-based tourism development experts in the project area. The AZRA will organize their training program to cover:

- Introduction to the project management cycle (project identification, preparation, application and implementation) within the ROP regime
- Development of logical frameworks
- Development of project proposals
- Management of regional development agencies
- Introduction to donor agencies and their funding priorities
- Hands-on experience in the project management that they are currently implementing.

7.5.4 Attachment training at a prime Danish regional tourism organisation

With the view to expose the Directors of the two County Tourism Boards to a professional and well-operated European regional tourism organisation, the Consultants have made arrangements for possible attachment training at one of the most successful regional tourism organisations in Denmark, Fyntour.

Fyntour was established in 1996 to be responsible for the planning, development and marketing of tourism in the former Fyn County, covering a geographical area of about 3,500 square kilometres, which is similar to that of Karlovac County.

The organisational structure of Fyntour is fairly similar to the originally planned organisation of KALIS-TDA, with a Board of Directors consisting of both county and municipality council members, municipality tourism boards and private tourism sector operators.

Fyntour has grown continuously since its establishment and is currently having a secretariat staff of 20-25 professionals with an annual budget of more than 20 million Kuna. The tourism product is extremely diversified but focusing on a series of special interest products that are similar to the potential in Karlovac and Lika-Senj Counties including, among others, sport fishing, hiking and biking, historic castles, sailing, and fairytale-based tourism around fairytale author Hans Christian Andersen.

Initially, Fyntour has agreed in having the two Directors of Karlovac and Lika-Senj County Tourism Boards attached in their head office in Odense for a two-week period either in the autumn of 2007 or in the spring of 2008. During this period, the Directors will follow the day-to-day activities of the different sections of Fyntour including the product development, marketing and human resource development departments, pending specific preferences of the Directors.

While Fyntour has kindly offered the attachment training free of charge, the Directors will need to make their own arrangements for the payment of travel to and from Denmark as well as cost of accommodation and living expenses through their respective County Councils or Tourism Boards. By the end of November 2007, the Director of Karlovac County Tourism Board had been successful in obtaining funding from the County Council and has communicated this to Fyntour with a view to undertake the attachment in the spring 2008. Subsequently, the Director of the Lika-Senj County Tourism Board advised that the costs of her participation in the attachment training were incorporated in the 2008 budget of the County Tourism Board.

7.5.5 Conclusion

As is evident both from the Terms of Reference and in practice, staff training is strongly related to the nature and characteristics of the organisational structure, and particularly the defined roles and functions of the organisation as well as the skills levels of the existing staff.

Therefore, it has been essential to identify and agree on the future organisational structure for the implementation of the Tourism Master Plan and general tourism destination management at as early a stage in the project as possible. Therefore, the Steering Committee was already at its second meeting in early May 2007 encouraged to take principal decision on the preferred future institutional structure, among others to enable the Consultants to identify the staffing requirements.

Similarly, when the Steering Committee decided to establish the semi-professional joint Karlovac and Lika-Senj Tourism Development Agency at their third meeting in early July, the meeting was advised that the County Councils would identify potential staff to be trained for the operation of the new organisation.

The identification of staff candidates for the planned new organisation proved to be more complicated and lengthier than anticipated. Therefore, it was not possible to commence the staff training in Project Cycle Management at the Varazdin County Development Agency (AZRA) as scheduled by the Consultants by October 2007.

The difficulties of the County Councils in identifying potential staff candidates may have contributed to the decision not to establish a joint implementation structure for the implementation of the Tourism Master Plan.

However, regardless of the future institutional structure, the identification of staff candidates likely to be engaged in the Master Plan implementation as described in Section 1 above is as essential as ever. Thus, the training initiatives outlined in this paper can only be implemented once the staff candidates are identified and approved by the County Council.

8 Identification and selection of priority development projects

8.1 Introduction and objectives

In order to support tourism development in Karlovac / Lika-Senj tourism area, the Terms of Reference (TOR) require the Consultants to identify, first a series of 25 potential development projects, more or less equally divided within Karlovac and Lika-Senj Counties. The projects should generally comply with the adopted vision and mission statements for the Project area, and should support the realisation of predefined strategic objectives. Otherwise, there are no a priori criteria required for the selection of projects. The project opportunities may be within any tourism related field such as capacity building, infrastructure development, product development, facilitation of major private investment, or any other field.

Subsequently, from the short-list of 25 potential development projects, or project ideas, the Consultants in close cooperation with the Working Group will on the basis of clearly defined selection criteria recommend 10 priority development projects for immediate development as part of the Tourism Master Plan following approval by the Steering Committee.

8.2 Methodology for long-listing of project opportunities

The initial long-listing of potential priority development projects has been established on the basis of:

- The ROP lists of project opportunities in Karlovac and Lika-Senj Counties
- Existing tourism studies and reports
- Consultations with public and private stakeholders during the course of the Tourism Master Plan process
- Project proposals received from the Working Group member
- Consultants' own proposals

8.3 Long-listing of development project opportunities

The initial long-list of potential development projects has been categorized under four logical categories in accordance with the situation and SWOT analyses undertaken during the initial stage of the Tourism Master Plan process, i.e.:

- Tourism facilities and services
- Improvement/expansion of existing and development of new tourist attractions and tourism products
- Institution building
- Other

Within these four main categories, the project opportunities have been categorized in 10 sub-categories including:

- Resort developments
- Other accommodation related developments
- Interpretation centres
- Nature-based attractions / special interest products
- Cultural heritage related projects
- Archaeological sites
- Marine tourism
- Rural tourism
- Other special interest tourism products
- Marketing, planning and positioning
- Other project opportunities

At the initial stage of the identification of priority development projects for potential inclusion in the Tourism Master Plan, some project opportunities are merely ideas proposed by stakeholders, or identified as part of the planning process, and for which only limited information exist. For other project opportunities, more detailed information including cost estimates are available.

Although the development cost is not considered as a criteria for consideration at the long-listing stage, cost estimates where known are included for subsequent consideration.

8.3.1 Tourism facilities and services

Resort development

- Sveto Brdo Ski Resort, Lovinac – major investment in skiing infrastructure and mountain village. The project is considered of national priority in respect of development of skiing tourism in Croatia. It is related to winter tourism projects in Krasno and Vrhovine. Feasibility studies ongoing.
- Krasno Ski Resort – capital infrastructure and tourism infrastructure development
- Sports and recreational zone at Gornje Vrhovine – capital infrastructure and tourism infrastructure development
- Winter resort at Saborsko – winter sports and recreation centre combined with agro-tourism (accommodation in a rural setting), ski tracks and traction machines. The resort would cater mostly to local demand for winter holidays, and would target mostly children and families with small kids. All facilities and amenities Public-private partnership. Estimated cost – EUR 2 million
- HOC Bjelolasica Olympic Centre – upgrading and expansion of existing facilities: new sports hall - training facility, a new indoor Olympic swimming pool, horse stables, rowing camp on Lake Sabljaci, artificial snow making technology, etc.
- Market repositioning (and privatisation) of the HOC Bjelolasica Olympic Centre – the present market positioning of the Olympic Centre does not seem to be sufficiently focused and therefore, not financially feasible. The project should propose the best use of the

location, propose the tourism facilities and amenities that need to be developed, suggest market segments to be targeted, and check for economic feasibility of proposed development. Additionally, the project should recommend on the most suitable ownership and managerial model for the resort.

- Taborište Tourism Resort – design and construction of a tourist village with a motel and a camping site. The project would include sports facilities, swimming pool, parking spaces, food and beverage and retail outlets, etc. Public – private partnership. Estimated cost – EUR 2.1 million
- Lešće Thermal Spa at Generalski Stol – feasibility study of the potential for development of a spa resort close to Dobra River. The location has been partially developed in the 1960s and consists of a large swimming pool and medical treatment facilities. All facilities in a poor state of repair, and not in use. Further, the capacity of the thermal spring is questionable.

Other accommodation related projects

- Reconstruction and adaptation of Hotel Frankopan, Ogulin – private sector project
 - Donji Babin Potok – on a 8.5ha plot, a new hotel with about 100 4* rooms will be built together with restaurants (project documentation is in preparation)
 - Development of a camping ground on the river Korana – Mekušanski Lug (Karlovac)
 - Development of an accommodation facility for tourists in transit with entertainment, catering and retail facilities on the north-west entry point to Karlovac
 - Development of private camping grounds along the four rivers of Karlovac County and other attractive locations
 - Reconstruction of the existing and development of new accommodation capacity in Novalja
- Proširenje postojećeg hotela Europa u Karlovcu – projekt privatnog sektora
- Camping site and rest area at Blata, Saborsko – private sector project
- Expansion of the existing Hotel Europa in Karlovac – private sector project
 - Expansion of Apartment Village Mistral, Otočac with an additional two houses with four apartments. Private sector project. Estimated cost – EUR 150,000
 - Reconstruction of existing and construction of several new small themed (fishing) accommodation facilities in the Gacka River valley – private sector project intended to add to the existing accommodation quality and diversity in the Otočac region. The new offer would contribute to the attractiveness and image of the area, and generate further employment possibilities.
 - Construction of a water fun park within the „Plitvice“ camping ground at Grabovac – the existing camping ground lacks recreation facilities that could make the stay more enjoyable, more structured and better suited to families. As a result, the average length of stay is likely to increase.
 - Renovation / reconstruction of Hotel Grabovac – despite its recent face-lifting, the existing facility is dysfunctional and can only attract the incidental visitors. Serious consideration of the future purpose and market positioning of the hotel should be given.
 - Construction of several bed and breakfast (B&B) establishments and small family-owned pensions in the small fishing villages along the Senj – Karlobag coastal road – an increase in the variety of private sector accommodation in this area is necessary to induce tourist demand

and increase tourist visitation not only to Velebit nature park, but to other attractive sites/attractions throughout the Lika-Senj County. The existing fishing villages in many secluded coves at the base of the Velebit mountain range represent an ideal setting for such development.

- Tourist village Kalić, Senj – reconstruction and renovation with addition of new wellness, recreation and similar facilities
- Reconstruction and modernisation of existing hotel facilities in Senj (Art and Nehaj)
- Development of small, family owned hotels in the Senj region

Interpretation and information centres

- Establishment of the visitor and information centre at Velebit Nature Park in Baške Oštarije. Public sector project. Estimated cost – EUR 450,000
- Establishment of a tourist information centre and a tourist walking trail at Slunj – the walking trail will connect Rastoke with the information centre. The project includes a new parking lot, F&B and retail related kiosks and toilets. Public sector project. Estimated cost – EUR 1.1 million
- Brown signage and interpretation boards at Duga Resa – the municipality offers various sites of potential interest for weekend visitors. However, most sites are not sufficiently known. The project is intended to attract more visitors from within the municipality.
- General interpretation of the environment around Ogulin - the area around Ogulin offers various sites of potential interest for weekend visitation. However, most sites are not sufficiently marketed. The project aims at attracting more visitors from within the municipality
- Visitor center in Rakovice
- Visitor center in Duga Resa
- Visitor and interpretation center in the North Velebit National Park
- General signage and interpretation system of tourist attractions in Karlovac County - the County offers various sites of potential interest for weekend visitors. However, most sites are currently not sufficiently known to the domestic population. The project is intended to attract more from within the municipality
- Tourism interpretation centre at Plitvice Lakes National Park – use the deserted property adjacent to Lička Kuća and turn it into a contemporary interpretation centre with necessary facilities to tell the story about the park, its origin, flora and fauna, endemic species, history, etc
- Rehabilitation of Premužićeva Staza at Velebit – the project is related to the 35 km long part of Premužić's trail through the Velebit Nature Park. The rehabilitation of the trail will include the provision of interpretation boards and resting places. Estimated cost – EUR 250,000. Public sector project.
- Tourist information center Senj - reconstruction of the existing office of the Tourism Board of Senj

8.3.2 Improvement of existing and developing of new attractions / products

Nature-based attractions / special interest products

- Cave park at Lovinac – development, interpretation and promotion of unique karst forms
- Biking and hiking trails at Brinje – construction of hiking/biking trails around Lake Lovačko. Public sector project
- Biking trails at Kamanje – development of the trails, signage, maps and promotional material. Public sector project. Estimated cost – EUR 45,000
- Development of fishing tourism at Slunj
- Development of Barač's Caves at Rakovica for tourist visitation
- Vrlovka Cave – establishment of illumination, parking and design of a visitor trail
- Recreational trails at Ozalj, Kamanje and Ribnik
- Establishment of a network of hiking trails in Karlovac and Lika-senj Counties – inventories of hiking trails, assessment of mountain lodges, preparation of a brochure, signage, marketing and promotion, web portal improvement
- Development of hunting tourism at Ogulin, Gospić, and Otočac – public-private partnership
- Photo safari and bird watching at Plitvice Lakes and North Velebit National Parks and at Velebit Nature Park – public private partnership. The project idea is to establish a joint venture between the private sector tour operators as providers of visitation and the National Park rangers as guides and tour leaders.

Cultural heritage related projects

- Renovation and preservation of the old town of Sokolac, Brinje
- Renovation and preservation of Perušić Tower, Perušić
- Renovation and preservation of Zdunić Tower, Lovinac
- Reconstruction of the old water mills and preservation of traditional crafts at Otočac
- Development of a textile factory museum at Duga Resa – preservation of the existing industrial complex and village. Public sector project. Estimated project cost – EUR 190,000
- Restoration of water mills at Slunj. Estimated cost – EUR 822,000
- Restoration of Dubovac Castle Dubovac in Karlovac
- Ogulin fairy-tale festival
- Visitor center „Ivanina kuća bajke“
- Implementating strategy of cultural tourism development of Karlovac County
- Renovation of the water-mill on the river Dobra in Ogulin
- Ethno House, Slunj – restoration of an old traditional wooden house, properly furnished in which tourists could learn about the life of our ancestors. The house would also host workshops for handicrafts and souvenir production. Public sector project. Estimated cost – EUR 55,000
- Restoration of Drežnik Castle, Rakovica

- Restoration of Slunj Castle. Public sector project. Estimated cost – EUR 2.75 million
- Rastoke, Slunj – development of walking paths, bridges, panoramic views, resting places, parking spaces, signage and other tourist signalisation. Public sector project. Estimated cost – EUR 685,000
- Establishment of a centre for the preservation of traditional crafts, Otočac. Public sector and NGO project. Estimated cost – EUR 80,000
- Revitalization of old water saw mill at Lovinac – rebuild location of an old saw mill not only to attract tourists, but to increase employment. Joint public-private sector and NGO project. Estimated cost – EUR 217,000
- Revitalization of medieval heritage at Lovinac – renovation of medieval fortresses at Lovinac, Vranik, Novak, Budak, Zagon etc. Public- private partnership (concession). Estimated cost – EUR 865,000
- Development of Nehaj History Park – partial restoration of the fortress, horticulture, information point, restoration of Kalvarija and Kosturnica monuments. Public sector project. Estimated cost – EUR 900,000
- Project „Senj – Dubrovnik of north Adriatic“ – includes restoration of cultural monuments and buildings, port, uskoks' ships and house, new traffic regulation, tourism highway of Senj and connection with the future historical park Nehaj
- Cultural itinerary Josephine - Senj

Archaeological sites related projects

- Development of Japoda Archaeology Park at Lovinac – development of necessary tourism facilities to interpret the most important archaeological sites. Public-private partnership (concession). Estimated cost – EUR 295,000
- Roman Centuria on Cvituša Hill at Lovinac – archaeological site interpretation centre. Public-private partnership project. Estimated cost – EUR 305,000
- Eco-archeological park Japodi – Viničica (Josipdol)
- Eco-museum in Rakovica Municipality – based on the Study of cultural tourism development, the project entails continuation of development of various visitor facilities and building a History House and Documentation center in Rakovica

Marine tourism related projects

- (Re)construction of marinas in the coastal area of Karlobag and Novalja
- Establishment of a sunken treasure theme park at Novalja – special niche product for scuba divers. Based on both Roman history and its artefacts and local legends and stories. The theme park should capitalize on one of the finest and most preserved underwater archaeological sites (amphorae).

Rural tourism related projects

- Development of rural and winter tourism facility at Donji Lapac – programme intended to induce self-employment and SME developments

- Rural tourism development at Slunj – integrated with restoration and adaptation of river mills on Slunjčica and Korana Rivers
- Development of an ‘eco village’ at Rakovice
- Rural tourism development at Ribnik
- Rural tourism development in the area of the proposed Mrežnica Nature Park
- Rural tourism development throughout Karlovac and Lika-senj Counties
- Rural tourism development in Ogulin region (Ogulin, Josipdol, Tounj, Plaški, Saborsko)
- Revitalisation of deserted villages in Karlovac County
- Vrata Švice (Švica, Gacka valley) – construction of a rural house as a part of a bigger agricultural complex, offering first-hand rural experience. Apart from farming activities, the estate would breed horses and cattle. All prerequisites – land and infrastructure, legal permits, and project documentation is already in place. Estimated cost – 500,000 EUR. Private sector project.
- Eurovillage (Krasno, whole Lika-senj County) – following the idea of a similar European project, renovation and refurbishment of old (deserted) houses and/or construction of new ones in traditional style. Tourists would taste local cuisine based on local produces. The properties would become a part of an international network and would be managed and marketed as part of such. Estimated cost of project implementation – 500,000 EUR. Private – public partnership.
- Eco park Mrežnica (Mrežnica canyon nearby Primišalj) – development of some 6 ha of land along the Mrežnica river into a secluded eco village. The village would comprise of luxury cabins and accompanying F & B outlets, and would cater predominantly to weekend demand. Estimated cost – 500,000 EUR. Private sector project.
- Rastoke – the flour mill museum (Slunj) – setting up one small flour mill as a museum, coupled with the construction of pathways and wooden bridges allowing guests to walk along both banks of the Korana river. The project would include the set up of up to 30 accommodation units as well. Estimated cost – 150,000 - 200,000 EUR. Private sector project.

Other special interest tourism projects

- Network of cultural biking trails at Otočac – development of trails, signage, maps and promotional material
- Revitalisation of Petrova gora as a tourism destination for hunting and excursions
- Old river cruise on Kupa – downstream from Karlovac (revitalisation of the old river trade route)
- Development of walking and cycling trails in Karlovac
- Development of sport fishing tourism on the four rivers of Karlovac County
- Development of hunting tourism in Karlovac County
- Development of biking trails at Slunj. Public sector project. Estimated cost – EUR 20,000
- Development of biking trails in the area around Senj
- Revitalisation of the Kamanje pilgrimage route – market study, event design, facilities and services, promotional material. Joint public sector and NGO project. Estimated cost – EUR 75,000

- Development of Debeljača Adrenalin Park at Lovinac – a deserted quarry, 5 km from Lovinac centre would be turned into a centre for free climbing, paragliding, caving. The project includes the establishment of a souvenir shop, restaurant and parking lot. Public-private partnership project. Estimated cost – EUR 687,000
- Development of walking and biking trails at Sinac, Otočac – restoration of water wells, (re)construction of wooden and stone bridges, development of rest areas. Public sector project
- Carriage rides and rafting at Gacka, Otočac – combination of carriage ride and floating along the Gacka River on a raft. Private sector project.
- Ozeblin – Kremen adventure tourism destination – development of horseback riding, jeep rides, hiking and camping, biking trails, skiing, etc. Project includes improvement of the county road Udbina-Donji-Lapac, improvement of forest paths and trails, (re)construction of Kuk Mountain Lodge and (re)construction of an F&B outlet „Trnava poljana“. Public-private partnership. Estimated project cost (without road improvement) – EUR 55,000.

8.3.3 Institution building

Marketing, planning and positioning

- Preparation of a tourism marketing plan for Otočac – study already under way
- Preparation of tourism development strategy and marketing plan for Duga Resa
- Assessment of tourism potential of Plaški Municipality
- Preparation of a study – Đulin ponor kao turistička atrakcija, Ogulin
- Branding Ogulin – birth place of fairy-tales
- Assessment of tourism potential of Generalski Stol Municipality
- Evaluation of tourism potential of Đula's Abyss, Ogulin
- Promotion of Cyclotourism in Ogulin Municipality
- Preparation of a destination management and marketing plan for Ogulin Municipality
- Assessment of tourism potential of the Dobra River valley, Ogulin
- Preparation of a tourism marketing and development plan for Karlovac Municipality
 - Preparation of a strategic plan for sustainable development of cultural tourism in local communities of Karlovac County - already under way
 - Tourism promotion of Senj – development of slogan, logo, souvenirs, etc.
 - Preparation of a strategic tourism plan for Senj
 - Formulation of a quality destination management programme for Karlovac and Lika-Senj Counties
 - Development of strategic marketing plan for Senj, creation of visual identity, positioning and branding

8.3.4 Other potential development projects

Other project opportunities

- Rehabilitation of a sports and tourism related airport at Otočac – rehabilitate the existing airport facilities to allow for sightseeing tours and small charter-flights
- Bear shelter at Kuterevo – extension of the shelter capacity and introduction of tourism offer
- Donji Zvečaj tourism zone at Duga Resa – development of a recreation zone along the Mrežnica River valley
- Development of a tourism center in Petrova Gora
- Development of tourist service zones in Grabovac and building facilities in these zones that contain souvenir shops, sport and catering facilities, sales of traditional products and production demonstration, eco-ethno markets and similar
- Green road of Croatia for slow tourism (cyclotourism, horseriding, horse-driven carriages, nordic walking) based on the Study of cultural tourism development
- Enrichment and improvement of the gastronomy offer in Karlovac County. NGO project.
- Development of Kranjčevka-Pećnik tourist recreational zone at Ogulin – design, planning and development of the recreational zone
- Development of Furjašnica Hydro Lake at Slunj – acquisition of land, preparation of project documentation, construction of a dam and local roads, tourism outlets. Public-private partnership. Estimated cost – EUR 980,000
- Promotion of Slunjčica River well – development and promotion of a tourist visitor centre. Public sector project. Estimated cost – EUR 500,000
- Reconstruction and refurbishment of Korana Beach, Slunj – renovation of the waterfront area, renovation of the local road, toilets, F&B outlets. Public sector project. Estimated cost – EUR 410,000
- Education – Man key to success in tourism
- Establishment of a water museum at Sinac
- High School travel agency – establishment of an educational facility for Korenica High School. Public sector project. Estimated cost - EUR 6,000
- Cleaning of the Matica River, Korenica. Public sector project. Estimated cost – EUR 14,000 EUR
- Establishment of a traditional open market at Otočac – design and construction of a movable wooden made traditional market. NGO project
- Beach space and sea-front promenade at Senj – develop a 3 km long gravel beach and sea promenade with complete infrastructure. Public sector project. Estimated cost – EUR 2 million
- Development of a gastro route through Lika-Senj County – linking F&B outlets specialising in local cuisine
- Education of tourism sector employees – Senj
- Development of the sea cruise itinerary – Senj

- Cable car Stinica – Štirovača

8.4 Short-listing of 25 potential priority development projects

8.4.1 Selection criteria for short-listing

In order to reduce the initial long-list of potential development projects, objective selection criteria need to be applied, though these will be fairly general at this initial stage of the project identification stage.

In line with the introductory remarks concerning adherence to the tourism development strategy (vision, mission, and strategic objectives) for tourism development in the Project area, the following selection criteria are applied:

- Will the proposed project attract tourists to the Project area?
- Will the proposed project open potential new markets?
- How will the project enhance quality of life in the Project area? (Is it likely to bring new job opportunities and revenue to the area? Will it provide commercial and employment spin-off opportunities?)
- Will the project enhance the tourism portfolio of the area;
- Will the project improve the uniqueness, reputation and image of the Project area?
- Does the project appear to be environmentally, culturally and socially sound?
- Relative attractiveness to private / public funding.

8.4.2 The short-listing process

By the end of June 2007, the Working Group members were presented with the long-list of project ideas and at their meeting in the beginning of July they short-listed some 23 projects for possible inclusion in the Tourism Master Plan (TMP) on the basis of the selection criteria mentioned in Section 8.4.1 above.

Subsequently, the Project Steering Committee (PSC) at its meeting 3 July 2007 discussed the short-list identified by the Working Group and agreed on a modified short-list of 25 project ideas for further scrutinising with a view to identify the 10 priority development projects for immediate implementation. This short-list is presented in Section 8.4.2 below.

8.4.3 The short-list

In arbitrary order, the 25 project ideas as short-listed by the PSC include:

1. ***Market repositioning (and possible privatisation) study for the HOC Bjelolasica Olympic Centre*** – the present market positioning of the Olympic Centre does not seem to be sufficiently focused and therefore, not financially feasible. The project should propose the best use of the location, propose the tourism facilities and amenities that need to be renovated or developed, suggest market segments to be targeted, and check

for the financial feasibility of the proposed developments. Additionally, the project should recommend the most suitable ownership and managerial model for the resort.

2. ***Preparation and implementation of strategic plan for the development of trout fishing in the Gacka River Valley*** including identification of suitable locations for new small (fishing) accommodation facilities. The project would contribute to the attractiveness and image of the area, and generate further employment possibilities, and would add to the diversity of the existing accommodation quality and diversity in the Otočac region
3. ***Technical assistance to the Plitvice Lakes National Park*** for the preparation of a strategic plan and conceptual design to reposition/upgrade their accommodation and other visitor facilities and services to match the global market requirements
4. ***Preparation of a strategic plan for the development of small accommodation establishments along the Senj-Karlobag coastal road*** – an increase in the variety of private sector accommodation in this area is necessary to induce tourist demand and increase tourist visitation to Velebit Nature Park and other sites/attractions throughout the Lika-Senj County. The existing fishing villages in many secluded coves at the base of the Velebit mountain range present an ideal setting for such development.
5. ***Feasibility study for a new accommodation facility at Taborište*** – assessment of the viability and preparation of the conceptional design of a tourist accommodation facility with possible restaurant,
6. ***Development of a manual for private sector investors*** in small accommodation and/or F&B outlets
7. ***Development and implementation of a uniform system of tourist information centres and general visitor information and interpretation facilities*** on strategic locations throughout the Project area including the protected areas
8. ***Completion of a uniform “brown signage” system*** for tourist attractions throughout the Project area
9. ***Development plan for visitor management for the whole Rastoke site***, utilising community development principles to ensure fair distribution of benefits. The plan will include the design of new parking facilities, F&B outlet and other facilities
10. ***Strategic development plan for hiking & biking trails in Karlovac and Lika-senj Counties*** – to ensure international recognition as a top hiking and biking destination. The project will include inventories of hiking trails, assessment of mountain lodges, preparation of promotional materials, signage, marketing and promotion, web portal improvement, etc.

11. ***Preparation and implementation of a strategic plan for the development of hunting tourism*** at Ogulin, Gospić, Otočac, and elsewhere in the Project area – viability assessment and management system
12. ***Preparation and implementation of a strategic plan for development of bird watching*** at Plitvice Lakes, North Velebit National Parks and at Velebit Nature Park – the aim of the project is to prepare this niche product for the growing international markets.
13. ***Development of a textile factory museum at Duga Resa*** – Turning of the existing industrial textile complex at Duga Resa into a well interpreted industrial heritage village as a major tourism attraction in the Project area, able to attract international visitors
14. ***Preparation and implementation of a strategic plan for the development of a medieval castles/fortifications tourist route*** linking most of the dispersed cultural heritage sites into a market ready unified tourism product able to attract various culturally-inspired market segments
15. ***Development plan for the possible utilisation of highland villages in the Senj area*** – Identification and assessment of possible utilisation of suitable deserted villages on the south slopes of the Velebit mountain range for tourism purposes (e.g. living history museum, traditional themed resorts offering accommodation and other tradition based experiences)
16. ***Development of historic diving tourism at Novalja*** – special niche product for scuba divers based on the well-preserved underwater archaeological sites (Roman amphorae) as well as local legends and stories.
17. ***Study of the potential development of rural tourism*** – Identification and pre-feasibility assessment of the most suitable locations, cluster formations
18. ***Development of a Eurovillage at Krasno*** – following the idea of a similar European project, renovation and refurbishment of old (deserted) houses and/or construction of new ones in traditional style. Tourists would taste local cuisine based on local produces. The properties would become an integral part of an international network and would be managed and marketed as such. Estimated cost of project implementation – 500,000 EUR. Private – public partnership.
19. ***Assessment study for the possible development of pilgrimage routes*** in the Project area
20. ***Preparation of a strategic regional marketing plan*** for the Project area – including branding
21. ***Professional training programme for the preparation of local marketing and promotion plans and programmes*** – for local municipality tourism boards. The project

intends to prepare local municipalities to develop and implement their own marketing and promotion plans

22. ***Development and implementation of a public tourism awareness programme*** – project oriented at enhancing the awareness of stakeholders and local communities about tourism development and its potential benefits for local communities
23. ***Evaluation of the potential for developing cave tourism*** – in support of niche product and niche market development
24. ***Formulation and implementation of plan for marketing and promotion of gastro routes*** including wine routes
25. ***Development of joint cultural heritage itineraries*** – covering both counties

8.5 Brief descriptions of the 25 short-listed project ideas

8.5.1 Introduction and categorisation of short-listed projects

In general, each project, if implemented, would contribute towards the development and diversification of the existing tourism product base in Karlovac / Lika-Senj project area, reposition the area as a diversified special interest tourism destination, improve the tourism image of the project area, and/or increase the tourism demand for the area.

Further, the project ideas aim at spreading the tourism development potential fairly evenly across the two counties and open up most of the joint territory to increased tourist visitation. Therefore, the projects could act as promoters of different sub-regions within the two counties.

The 25 project ideas have been categorized under four broad categories according to their key features and objectives, i.e.:

1. Institution building
2. Tourist infrastructure improvement
3. Product development and
4. Marketing, promotion, and human resource development.

Institution building

While only one project, "*Production of a manual for development and improvement of small accommodation and possibly F&B facilities*," has been categorized directly under this heading, a range of the projects under categories 3 and 4 will also contribute towards institution and capacity building. For instance, a number of the proposed product development projects will provide a strategic planning framework for county and municipality tourism boards for further development of special interest / niche market tourism in the project area.

Tourist infrastructure improvements

Projects relating to the improvement of tourism infrastructure such as an improved system for the provision of visitor information and interpretation, and improved signage of tourist

attractions and facilities can for relatively little investment help improving the attractiveness and the quality of stay in the destination, and at the same time, create an impetus for increased tourist spending.

Product development

Most project ideas are designated explore the opportunities for a structured diversification of tourism development in the region focusing on a range of special interest (niche) tourism products helping to spread the visitors, and thus tourism development throughout the project area. The proposed projects concern the exploration of the potential and how to exploit this within such as products as soft adventure (caving, diving), hiking and biking, industrial heritage, hunting, sport fishing, wildlife watching and photo safari, wine & gastro routes, castles/fortification, pilgrimage, other cultural heritage, and rural and ethno tourism.

Marketing, promotion and human resource development

Projects under this heading are designed to increase community tourism awareness and to enhance the level of skills of public sector tourism planners to ensure the optimization of the region's potential for tourism development.

Table 8.1 overleaf provides a general overview of the 25 short-listed project ideas, whereas a more detailed description of each project is given in Section 8.2. Each project is given an identification number consisting first of a one-digit number between 1 and 4, identifying the main project category such as Institution building (1), Tourist infrastructure improvement (2), Product development (3), and Marketing, promotion and human resource development (4). This is followed by a consecutive project number running from 1 through 19 (for product development projects). It should be noted that the consecutive project numbering does not indicate any prioritization.

Table 8.1: Short-list of potential priority projects in Karlovac and Lika-Senj Counties

Area of activity	Project
1. Institution building	1.1 Production of a manual for development and improvement of small accommodation and possibly F&B facilities
2. Tourism infrastructure improvement	2.1 Development and implementation of a uniform system of tourist information centers and general visitor information and interpretation
	2.2 Completion of a uniform “brown signage” system for tourist resources & tourist attractions
3. Product development	3.1 Study of the rural tourism development potential
	3.2 Preparation and implementation of a strategic plan for the development of a medieval castles/fortifications tourist route
	3.3 Strategic development plan for hiking & biking trails in the project area
	3.4 Formulation and implementation plan for marketing and promotion of wine and gastro routes
	3.5 Evaluation of the potential for developing caving
	3.6 Development of a textile factory museum at Duga Resa
	3.7 Preparation and implementation of a strategic plan for the development of hunting tourism
	3.8 Preparation and implementation of a strategic plan for wildlife watching
	3.9 Development of historic diving tourism at Novalja
	3.10 Market repositioning (and possible privatization) study for the HOC Bjelolasica Olympic Centre
	3.11 Technical assistance to the Plitvice Lakes NP
	3.12 Development plan for visitor management for the whole Rastoke site
	3.13 Feasibility study for a new accommodation facility at Taborište
	3.14 Preparation of a strategic plan for the development of small accommodation establishments along the Senj- Karlobag coastal road
	3.15 Preparation and implementation of strategic plan for the development of trout fishing in the Gacka river valley
	3.16 Development plan for possible utilization of highland villages around Senj
	3.17 Development plan for the Eurovillage in Krasno
	3.18 Assessment study for the possible development of pilgrimage routes
	3.19 Development of joint cultural heritage itineraries
4. Marketing, promotion, and HR development	4.1 Internal marketing (community awareness building)
	4.2 Professional training programme for the preparation of local marketing and promotion plans/programmes
	4.3 Preparation of a strategic regional marketing plan for the project area

Source: Consultants, 2007

8.5.2 Project descriptions

In this section, each of the 25 short-listed projects is briefly described in a tabular format in respect of a series of project related characteristics including:

- Project category
- Project coverage
- Project description
- Implementation responsibility
- Stakeholders
- Expected results
- Tentative activity plan

- Approximate time scheduling
- Estimated funding requirements

Further, for relevant projects, these are also described in respect of their Potential product development and Market potential.

Project No. 1.1:	Production of a manual for development and improvement of small accommodation and perhaps F&B facilities
Project category	<i>Institution building</i>
Project coverage	<ul style="list-style-type: none"> • <i>Whole project area</i>
Project description	<ul style="list-style-type: none"> • <i>Most of the newly built tourism related facilities owned by the private sector do not meet the requirements of the market. As a result, most of these facilities do not operate successfully. This is especially discomforting in the case of various beneficiaries of the state aided investment schemes intended to initiate SME start-ups and self employment.</i> • <i>The lack of successful new entrepreneurial projects in the tourism sector is, to a large extent, a reflection of inadequate knowledge, as well as of not abiding to usual procedures in project preparation and project development stages. In this regard, one should especially stress the pre-investment stage, during which the investor should assess the market and economic viability of the project idea, as well as the investment stage, which should result in a construction of a tourism facility fully harmonized with the expectations of the market and necessary spatial and quality standards. In order to increase the number of successful private sector projects and minimize the risk of misusing the funds, the preparation of an Operational Manual that would guide the inexperienced investors through the whole project preparation and project development process seems to be an essential tool to limit the percentage of poor investment decisions.</i>
Implementation responsibility	<i>Proposed Tourism Development Agency assisted where possible by the two County Tourism Boards and the Ministry of Sea, Tourism, Transport and Development</i>
Involved Stakeholders	<ul style="list-style-type: none"> • <i>Private sector investors</i> • <i>The Ministry of Sea, Tourism, Transport and Development</i> • <i>County Councils</i>
Expected results	<ul style="list-style-type: none"> • <i>An increase in the number of private sector initiatives</i> • <i>An increased number of successful investment projects</i> • <i>Enrichment and diversification of tourist offer in the project area</i> • <i>Enhancement of tourist activity</i> • <i>Improvement of quality of life of the local population</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Public invitation to tender</i> • <i>Selection of the author/authors</i> • <i>Development of the Manual</i> • <i>Adoption of the Manual by the Ministry of Sea, Tourism, Transport and Development</i> • <i>Public presentation and promotion of the Manual</i> • <i>Implementation</i>

Approximate time scheduling	<ul style="list-style-type: none">• <i>Public invitation to tender - immediately upon approval of the TMP</i>• <i>Selection of the author/authors - 1 month from public invitation to tender</i>• <i>Final version of the Manual - 3 months from selection of the author/authors</i>• <i>Implementation commencement - 4 months from selection of the author/authors</i>
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Project No. 2.1:	Development and implementation of a uniform system of tourist information centers and general visitor information and interpretation facilities
Project category	<i>Tourism infrastructure improvement</i>
Project coverage	<i>Whole project area Tourist areas Tourist sites (attractions)</i>
Project description	<p><i>The establishment of a comprehensive tourist information system (ranging from simple information tables to fully equipped visitors centers) represent the essential element of a destination offer intended to welcome the guests, provide useful information and orientation tips, interpret the resources/attractions within the destination etc. Visitor centers are not only facilities where guests learn about the destination, but facilities which increases the quality of stay. Visitors centers need to be equipped so as to offer various programmes and should comprise of a room for audio-visual programmes, multifunctional space for presentations and lectures, show room(s), information desk, resting area, souvenir shop and rooms for staff. Info points, acting as small visitor centers, must offer all previously stated functions of a visitors centre, although it does not have to dispose of all the facilities. Info point can successfully serve its purpose, ranging from a simple information desk offering essential tourist information, to multimedia devices used by the guest himself.</i></p> <ul style="list-style-type: none"> <i>Visitor centers might be established in Karlovac, Ogulin, Duga Resa, NP Plitvička Jezera, NP North Velebit, Gospić, Otočac, Senj and Novalja. Each of them should reflect the resources and attractions on which their respective areas rely on and on experiences they offer.</i> <i>Additional smaller visitor centers (Interpretation centers) might be established for the Rastoke and Nature park Velebit.</i> <i>Info points might be established at gas stations along the Zagreb - Split and Zagreb - Rijeka motorways.</i>
Implementation responsibility	<i>Proposed Tourism Development Agency assisted where possible by the two County Tourism Boards</i>
Stakeholders	<i>Counties Tourism Boards National Parks authorities</i>
Expected results	<ul style="list-style-type: none"> <i>Improvement in the tourist attractiveness of the project area</i> <i>Higher service quality</i> <i>Enhanced visitor satisfaction</i> <i>Increased tourist visitation</i> <i>Increased tourist receipts</i>
Tentative activity plan	<ul style="list-style-type: none"> <i>Development of a comprehensive well structured tourism information system for the whole project area</i> <i>Select locations of info centers and info points</i> <i>Preparation of project documentation and acquisition of funds</i> <i>Construction</i> <i>Education of staff</i> <i>Implementation</i>
Approximate time scheduling	<ul style="list-style-type: none"> <i>Development of a tourist information system - 2 months after approval of the TMAP</i> <i>Selection of locations, preparation of project documentation and funding - 6 months following approval of the TMAP</i> <i>Construction and education of staff - 15 months after approval of the TMAP</i> <i>Implementation - 16 - 18 months after approval of TMAP</i>

Project No. 2.2:	Completion of a uniform “brown signage” system for tourist resources & tourist attractions
Project category	<i>Tourism infrastructure improvement</i>
Project coverage	<i>Whole project area Tourist areas Tourist sites (attractions)</i>
Project description	<p><i>Well designed system of interpretation of a tourist area can, at relative low cost, create an interesting visitation agenda, influence the duration of a site visit, direct on site movement, and induce an ecologically friendly behavior, thus significantly improving the attractiveness of a tourist experience. The basic ingredient for resource interpretation represent specific themes characteristic for a tourist area. Based on such themes, various interpretation and informative facilities – interpretation tables, information signs, brochures, leaflets, maps and charts, and services (interpretative guided tours), are being developed.</i></p> <p>Interpretation tables draw the attention of visitors on specific features of the area that need to be visited. The contents of such tables needs to be simple, interesting and visually attractive. The design features of interpretation tables depend largely on the location type on which they are situated.</p> <p>Informative tables are usually being positioned at the entry into a County (municipality, urban settlement). They should as well be simple, but attractive in design, with vital information. They should also promote the key identity features of a certain area. The above interpretation project might include:</p> <ul style="list-style-type: none"> <i>• Interpretation projects of most relevant tourism resources and attractions</i> <i>• Interpretation of urban settlements</i>
Implementation responsibility	<i>Proposed Tourism Development Agency assisted where possible by the two County Tourism Boards</i>
Stakeholders	<i>Counties County and Municipality Tourism Boards Private tourism sector</i>
Expected results	<ul style="list-style-type: none"> <i>• Increased attractiveness of the project area</i> <i>• Increased tourist visitation</i> <i>• Enhanced guest satisfaction and loyalty</i> <i>• Increased tourist receipts</i>
Tentative activity plan	<ul style="list-style-type: none"> <i>• Development of a project area tourism interpretation system concept</i> <i>• Preparation of project documentation and conceptual design</i> <i>• Selection of locations for interpretation tables and provision of funding</i> <i>• Development of a comprehensive interpretation system and itineraries</i> <i>• Education of interpretation staff and tour guides</i> <i>• Implementation and monitoring</i>
Approximate time scheduling	<ul style="list-style-type: none"> <i>• Development of an interpretation system – 2 months after approval of the TMAP</i> <i>• Selection of locations, preparation of project documentation, conceptual design and funding – 4 months following approval of the TMAP</i> <i>• Education of staff – 6 months after approval of the TMAP</i> <i>• Implementation – 7 months after approval of TMAP</i>

Project No. 3.1:	Study of the rural tourism development potential
Project category	Product development
Project coverage	<i>Whole project area</i> <ul style="list-style-type: none"> • <i>Tourist attractive areas</i>
Project description	<p><i>The project aims to assess the viability to establish several regional clusters of privately owned and managed agricultural properties suitable for agro tourism. The individual properties should offer a similar tourist experience and dispose of similar facilities. The idea is to create an attractive tourism product based on authentic rural environment and preserved rural heritage of the project area. The product would imply an active holiday, starting from assistance in typical agricultural activities, to various activities in a natural setting (biking, hiking, fishing, berries picking, wild life watching etc.). Once developed, the product / cluster would be jointly promoted and commercialized. The project idea implies a set up of a special governing body (association) with the aim to ensure education, product standardization, advisory services and marketing activities for the clusters. Taking into consideration the resource base of the project area, this particular project idea might become one of the most important tourism products of the Counties, targeting initially domestic market segments, and extending gradually to the international markets.</i></p>
Implementation responsibility	<i>Proposed Tourism Development Agency assisted where possible by the two County Tourism Boards in association with individual providers of rural tourism services and their association</i>
Market potential	<ul style="list-style-type: none"> ➤ <i>Families with little kids, couples aged 50 or more</i> ➤ <i>Trade associations, Enterprise sector, various organizations</i> ➤ <i>Special interest groups</i> <p><i>Guests in transit</i></p>
Stakeholders	<p><i>County and Municipality Tourism Boards</i></p> <p><i>Association of Rural Tourism Services Providers</i></p> <ul style="list-style-type: none"> ➤ <i>Private sector – individuals who possess rural estates</i>
Expected results	<ul style="list-style-type: none"> ➤ <i>New product development</i> ➤ <i>Creation of an integrated rural experience</i> ➤ <i>Additional employment and improvement in the living standard of local population</i> ➤ <i>Protection and rejuvenation of traditional crafts and traditional architectural style and culture</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Establishment of an Association of rural experience providers,</i> • <i>Elaboration of concept and project promotion</i> • <i>Attracting potential service providers (information distribution, professional assistance, education)</i> • <i>Market launching and commercialization</i> <p><i>Continuous operational marketing and promotional activities</i></p>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Establishment of Association of rural experience providers upon approval of the TMS,</i> • <i>Elaboration of concept and project promotion – 2 months upon TMS approval</i> • <i>Attracting potential service providers (information distribution, professional assistance, education) – ongoing activity</i> • <i>Market launching and commercialization – not before 30 – 40 service providers exist</i> • <i>Continuous operational marketing and promotional activities – ongoing after market launch</i>

Project No. 3.2:	Preparation and implementation of a strategic plan for the development of a medieval castles/fortifications tourist route
Project category	<i>Product development</i>
Project coverage	<ul style="list-style-type: none"> • <i>Whole project area</i>
Project description	<p><i>Historically, Karlovac and Lika-Senj Counties comprised the so-called Krajina border with the Ottoman Empire. As a consequence, many forts and fortified castles were erected over a 300-year period. The project area has a concentration of these remains, some of which are spectacular and well preserved, such as the Ogulin, Dubovac and Ozalj Castles. Along the coast there is the large and well preserved Nehaj Fortress in Senj. There are also a large number of castle ruins being preserved or under reconstruction, which are of passing interest, especially to tourists interested in heritage. Whilst the potential is enormous, there has been very little tourism development around castles and fortresses. To exploit this product for tourism purposes, several improvements are required. Firstly, there is a need to develop several visitor information centres at points of particular tourist interest which would promote and interpret the history behind the existence of the castles and how they can be visited. Secondly, it seems opportune to develop a historical castle/fortress route linking the sites. This project aims to prepare a comprehensive strategic document that would list all the necessary steps, actions and stakeholder roles in order to come up with a tourism product that would be able to attract various culturally inspired market segments.</i></p>
Implementation responsibility	<ul style="list-style-type: none"> • <i>Proposed Tourism Development Agency assisted where possible by the two County Tourism Boards in association with local Tourism Boards and local municipalities</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Two County Tourism Boards</i> • <i>Municipality Tourism Boards</i> • <i>Ministry of Culture</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>Protection of natural resources</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<p><i>Establish the route geographically</i></p> <ul style="list-style-type: none"> • <i>Identify castles and fortifications to be included</i> • <i>Ensure access and basic interpretation at the selected sites</i> • <i>Develop roadside facilities – viewing platforms or areas with high scenic values, resting places with washroom facilities, information and interpretation boards</i> • <i>Develop a consistent signage policy</i> • <i>Create partnership with stakeholders to ensure that the idea is supported</i> • <i>Identify and train tour operators to promote and package the trail experience</i> • <i>Marketing and promotion</i>
Approximate time scheduling	<p><i>Establish the route geographically - 2 months following the approval of TMAP</i></p> <ul style="list-style-type: none"> • <i>Identify castles and fortifications to be included - 2 months following the approval of TMAP</i> • <i>Ensure access & basic interpretation at the selected sites - 6 months following TMAP approval</i> • <i>Develop a consistent signage policy - 6 months following the approval of TMAP</i> <ul style="list-style-type: none"> • <i>Create partnership with stakeholders to ensure that the idea is supported - 6 months following the approval of TMAP</i> • <i>Develop roadside facilities – viewing platforms or areas with high scenic values, resting places with washroom facilities, information and interpretation boards - 12 months following the approval of TMAP</i>

	<ul style="list-style-type: none">• <i>Identify and train tour operators to promote and package the trail experience - 14 months following the approval of TMP</i>• <i>Marketing and promotion - 15 months following the approval of TMP</i>
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Project No. 3.3:	Strategic development plan for hiking & biking trails in the project area
Project category	<i>Product development</i>
Project coverage	<i>Whole project area Tourist areas Tourist sites (attractions)</i>
Project description	<ul style="list-style-type: none"> <i>This builds on an already established hiking & biking trails in several municipalities within the project area and desire to promote nature-based activity/experiences in the region, with an aim to clearly position the project region as well organised, prime destination for hikers and bikers of various skills and capability. The current network of hiking and biking routes/trails should be expanded to include less strenuous and shorter, circular walks/trails, bearing in mind the need to ensure experience for all fitness levels. The project aims to map out the existing hiking & biking routes/trails, identify how they can be connected to be attractive to both, more and less ambitious hikers/bikers, make inventory of the attractions, facilities and services available along the routes and develop these where gaps exist. Introduce uniform system of information and signage with the appropriate information material (maps with all the information necessary).</i>
Implementation responsibility	<i>Proposed Tourism Development Agency in association with the two County Tourism Boards and an NGO experienced in development of hiking and biking routes</i>
Potential product development	<ul style="list-style-type: none"> <i>Hikers tourism</i> <i>Cyclotourism</i>
Market potential	<ul style="list-style-type: none"> <i>Recreational hikers and bikers</i> <i>Dedicated hikers and bikers</i> <i>Professional hiker/biker groups</i>
Stakeholders	<i>Counties Tourism Boards NGO</i>
Expected results	<ul style="list-style-type: none"> <i>Provision of hiking and biking as a well organised tourism product of the area</i> <i>Increased number of dedicated visitors</i> <i>Increase business opportunities for local entrepreneurs in providing services and facilities for hikers and bikers</i>
Tentative activity plan	<ul style="list-style-type: none"> <i>Map the existing routes</i> <i>Develop additional routes to expand and connect the existing ones</i> <i>Identify attractions, products and services along the way and possible gaps in their provision</i> <i>Identify investment opportunities for private sector (i.e. professional shops, rentals of equipment, services, hikers/bikers-friendly accommodation)</i> <i>Implementation</i> <i>Development of promotional plan for the hiking and cycling products</i>
Approximate time scheduling	<ul style="list-style-type: none"> <i>Mapping the existing and developing connecting routes between them - 6 months following approval of the TMAP</i> <i>Implementation - 15 months after approval of the TMAP</i> <i>Promotion to the hiking/cycling market - 20 months after approval of TMAP</i> <i>Promotion of the business opportunities to private sector - 10 months following approval of the TMAP</i>

Project No. 3.4:	Formulation and implementation plan for marketing and promotion of wine and gastro routes
Project category	Product development
Project coverage	<i>Whole project area Wine growing hills Tourist sites (attractions)</i>
Project description	<i>With the increasing interest for local gastronomy and ecology and relying on the already existing production, the region should develop a strong gastronomy/wine tourism product. The product development pertains to the wineries and private cheese production plants as tourism attractions offering a range of experiences, scenic roads, wine cellars and wine/food themed events. The project aims to formulate and develop a well organised gastro/wine tourism product of the region to overcome existing, albeit limited and highly fragmented demand by a two-fold approach: conceptual planning to establish overall concept and community based development to ensure stakeholder participation and commitment.</i>
Implementation responsibility	<i>Proposed Tourism Development Agency in association with wine makers association, cheese makers association, restaurants offering local cuisine in cooperation with tourism boards and municipal administration</i>
Potential product development	<ul style="list-style-type: none"> • <i>Wineries/winery restaurants/wine-themed accommodation</i> • <i>Wine shops/wine themed visitor centre</i> • <i>Cheese shops/cheese themed visitor centre</i> • <i>Scenic drives</i> • <i>Wine/local cuisine themed events</i> • <i>Dedicated wine and gastro tours to the region</i> • <i>Packages integrating wine-tourism and local cuisine experiences</i>
Market potential	<ul style="list-style-type: none"> • <i>Regional visitors</i> • <i>Wine/local cuisine attracted visitors</i> • <i>Incentive/business</i>
Stakeholders	<i>Wine maker associations Cheese maker associations Restaurant owners County Councils Tourism Boards</i>
Expected results	<ul style="list-style-type: none"> • <i>Provision of well organised wine tourism products</i> • <i>Increased number of visitors</i> • <i>Development of visitor loyalty/generating repeat visits</i> • <i>Increase business opportunities for local entrepreneurs in providing wine-based services and facilities</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Evaluate existing wine tourism products, product gaps and improvement needs</i> • <i>Identify stakeholders and their human and financial resources</i> • <i>Develop a plan for wine tourism development to ensure synergy between public and private sector activities</i> • <i>Using community development principles generate support and commitment by all the stakeholders involved in the process</i> • <i>Developing action plan</i> • <i>Implementation – product improvement and promotion</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Planning phase – 6 months following approval of the TMAP</i>

	<ul style="list-style-type: none">• <i>Implementation - 15 months after approval of the TMP</i>• <i>Promotion - 20 months after approval of TMP</i>
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Project No. 3.5:	Evaluation of the potential for developing caving
Project category	Product development
Project coverage	Whole project area, most emphasis on the karst formations in the Velebit mountain range
Project description	<i>With the karst formations in most of the region, there are many caves, some of which are amongst the longest in the world. Specialists of Croatian speleological societies organise caving training and caving expeditions for the more adventurous visitors. However, only a few caves are accessible to the general public. Grabovača Cave Complex has ambitious plans but lacks funding to realise its tourism potential. The North Velebit National Park is preparing to open two pits to the public within the next 12 months. With the significant growth of the international caving demand, there is a potential to utilise these resources to develop a strong caving niche product. The project idea aims to evaluate the tourism potential of caving as a separate market niche in the project area.</i>
Implementation responsibility	<i>Proposed Tourism Development Agency assisted where possible by the two County Tourism Boards and relevant municipality Tourism Boards,</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interests (caving, adventure tourism, nature lovers...)</i> • <i>Daily excursions</i>
Market potential	<ul style="list-style-type: none"> • <i>Special interest groups (nature lovers, activity based tourism, adventure)</i> • <i>Study groups</i>
Stakeholders	<ul style="list-style-type: none"> • <i>County and Municipality Tourism Boards</i> • <i>Croatian Speleology Society</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Protection of natural resources</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Identification of caves best suited for tourist visitation purposes</i> • <i>Elaboration of a well founded sustainable product development concept</i> • <i>Market positioning</i> • <i>Implementation guidelines</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Identification of caves best suited for tourist visitation purposes - 2 months upon the TMAP approval</i> • <i>Elaboration of a well founded sustainable product development concept - 3 months upon the TMAP approval</i> • <i>Market positioning - 3 months upon the TMAP approval</i> • <i>Implementation guidelines - 4 months upon the TMAP approval</i>

Project No. 3.6:	Development of a textile factory museum at Duga Resa
Project category	<i>Product development</i>
Project coverage	<i>Town of Duga Resa</i>
Project description	<i>The textile factory at Duga Resa has an impressive and well documented history. It was built on the banks of the Mrežnica River at the end of 19th Century. The current complex includes the original factory buildings, the power plant, houses for master craftsmen, and the owner estate with the guest house and well established park, the administration building as well as the kindergarten and medical centre facilities built for the factory workers. The entire factory complex (with the surrounding service areas) deserves to be developed for tourism and could potentially be a major attraction of the area.</i>
Implementation responsibility	<i>Proposed Tourism Development Agency assisted and the Ministry of Culture in cooperation with the Karlovac County Tourism Board, the administration of Karlovac County, Duga Resa Tourism Board and the Municipality administration</i>
Potential product development	<ul style="list-style-type: none"> • <i>Cultural tourism</i> • <i>Special interest</i> • <i>One day excursions</i>
Market potential	<ul style="list-style-type: none"> • <i>Individual guests</i> • <i>Special interest groups</i> • <i>Study groups and school excursions</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Ministry of Culture</i> • <i>Karlovac County Tourism Board and County administration</i> • <i>Duga Resa Tourism Board and Municipality administration</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>Protection of natural resources</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Elaboration of a well founded sustainable development concept</i> • <i>Provision of necessary tourism infra and superstructure</i> • <i>Organisational issues (opening hours, entrance fees, interpretation and guides as well as provision of the appropriate equipment)</i> • <i>Market launching and commercialization</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Elaboration of a well founded sustainable development concept – 3 months upon the TMR approval</i> • <i>Provision of necessary tourism infra and superstructure – 15 months following the TMR approval</i> • <i>Organisational issues (opening hours, entrance fees, interpretation and guides as well as provision of the appropriate equipment) – 15 months following the TMR approval</i> • <i>Market launching and commercialization – 15 months following the TMR approval</i>

Project No. 3.7:	Preparation and implementation of a strategic plan for the development of hunting tourism
Project category	<i>Product development</i>
Project coverage	<i>Whole project area</i>
Project description	<i>Hunting is well established within the project area and has a long history of tourism linkage. In Karlovac County, there are 175,000 hectares of hunting grounds, two-thirds of which are forested. In Lika-Senj, the mountain hunting grounds offer excellent opportunities and hunting tourism is organised by hunting societies and private hunting ground lease-holders. Big game hunting includes wild bear, red deer, doe, brown bear, mouflon, chamois and fallow deer. Small game available in the project area includes Greek partridge, snipe, quail, pheasant, rabbit and wild duck. Wild bear hunting is organised in the Petreva Gora, Šunj, Pokuplje basin, the Bosiljevo hunting grounds and on the Perušić hunting grounds which is particularly famous and reputed for offering the best tusks in Croatia and the 4th best in the world. There are several hunting lodges within the project area, many of these are managed by the Croatian Forests and by hunting societies. Some lodges are large enough and well equipped to host business meetings, receptions and celebrations. The project idea aims to evaluate the potential of hunting as a separate market niche and propose a comprehensive strategy on how to create a highly competitive tourism product.</i>
Implementation responsibility	<i>Proposed Tourism Development Agency in association with Croatian Forests and private sector concession holders, and where possible by the two County Tourism Boards</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interests (hunting, photo safari)</i> • <i>Weekend breaks</i>
Market potential	<ul style="list-style-type: none"> • <i>Hunters</i> • <i>Special study groups</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Two County Tourism Boards</i> • <i>Municipality Tourism Boards</i> • <i>Croatian Forests</i> • <i>Private sector concessionaries</i>
Expected results	<ul style="list-style-type: none"> • <i>Product improvement</i> • <i>Improvement in the living standard of local population</i> • <i>Protection of natural resources</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Elaboration of a well founded sustainable development concept</i> • <i>Provision of necessary tourism infra and superstructure</i> • <i>Organisational issues (opening hours, entrance fees, interpretation and guides as well as provision of the appropriate equipment)</i> • <i>Market launching and commercialization</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Elaboration of sustainable development concept – 3 months after TMR approval</i> • <i>Provision of necessary tourism infra and superstructure – 15 months after TMR approval</i> • <i>Organisational issues (opening hours, entrance fees, interpretation and guides as well as provision of the appropriate equipment) – 15 months following the TMR approval</i> • <i>Market launching and commercialization – 15 months following the TMR approval</i>

Project No. 3.8:	Preparation and implementation of a strategic plan for wildlife watching
Project category	<i>Project development</i>
Project coverage	<i>Whole project area</i>
Project description	<p><i>Due to rich fauna throughout the project area, including large mammals such as bears and deer, and the great diversity of birds in the national parks, there should be good opportunities of developing an excellent wildlife viewing product, including photo safaris. However, this does not seem to have been exploited in the project area. Although potentially a very lucrative product, there have not been serious attempts to develop this product, apart from the experience organised at Gama Game Reserve (Ogulin), mostly due to the fact that tour operators in the region have not recognised the potential of this tourism activity. The project idea aims to evaluate the potential of wildlife watching on a comprehensive basis and propose a strategic document on how to create a long-term sustainable, highly competitive tourism product.</i></p>
Implementation responsibility	<i>Proposed Tourism Development Agency in association with National Parks Authorities, Croatian Forests and private sector concession holders, and assisted where possible by the two County and relevant Municipality Tourism Boards</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interests (nature lovers, wildlife watchers, photo safari)</i> • <i>Weekend breaks</i>
Market potential	<ul style="list-style-type: none"> • <i>Special interest groups</i> • <i>Day excursions</i> • <i>Schools</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Two County Tourism Boards</i> • <i>Municipality Tourism Boards</i> • <i>Public company Croatian forests</i> • <i>Private sector concessionaries</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>New employment</i> • <i>Enhancement of tourist attractiveness of the wider area</i> • <i>Protection of natural resources</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Elaboration of a well founded sustainable development concept</i> • <i>Develop infrastructure for wildlife watching such as viewing stations or platforms</i> • <i>Develop wildlife watching trails with the appropriate descriptions</i> • <i>Prepare appropriate interpretation materials – good spots for viewing wildlife, species to be spotted, their description, etc.</i> • <i>Educate guides and accommodation providers on the needs of this market segments</i> • <i>Ensure that wildlife is interpreted at the information centres (the most appropriate are those within the national and nature parks) where printed guides could be purchased and other equipment hired (e.g. binoculars)</i> • <i>Market launching and commercialization</i>

<p>Approximate time scheduling</p>	<ul style="list-style-type: none"> • <i>Elaboration of a well founded sustainable development concept – 3 months upon the T&M&P approval</i> • <i>Develop infrastructure for wildlife watching such as viewing stations or platforms – 15 months upon the T&M&P approval</i> • <i>Develop wildlife watching trails with the appropriate descriptions – 15 months upon the T&M&P approval</i> • <i>Prepare appropriate interpretation materials – good spots for viewing wildlife, species to be spotted, their description, etc. – 15 months upon the T&M&P approval</i> • <i>Educate guides and accommodation providers on the needs of this market segments – 15 months upon the T&M&P approval</i> • <i>Ensure that wildlife is interpreted at the information centres (the most appropriate are those within the national and nature parks) where printed guides could be purchased and other equipment hired (e.g. binoculars) – 15 months upon the T&M&P approval</i> • <i>Market launching and commercialization – 15 months upon the T&M&P approval</i>
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Project No. 3.9:	Development of historic diving tourism at Novalja
Project category	Project development
Project coverage	Novalja Municipality, island of Pag
Project description	<p>Diving is very well established on the island of Pag. The localities for diving include a number of shipwrecks, caves, diving walls as well as underground Roman archaeological sites. Diving opportunities are organised by certified diving centres offering a range of diving experiences from beginners to advanced level, night diving, and diving schools. Although this product is already established with a variety of sites and localities, it can be further expanded. With the worldwide growth of the diving market, diving is becoming more of a mainstream product rather than a niche product. There are a growing number of people travelling abroad with the expressed purpose of learning to dive. Added to this group are people keen on snorkelling or diving with professionals for the first time. The project aims to exploit these opportunities by establishing packages which can be sold to the international market.</p>
Implementation responsibility	Proposed Tourism Development Agency in association with Novalja Municipality and various private sector service providers, assisted where possible by Lika-Senj County Tourism Board
Potential product development	<ul style="list-style-type: none"> • Special interests (diving, activity based tourism, soft adventure...) • Short breaks
Market potential	<ul style="list-style-type: none"> • Individual travelers • Organised groups (diving clubs) • Nature lovers
Stakeholders	<ul style="list-style-type: none"> • Lika-Senj County Tourism Board • Novalja Tourism Board • Private sector service providers
Expected results	<ul style="list-style-type: none"> • Product improvement • Improvement in the living standard of local population • Enhancement of tourist attractiveness of the wider area
Tentative activity plan	<ul style="list-style-type: none"> • Identification of best suited diving locations • Elaboration of a well founded sustainable product development concept • Market positioning • Implementation guidelines <ul style="list-style-type: none"> • Ensure cooperation with private service providers • Market launching and commercialization
Approximate time scheduling	<ul style="list-style-type: none"> • Identification of best suited diving locations - 1 month upon the T&M&P approval • Elaboration of a well founded sustainable product development concept - 2 months upon the T&M&P approval • Market positioning - 3 months upon the T&M&P approval • Implementation guidelines - 3 months upon the T&M&P approval • Ensure cooperation with private service providers - 4 months upon the T&M&P approval • Market launching and commercialization - 4 months upon the T&M&P approval

Project No. 3.10:	Market repositioning (and possible privatization) study for the HOC Bjelolasica Olympic Centre
Project category	<i>Product development</i>
Project coverage	<ul style="list-style-type: none"> • <i>Tourist resort development</i> • <i>Public – private partnership</i>
Project description	<p><i>The present utilisation model, market positioning, and overall economic performance of the HOC Bjelolasica Olympic Centre does not seem to be producing the expected results and threats to cause serious problems not only in terms of sustainable management of the destination, but in terms of resource misuse and rapid degradation as well. On the basis of a best use approach to the destination, the aim of the project is to propose an alternative use of the location, propose the tourism facilities and amenities that need to be developed as addition to the already existing ones, suggest market segments to be targeted, and check for economic feasibility of proposed development. Additionally, the project should recommend on the most suitable ownership and managerial model for the resort.</i></p>
Implementation responsibility	<i>Proposed Tourism Development Agency in association with HOC Bjelolasica, Ogulin Tourism Board, assisted where possible by the Karlovac County Tourism Board</i>
Potential product development	<ul style="list-style-type: none"> • <i>Winter holidays</i> • <i>Summer holidays</i> • <i>Special interest (hiking, biking, cross-country skiing, orientation in nature, wildlife watching...)</i> • <i>MFTZ</i> • <i>Short breaks (weekend breaks)</i> • <i>Education in nature (school excursions)</i>
Market potential	<p><i>Special interest groups</i></p> <p><i>Corporations (team building, workshops, incentives)</i></p> <p><i>Sport teams</i></p> <p><i>Schools</i></p> <ul style="list-style-type: none"> • <i>Families with kids</i> • <i>Nature lovers</i> • <i>Young couples without kids</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Karlovac County Tourism Board</i> • <i>Ogulin Tourism Board</i> • <i>HOC Bjelolasica</i> <p><i>Private sector – new equity partner</i></p>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Better use of the location</i> • <i>Better financial performance</i> • <i>Sustainable development of the wider area</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>New employment</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Best use concept and viability assessment</i> • <i>Preparation of necessary project documentation</i> • <i>Tender preparation and facilitation</i> • <i>Selection of best suited investment proposals</i>

Approximate time scheduling	<ul style="list-style-type: none">• <i>Viability assessment – 3 months following the approval of the TMP</i>• <i>Preparation of project documentation – 6 months following the approval of the TMP</i>• <i>Tender preparation and facilitation – 7 months following the approval of the TMP</i>• <i>Selection of best suited investment proposals – 9 months following the approval of the TMP</i>
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Project No. 3.11:	Technical assistance to the Plitvice Lakes National Park
Project category	<i>Product development</i>
Project coverage	<i>Plitvice Lakes National Park</i>
Project description	<p><i>Plitvice Lakes NP is a public sector entity which manages the national park, including the various tourism related superstructure located within the boundaries of the park (hotels, campsites, F&B outlets, souvenir shops, employee housing etc.). Since the primary mission of the NP management undoubtedly needs to be related with the preservation of the environment, which in terms of future development goals, implies strict adherence to the sustainable development principles, it is evident that the present economic performance and market positioning of the accommodation and F&B facilities is somewhat neglected. In other words, there is an evident discrepancy between the quality of the natural phenomenon and the man-made establishments. In this regard, and with the intention to improve the level of overall tourist experience offered within the limits of the NP, the aim of the project idea is to provide technical assistance to the NP management in the preparation of a strategic document that would focus on the future role, market positioning and conceptual (re)design of the major accommodation establishments and other visitor facilities and services. In this regard, these would be upgraded so as to evenly match the quality of the environment, as well as the tourist expectations and market requirements. Additionally, the project should also touch the issue of the most suitable ownership and managerial model for these facilities.</i></p>
Implementation responsibility	<i>Proposed Tourism Development Agency in association with Plitvice Lakes National Park management, the Ministry of Culture and the Lika-Senj County Tourism Board.</i>
Potential product development	<ul style="list-style-type: none"> • <i>Winter and summer holidays</i> • <i>Special interest (wildlife watching, photo safari, caving, hiking...)</i> • <i>MICE</i> • <i>Short breaks (weekend breaks)</i> • <i>Day excursions</i>
Market potential	<p><i>Special interest groups</i></p> <p><i>Corporations (team building, workshops, incentives)</i></p> <p><i>Schools</i></p> <ul style="list-style-type: none"> • <i>Families with kids</i> • <i>Nature lovers</i> • <i>Young couples without kids</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Plitvice Lakes National Park</i> • <i>Ministry of Culture</i> <p><i>Lika-Senj County Tourism Board</i></p>
Expected results	<ul style="list-style-type: none"> • <i>Product improvement</i> • <i>Better protection of the environment</i> • <i>Better financial performance</i> • <i>Long term sustainable development within the NP borders</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>New employment</i> • <i>Enhancement of tourist attractiveness of the wider area</i>

Tentative activity plan	<ul style="list-style-type: none"> • <i>Preparation of a strategic document</i> • <i>Approval of the strategy</i> • <i>Strategy implementation</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Preparation of a strategic document – 4 months upon approval of the TMP</i> • <i>Approval of the strategy – 5 months upon approval of the TMP</i> • <i>Strategy implementation – 6 months – 3 years upon approval of the TMP</i>

Project No. 3.12:	Development plan for visitor management for the whole Rastoke site
Project category	<i>Product development</i>
Project coverage	<i>Tourist site development</i>
Project description	<i>The aim of the project idea is to create a plan that would allow meaningful tourist visitation to the Rastoke site, allowing at the same time for both: strict preservation of the environment, and fair distribution of benefits among the Rastoke inhabitants. Apart from the establishment of a visitor information and/or interpretation center, the development plan would also propose the best use concept for the wider Rastoke area and check the viability to develop a small tourism resort in the vicinity of the village (Napoleon's arsenal). The project might comprise of a camping site, several small (family owned) bed and breakfast facilities (3*) and an interpretation centre. Apart from the mentioned accommodation facilities, the project might incorporate various other tourism facilities and amenities intended for the one-day excursionist and guests in transit (small water-fun centre, few F&B outlets, parking lots, sanitary facilities).</i>
Implementation responsibility	<i>Proposed Tourism Development Agency in association with in cooperation with the Šunjski Tourism Board and local entrepreneurial centre, assisted where possible by the Karlovac County Tourism Board</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interest</i> • <i>Short breaks (weekend breaks)</i> • <i>Education in nature (school excursions)</i> • <i>Local cuisine</i>
Market potential	<i>Nature and wildlife lovers</i> <i>Special interest groups</i> <i>One day excursionists</i> <ul style="list-style-type: none"> • <i>Families with kids</i> • <i>Guests in transit</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Karlovac County Tourism Board</i> • <i>Šunjski Tourism Board</i> • <i>Entrepreneurial Centre of Karlovac County</i> <i>Private sector (SME start-ups)</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>New employment</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Best use concept and viability assessment</i> • <i>Preparation of necessary project documentation</i> • <i>Tender preparation and facilitation</i> • <i>Selection of best suited investment proposals</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Viability assessment - 3 months following the approval of the TMAP</i> • <i>Preparation of project documentation - 6 months following the approval of the TMAP</i> • <i>Tender preparation and facilitation - 7 months following the approval of the TMAP</i> • <i>Selection of best suited investment proposals - 9 months after the approval of the TMAP</i>

Project No. 3.13:	Feasibility study for a new accommodation facility at Taborište
Project category	<i>Product development</i>
Project coverage	<i>Tourist site development</i>
Project description	<i>The aim of the project idea is to assess the viability of a new tourist accommodation facility that would open up the wider Šunj area to increased tourist visitation. The project proposal so far comprises of a motel, a camping site, sporting grounds, water fun park, few F&B outlets, parking lots, sanitary facilities etc.).</i>
Implementation responsibility	<i>The proposed Tourism Development Centre in cooperation with Šunj Tourism Board and local entrepreneurial centre.</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interest (hikers, bikers, nature lovers, wildlife watchers...)</i> • <i>Short breaks (weekend breaks)</i> • <i>Education in nature (school excursions)</i> • <i>Mountains & lakes holidays</i>
Market potential	<i>Nature and wildlife lovers</i> <i>Special interest groups</i> <i>One day excursionists</i> <ul style="list-style-type: none"> • <i>Families with kids</i> • <i>Empty nesters</i> • <i>Guests in transit</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Karlovac County Tourism Board</i> • <i>Šunj Tourism Board</i> • <i>Entrepreneurial centre of Karlovac County</i> <i>Private sector partner</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>New employment</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Viability assessment</i> • <i>Preparation of necessary project documentation</i> • <i>Tender preparation and facilitation</i> • <i>Selection of best suited investment proposals</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Viability assessment – 3 months following the approval of the TMS</i> • <i>Preparation of project documentation – 6 months following the approval of the TMS</i> • <i>Tender preparation and facilitation – 7 months following the approval of the TMS</i> • <i>Selection of best suited investment proposals – 9 months following the approval of the TMS</i>

Project No. 3.14:	Strategic plan for the development of small accommodation establishments along the Senj- Karlobag coastal road
Project category	<i>Product development</i>
Project coverage	<i>Tourist area development</i>
Project description	<i>The tourism development potential of the area along the Senj - Karlobag coastal road has, so far, been almost totally neglected by the tourism planners and local authorities. Based on the scenic beauty and immediate presence of both: the Adriatic to the south, and the Velebit mountain range on the north, the whole strip offers a multitude of tourist experiences, ranging from passive sun, sea and beach holidaymaking, to various physical and adrenalin rush related activities. However, in order to induce tourist demand and increase tourist visitation, an increase in the number and variety of accommodation facilities in this area is necessary. The existing fishermen's villages in many secluded coves at the base of the Velebit mountain range present an ideal setting for such development. The aim of the project idea is to prepare a strategic plan that would not only propose the whole territorial development concept (masterplan), but that would assess the economic viability of such a private sector accommodation development concept.</i>
Implementation responsibility	<i>The proposed Tourism Development Agency in cooperation with Senj and Karlobag, Tourism Boards and with the involvement of the local entrepreneurial centre</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interest (hikers, bikers, nature lovers, wildlife watchers...)</i> • <i>Short breaks (weekend breaks)</i> • <i>Activity holidays</i> • <i>Sun & sea</i>
Market potential	<i>Nature and wildlife lovers</i> <i>Special interest groups</i> <ul style="list-style-type: none"> • <i>Families with kids</i> • <i>Empty nesters</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Karlovac County Tourism Board</i> • <i>Senj and Karlobag Tourism Boards</i> • <i>Entrepreneurial Centre of Karlovac County</i> <i>Private sector partners (SME start-ups)</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>New employment</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Development areas/zones detection and proposal</i> • <i>Economic viability assessment</i> • <i>Preparation of necessary project documentation</i> • <i>Tender preparation and facilitation</i> • <i>Selection of best suited investment proposals</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Development areas/zones detection and proposal - 3 months after TMR approval</i> • <i>Viability assessment - 4 months following the approval of the TMR</i> • <i>Preparation of project documentation - 6 months following the approval of the TMR</i> • <i>Tender preparation and facilitation - 7 months following the approval of the TMR</i>

	<ul style="list-style-type: none">• <i>Selection of best suited investment proposals – 9 months after TMP approval</i>
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Project No. 3.15:	Preparation and implementation of strategic plan for the development of trout fishing in the Gacka river valley
Project category	<i>Product development</i>
Project coverage	<i>Tourist area development</i>
Project description	<i>Although the rivers within the project area in general offer great potential for (trout) fishing, with the Gacka river valley already established on the international fishing market as one of the best trout fishing grounds in Europe, the product is not yet well developed, in spite of the fact that the market is constantly looking for new, relatively undiscovered areas. The aim of the project idea is to assess the viability to develop a series of small (fishing) accommodation facilities in the Gacka river valley that would contribute to the attractiveness and image of the area, generate further (self)employment possibilities, and add to the diversity of the existing accommodation quality in the Otočac region. Apart from the mentioned accommodation facilities, the project should evaluate the viability to develop various other small scale tourism related facilities and amenities intended not only for the fishing market, but for the one-day excursionist and guests in transit.</i>
Implementation responsibility	<i>The proposed Tourism Development Agency in cooperation with the local entrepreneurial centre and private sector investors</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interest (fishing, nature lovers...)</i> • <i>Short breaks (weekend breaks)</i>
Market potential	<i>Fishermen</i> <i>Nature and wildlife lovers</i> <i>Special interest groups</i> <i>One day excursionists</i> <ul style="list-style-type: none"> • <i>Guests in transit</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Lika-Senj County Tourism Board</i> • <i>Entrepreneurial centre</i> <i>Private sector (SME start-ups)</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Improvement in the living standard of local population</i> • <i>New employment</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Best use concept and viability assessment</i> • <i>Preparation of necessary project documentation</i> • <i>Tender preparation and facilitation</i> • <i>Selection of best suited investment proposals</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Viability assessment - 3 months following the approval of the TMAP</i> • <i>Preparation of project documentation - 6 months following the approval of the TMAP</i> • <i>Tender preparation and facilitation - 7 months following the approval of the TMAP</i> • <i>Selection of best suited investment proposals - 9 months following the approval of the TMAP</i>

Project No. 3.16:	Development plan for the possible utilization of highland villages in the Senj area
Project category	<i>Product development</i>
Project coverage	<ul style="list-style-type: none"> • <i>Senj and Karlobag municipalities</i>
Project description	<i>The Velebit Mountain Range was historically inhabited by shepherds who moved their sheep up the mountain during the summer season and built their summer dwelling as seasonal homes. Today, most are abandoned and in ruins. However, there are still a substantial number of relatively well-preserved dwellings in the Senj hinterland. These could be restored into living historical museums or themed accommodation. The project idea aims to identify the most suitable dwellings in the area and assess the economic viability of their restoration and commercialisation, all on the basis of the best use approach.</i>
Implementation responsibility	<i>The proposed Tourism Development Agency in cooperation with Senj Tourism Board and local administration in cooperation with private sector entrepreneurs</i>
Potential product development	<i>Summer/winter holidays</i> <i>Rural tourism</i> <i>Short breaks</i> <i>MICE</i>
Market potential	<i>Families with kids,</i> <i>Well-off couples aged 50 or more – nostalgic-romantic market segment</i> <i>Special interest groups</i> <i>Incentive/business retreats</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Lika-Senj County Tourism Board</i> • <i>Municipal TBs</i> • <i>Local administration</i> • <i>Private investors</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of an integrated rural experience</i> • <i>Additional (self)employment and improvement in the living standard of local population</i> • <i>Protection and revival of traditional crafts and traditional architectural style and culture</i> • <i>Providing the show-case models for other villages with same aspirations to follow</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Development areas/site detection and proposal</i> • <i>Economic viability assessment</i> • <i>Preparation of necessary project documentation</i> • <i>Tender preparation and facilitation</i> • <i>Selection of best suited investment proposals</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Development areas/site detection and proposal – 3 months after the approval of the TMAP</i> • <i>Viability assessment – 4 months following the approval of the TMAP</i> • <i>Preparation of project documentation – 6 months following the approval of the TMAP</i> • <i>Tender preparation and facilitation – 7 months following the approval of the TMAP</i> • <i>Selection of best suited investment proposals – 9 months following the approval of the TMAP</i>

Project No. 3.17:	Development plan for the Eurovillage in Krasno
Project category	Product development
Project coverage	<ul style="list-style-type: none"> Krasno village
Project description	<i>The village of Krasno is situated at the base of the southern part of the Velebit mountain range and serves as one of the entry points into the North Velebit NP. Following the idea of a similar European project, there is a strong local initiative to create a branded rural tourism product based either on the renovation and refurbishment of old (deserted) houses and/or construction of new ones in traditional style. Tourists would taste local cuisine based on local produces. Each of the developed rural properties would become an integral part of an international network and would be managed and marketed as such. The project idea aims to identify the most suitable dwellings in the area and assess the economic viability of their restoration and commercialisation, all on the basis of the best use approach.</i>
Implementation responsibility	<i>The proposed Tourism Development Agency in association with private sector investors and the Ministry of Culture, and Lika-Senj County Tourism Board</i>
Potential product development	<i>Rural tourism</i> <i>Short breaks</i> <ul style="list-style-type: none"> Special interest
Market potential	<ul style="list-style-type: none"> Families with kids, couples aged 50 or more – nostalgic-romantic market segment Special interest groups
Stakeholders	<ul style="list-style-type: none"> Lika-Senj County Tourism Board Ministry of Culture Private investors
Expected results	<ul style="list-style-type: none"> New product development Creation of an integrated rural experience Additional employment and improvement in the living standard of local population Protection and rejuvenation of traditional crafts and traditional architectural style and culture Providing the show-case models for other villages with same aspirations to follow Enhancement of tourist attractiveness of the wider area
Tentative activity plan	<ul style="list-style-type: none"> Development concept (assessment of suitable establishments/locations, architectural design, cluster size, market positioning) Economic viability assessment Preparation of necessary project documentation Tender preparation and facilitation Selection of best suited investment proposals
Approximate time scheduling	<ul style="list-style-type: none"> Development concept – 3 months following the approval of the TMP Viability assessment – 4 months following the approval of the TMP Preparation of project documentation – 6 months following the approval of the TMP Tender preparation and facilitation – 7 months following the approval of the TMP Selection of best suited investment proposals – 9 months following the approval of the TMP

Project No. 3.18:	Assessment study for the possible development of pilgrimage routes
Project category	<i>Product development</i>
Project coverage	<ul style="list-style-type: none"> • <i>Whole project area</i>
Project description	<p><i>Pilgrimage tourism involves visits to sacred places for devotion, spirituality and worship and the journey is the focus of the experience. Visiting the shrine for devotion is the main purpose for travel. However, religious tourism becomes part of cultural tourism when it takes places in religious buildings, at sites and at monuments where these are the motivating factor of the trip. Churches and monasteries are religious sites of historic and artistic importance and religious festivals are associated with major religious holidays or to honour the patron saints. There are excellent opportunities for product bundling – i.e. linking holy sites with other attractions of the region, in particular local folklore, tales, and legends for the nostalgia driven market and also offering the opportunity to enjoy other natural and cultural attractions. The project idea aims to assess the market potential and economic viability for the development of pilgrimage routes within the project area.</i></p>
Implementation responsibility	<i>The proposed Tourism Development Agency, if possible assisted by the two County Tourism Boards</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interests</i> • <i>Touring</i> • <i>Short breaks</i> • <i>Events</i>
Market potential	<ul style="list-style-type: none"> • <i>Special interest groups</i> • <i>Culture & heritage lovers</i> • <i>School excursions</i>
Stakeholders	<ul style="list-style-type: none"> • <i>County Tourism Boards</i> • <i>Event organizers</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Identification of best suited pilgrimage/visitation locations</i> • <i>Elaboration of a well founded sustainable product development concept</i> • <i>Market positioning</i> • <i>Implementation guidelines</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Identification of best suited diving locations – 1 month upon the T&M&P approval</i> • <i>Elaboration of a well founded sustainable product development concept – 2 months upon the T&M&P approval</i> • <i>Market positioning – 3 months upon the T&M&P approval</i> • <i>Implementation guidelines – 3 months upon the T&M&P approval</i>

Project No. 3.19:	Development of joint cultural heritage itineraries
Project category	Product development
Project coverage	<ul style="list-style-type: none"> • <i>Whole project area</i>
Project description	<p><i>Apart from the medieval castles and fortifications, the project area offers a variety of different historical and/or cultural heritage related resources. These include the archaeological remains of an Illyrian tribe (Lapedi) dating from pre-Roman times, whose artefacts can be found throughout the project region, an abundance of churches and monasteries of various age and style, famous historical figures (that were born or had lived in the project area), a well preserved tradition of local folklore, colourful legends and myths, as well as events. Although all of these, treated separately, are unlikely to become a major tourism product that would motivate people to visit the region in their own right, the project idea aims to assess the economic viability of creating various cultural heritage itineraries that would combine most attractive elements of the history/culture of the project area.</i></p>
Implementation responsibility	<i>The proposed Tourism Development Agency Counties in association with municipal Tourism Boards and NGOs, if possible assisted by the two County Tourism Boards</i>
Potential product development	<ul style="list-style-type: none"> • <i>Special interests (culture lovers, archaeologists, ethnologists...)</i> • <i>Touring</i> • <i>Short breaks</i> • <i>Events</i>
Market potential	<ul style="list-style-type: none"> • <i>Special interest groups</i> • <i>Culture & heritage lovers</i> • <i>School excursions</i>
Stakeholders	<ul style="list-style-type: none"> • <i>County Tourism Boards</i> • <i>Municipal Tourism Boards</i> • <i>NGOs</i>
Expected results	<ul style="list-style-type: none"> • <i>New product development</i> • <i>Creation of diversified system of tourism experiences</i> • <i>Enhancement of tourist attractiveness of the wider area</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Identification of best suited resources/attractions for tourist visitation</i> • <i>Elaboration of a well founded sustainable product development concept</i> • <i>Market positioning</i> • <i>Implementation guidelines</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Identification of best suited cultural heritage resources/attractions - 2 months upon the T&M&P approval</i> • <i>Elaboration of a well founded sustainable product development concept - 3 months upon the T&M&P approval</i> • <i>Market positioning - 4 months upon the T&M&P approval</i> • <i>Implementation guidelines - 4 months upon the T&M&P approval</i>

Project No. 4.1:	Internal marketing
Project category	Marketing, promotion, and human resource development
Project coverage	<ul style="list-style-type: none"> • <i>Whole project area</i>
Project description	<p><i>At the inception phase of tourism development there is little awareness of what tourism actually is, to whom and how its development benefits, what are the roles of various actors in its development and how one does become a part of the process. Likewise, with a low awareness of tourism, local population rarely perceives their region attractive to visitors, thus not only tending to depreciate its tourism attractiveness but also having difficulties in recognizing tourism attractions of the area. Finally, with the scarce promotional funds available, it has been recognized that locals, on a daily basis, come into social contacts from out-side the region and, spreading a positive word of mouth and encouraging the visits, are becoming active promoters of a destination.</i></p> <p><i>With this in mind the internal marketing and promotion aims to:</i></p> <ul style="list-style-type: none"> • <i>Inform local entrepreneurs on the value of tourism and on the opportunities for tourism-related investment</i> • <i>Sensitize the decision makers at the county and municipal levels of the economic potential of tourism (in terms of job and wealth creation and preventing out-migration) and their role in the tourism development process</i> • <i>Promote the value of tourism and tourist attractions of the region to the population at large and instruct them how to promote the region through the word of mouth recommendations</i> • <i>Promote the need to provide consistence service quality by the tertiary sector of the project area</i> <p><i>The project proposes development of specific targeted messages and content to each of the groups listed above accompanied by the appropriate promotional and communication tools and activities to achieve awareness of the benefits of tourism and generate support and commitment for its development.</i></p> <p><i>An on-going campaign should be based on the principles of the community-based marketing that involves direct contact with the target group members with possible some targeted mass-media used that give the campaign a recognition and a range of printed/web-based material for distribution through the community based activities.</i></p>
Implementation responsibility	<p><i>Proposed Tourism Development Agency, preferably assisted by the two County Tourism Boards. Municipal Tourism Boards should be responsible for implementing the strategy at local level.</i></p>
Target groups	<ul style="list-style-type: none"> • <i>Local (municipal, county) government officials</i> • <i>NGO</i> • <i>Private sector in general</i> • <i>Employees who are in contact with tourists and/or large number of people through the course of their work (sheep owners and assistants, wait staff, hotel personnel, bus drivers, hair dressers, front line staff in banks, post offices, public transport employees=</i> • <i>Secondary school age children</i> • <i>Population at large</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Partnership at the county level - the programme should be joined and implemented consistently in both counties; partnerships with media representatives (support in kind); partnership with event organizers; partnership with private sector (donations, in-kind sponsorship)</i>

<p>Expected results</p>	<ul style="list-style-type: none"> • <i>Improved understanding of tourism and its benefits</i> • <i>Gaining public support for tourism related developments/investment</i> • <i>Making residents aware of the tourism attractions of the region and, through this, facilitate: a) regional demand of local residents; b) word of mouth promotion outside the project area</i> • <i>Mobilizing local entrepreneurs to invest in tourism related projects</i> • <i>Mobilize local/county governments in supporting tourism related projects</i>
<p>Tentative activity plan</p>	<ul style="list-style-type: none"> • <i>Develop a uniformed 'umbrella' programme for targeted public relation activities</i> • <i>Develop and produce information bulletins for specific segments outlined above</i> • <i>Train tourism boards members on implementing community based tourism awareness programmes</i> • <i>Ensure tourism awareness programme is represented on all events in relation to tourism</i> • <i>Promote tourism interests to county/municipal officials to ensure support and infrastructure investment for tourism development</i> • <i>Set up a regular radio-programme/newspaper feature about tourism development initiatives in the region</i> • <i>Negotiate with local media promotion of tourism attractions and events in the region to stimulate regional demand</i> • <i>Develop targeted activities for secondary schools to stimulate interest in tourism-related education, appreciation of tourism development potential in the region</i>
<p>Approximate time scheduling</p>	<ul style="list-style-type: none"> • <i>Preparation phase (planning, production of materials) - 6 months upon TMR approval</i> • <i>Train the trainer programme - 6 - 8 months upon TMR approval</i> • <i>Launching media programme - 8 months upon TMR approval</i> • <i>Implementing the campaign - intensive activities 8 - 23 months upon TMR approval</i> • <i>Continuous public awareness programme - ongoing</i>

Project No. 4.2:	Professional training programme for the preparation of local marketing and promotion plans/ programmes
Project category	Marketing, promotion, and human resource development
Project coverage	<ul style="list-style-type: none"> • <i>Whole project area</i>
Project description	<i>Lack of well thought of marketing and promotion plans on both, the municipal and County level still represent one of the most pronounced deficiencies in order to properly manage the tourism development process in the project area. This situation is only a logical reflection of an overall lack of professional skills (and/or skilled professionals) needed to prepare such documents. In order to ensure not only the preparation of marketing and promotion plans on a municipal (local) level, but to enhance the quality of these documents as well, there is a need for professional training programmes that would enable municipal T&Bs, Counties' Departments for tourism and other public institutions responsible for tourism development in the project area to manage the tourism development process properly.</i>
Implementation responsibility	<i>Proposed Tourism Development Agency in association with the Ministry of Sea, Tourism, Transport and Development should initiate such training programmes</i>
Stakeholders	<ul style="list-style-type: none"> • <i>The County and Municipality Tourism Boards</i> • <i>Private tourism sector</i>
Expected results	<ul style="list-style-type: none"> • <i>Better use of public funds for marketing and promotion</i> • <i>An increased number of successful private sector investment projects</i> • <i>Enrichment and diversification of tourist offer in the project area</i> • <i>Enhancement of tourist activity</i> • <i>Improvement of quality of life of the local population</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Public invitation to tender</i> • <i>Selection of the training institutions/individuals</i> • <i>Preparation of the training materials</i> • <i>Approval of the training materials by the Ministry</i> • <i>Implementation</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Public invitation to tender - immediately upon approval of the T&B</i> • <i>Selection of the training institutions/individuals - 1 month from public invitation to tender</i> • <i>Final version of the training materials - 3 months from selection of the author/authors</i> • <i>Implementation - 4 months from selection of training institutions/individuals</i>

Project No. 4.3:	Preparation of a strategic regional marketing plan for the project area
Project category	Marketing, promotion, and human resource development
Project coverage	<ul style="list-style-type: none"> • <i>Whole project area</i>
Project description	<p><i>Lack of well thought of marketing and promotion plan for the project area currently represents one of the major obstacles in attracting more tourists to the region, as well as in managing the tourism development process in an efficient manner. In order to improve the present situation, a comprehensive Strategic marketing plan for the project area should be prepared. Based on the analysis of the resource/attractions base and the overall assessment of tourism development potential, this document should propose the most efficient market positioning for the project area as a whole, as well as for different characteristic regions/zones/areas and/or clusters within the project area. Further, the document should propose which tourism product should be developed and how they should be commercialized on international and/or domestic markets. Finally, the document should outline the necessary actions that need to be carried out in terms of its implementation, with the estimation of operational cost per each activity.</i></p>
Implementation responsibility	<i>Proposed Tourism Development Agency in cooperation with the County Tourism Boards</i>
Stakeholders	<ul style="list-style-type: none"> • <i>Public and private sector associated with the tourism industry</i>
Expected results	<ul style="list-style-type: none"> • <i>Better use of public funds for marketing and promotion</i> • <i>An increased number of successful private sector investment projects</i> • <i>Enrichment and diversification of tourist offer in the project area</i> • <i>Enhancement of tourist activity</i> • <i>Improvement of quality of life of the local population</i>
Tentative activity plan	<ul style="list-style-type: none"> • <i>Public invitation to tender</i> • <i>Selection of the institution/author</i> • <i>Preparation of document</i> • <i>Approval of the document</i> • <i>Implementation</i>
Approximate time scheduling	<ul style="list-style-type: none"> • <i>Public invitation to tender – immediately upon approval of the TMAP</i> • <i>Selection of the institution/author – 1 month from public invitation to tender</i> • <i>Final version of the document – 5 months from selection of the author/authors</i> • <i>Implementation – 5 months from selection of training institutions/individuals</i>

8.6 Selection of priority development projects

8.6.1 Selection criteria for priority projects

In order to identify and select the 10 most beneficial projects to be included in the Tourism Master Plan as priority development projects, a further set of selection criteria has been applied. The criteria include, among others:

- Scope/size of potential impact in the project area (market differentiation, new product development, tourism receipts, image creation etc.)
- Estimated funding requirements (the less, the better)
- Most effective utilization of scarce resources
- Expected implementation time (the shorter, the better)
- General acceptance in public (local communities)
- Best fit with project area tourism development strategy (vision, mission, objectives)
- Best fit with Croatian tourism development strategy

8.6.2 Selection of 10 priority development projects

The project descriptions of the 25 short-listed project ideas were presented and discussed with the Working Group in the beginning of September 2007 with a view to identify the ten most prosperous projects for possible approval by the Project Steering Committee (PSC).

The Consultants presented the ten projects identified by the Working Group for the PSC at its meeting on 11 September 2007 and on this basis, the PSC selected the following ten projects to be included as priority development projects in the Tourism Master Plan:

- 1) Production of a manual for development and improvement of small accommodation facilities including development of educational training programmes
- 2) Development of a uniform system of tourist information centres and general visitor information and interpretation facilities (also incorporating completion of 'brown signage' in the project area)
- 3) Preparation of a strategic plan for the development of a medieval castles/fortifications tourist route in Karlovac and Lika-Senj project area
- 4) Strategic development and activity plan for hiking & biking trails in Karlovac and Lika-Senj project area
- 5) Preparation of a strategic plan for wildlife viewing in Karlovac and Lika-Senj project area
- 6) Preparation of a strategic plan for the development of small accommodation establishments along the Senj- Karlobag coastal road

- 7) Preparation of a strategic plan for the development of sport fishing, with special attention to trout fishing in the Gacka river valley
- 8) Study of the potential for development of rural tourism in Karlovac and Lika-Senj project area
- 9) Community awareness building of tourism development potentials and opportunities in Karlovac and Lika-Senj project area
- 10) Preparation of a regional marketing activity plan for Karlovac and Lika-Senj project area within the framework of national strategic marketing

In the selection of priority projects, the PSC to a large extent followed the identification made by the Working Group.

8.6.3 Strategy for implementing the ten priority projects

In principle, the Term of Reference (TOR) assume external funding of the priority projects selected for *“immediate implementation”* and require the Consultants to:

“...prepare complete funding applications for each of these projects, the format of which will depend on the sources of funding identified....”

While the Consultants have adhered to the requirements of the TOR and for each of the ten selected projects prepared project applications using a standard EC application format and presented in a separate volume of the Tourism Master Plan, this may not be the most appropriate way of ensuring implementation of the priority projects. There are several reasons for this statement including:

- The application and approval process is generally lengthy
- There are no assurances that the projects for which funding has been applied are approved – a recent example from Karlovac and Lika-Senj Counties shows that of at least six funding applications for tourism related projects in the region submitted in February 2007, only one was approved while the rest were rejected
- Once projects have been prepared for external / donor funding there is, quite naturally, a tendency that alternative options for implementation are not further explored.

The dependency of external funding for major development activities like in this case a project-by-project funding of ten priority development projects and about 15 secondary-priority projects will generally make it very difficult to ensure a comprehensive and cohesive planning and development of tourism in any specified area. This also concerns the implementation of this Tourism Master Plan for which a consolidated implementation approach is proposed through an integrates tourism development programme of technical and financial assistance as further discussed in Chapter 9.

9 Action plans for implementation

9.1 Introduction

This concluding chapter consolidates the findings and recommendations of the previous chapters into a single action plan for the implementation of the Tourism Master Plan for Karlovac and Lika-Senj Counties.

As explained in the introductory chapter, the overall Tourism Master Plan (TMP) covers the combined project area of the two counties in full accordance with the Terms of Reference (TOR). Therefore, also the consolidated action plan and many of the individual activities are designed with the aim to develop tourism in the combined project area regardless of the fact that the two counties will not develop a joint implementation structure.

However, while the TOR refer to a 1-year Short-term and a 3-4 year Medium-term action plans, it is the Consultants' view that these two plans are integrated and that the short-term action plan simply consists of those activities that are scheduled for implementation during the first year of the consolidated 5 year action plan for TMP implementation.

Consequently, **Section 9.2** presents a consolidated four-year action plan for the implementation of the TMP. The activities of the consolidated action plan are classified in three categories described in Sections 9.2.1 – 9.2.3, i.e.:

1. Activities scheduled for full implementation in year 1
2. Activities to be commenced in year 1 but completed in subsequent years
3. Activities to be implemented after year 1.

On request by the stakeholders, the draft implementation plan has been reconsidered and a more conservative approach applied over a 5-year implementation period rather than four years. Similarly, in consideration of the limited resources available in the counties, the implementation period of individual activities have been extended and limiting the activities in the initial implementation period. Further, the implementation of six of the second-priority projects are proposed to be postponed to after the first 5-year period. This limits the number of activities that should be handled by the implementing agencies at anyone time.

The cost of implementing the Tourism Master Plan is estimated in **Section 9.3**, first on an activity-by-activity basis and subsequently in a more integrated manner where the individual activities, of which many are priority or second-priority development projects, are integrated in a single tourism development programme geared for EC funding.

After this, **Section 9.4** describes the various funding options for implementing the Master Plan activities including public sector funding through regular budgeting, possibilities for private

sector contributions, self-generated funding and different types of donor funding of individual activities / priority projects or as a integrated tourism development programme.

Finally, **Section 9.5** provides guidelines for implementing the Master Plan stressing the importance of immediate actions for implementation of key activities and establishment of a public-private sector Advisory Group for TMP Implementation. This section also describes the need for regular updates of the Tourism Master Plan.

9.2 Action plan for Master Plan implementation

As mentioned above, the Consultants combine the 1-year Short-term action plan and the 3-4 year Medium-term action plan as stated in the TOR into a single consolidated 5-year action plan implementation of the Tourism Master Plan.

However, to respond to the TOR, the activities of the consolidated action plan are classified in three separate categories according to their implementation commencement and duration, i.e.:

1. Activities scheduled for full implementation in year 1 (commencement and completion)
2. Activities to be commenced in year 1 and completed in subsequent years
3. Activities to be implemented after year 1 (commencement and completion in year 2-4)

These activities are discussed in Sections 9.2.1 – 9.2.3 respectively and summarised in Section 9.2.4. Within each category, the activities are further categorised into four tourism development components:

- Component 1. Institution building
- Component 2. Tourism infrastructure improvements
- Component 3. Product development and diversification
- Component 4. Marketing, promotion and HR development

For the activities that have been selected as priority projects for which funding applications have been prepared, reference will be made to the specific application in Vol. II of the Tourism Master Plan for further detail although the objectives and contents are summarised here.

9.2.1 Activities to be implemented in year 1

Component 1 Institution building

Activity 1.1 Establishment of a Tourism Master Plan Implementation Advisory Group

As stated in Section 7.4.2, on the Consultants' recommendation an Advisory Group for Tourism Master Plan Implementation has already been established to provide advice to the existing County Tourism Boards, County Departments of Economics and planned county Development Agencies and become a vital forum of discussion between public and private tourism sector stakeholders.

To benefit from the Consultants' experience in master plan implementation and establishment of tourism institutional structures, the inaugural meeting of the Advisory Group was held 31st January 2008 under the guidance of the Consultants. For the meeting, the Consultants had prepared draft Terms of Reference for the roles and functions of the Advisory Group. The meeting was attended by the great majority of the 16 representatives appointed and decided to have the Terms of Reference translated and agreed at a subsequent meeting.

The Advisory Group will meet at least quarterly or as and when required. At its first meeting, the members decided to meet monthly in the initial stage of the Master Plan implementation.

In line with the discussions at its first meeting, the Advisory Group is recommended to focus on the following immediate activities:

- Facilitation of the integrated tourism development programme including the preparation of the project fiche
- Identification of sub-activities of key priority development projects that can be implemented at no or limited costs.

Activity 1.2 Establishment of regional Development Agencies:

Like in a series of other counties in Croatia, Karlovac and Lika-Senj Counties plan to establish regional development agencies to facilitate the local economic development through, among others, the formulation, funding application and implementation of development projects similar to the priority projects incorporated in this Tourism Master Plan (TMP). The development agencies help improving existing regional development programmes and ensure that they are in line with regional, national and EU policies and attract foreign investment.

It is likely that Karlovac and Lika-Senj County Councils will let the existing Project Management Units (PMUs) develop into proper Development Agencies.

For the purpose of this plan it is assumed that the two Development Agencies will be established during the course of 2008. Each agency will start operation with one professional staff that will be supported by an assistant as of mid 2009, and a second assistant in 2011.

Activity 1.3 Training in Tourism Planning and Development

With the formal decision by the stakeholders and contracting authorities not to establish a joint tourism organisational structure for Karlovac and Lika-Senj Counties, the responsibility of implementing the TMP will generally rest with the two existing County Tourism Boards, the County Councils themselves, and planned regional Development Agencies.

Consequently, the requirements of the original Terms of Reference (TOR) to train staff of the new joint organisational structure have been deviated from and focus directed at the staff of the existing tourism and development organisations for preparatory training to facilitate the implementation of the Tourism Master Plan.

In this context, Section 7.5.1 identified three main training initiatives are identified:

1. A training seminar in ***Tourism Planning and Development*** at the Croatian Institute for Tourism
2. A training programme in ***Project Cycle Management*** at the Varazdin County Development Agency (AZRA)
3. Training attachment for the County Tourism Board Directors at a regional tourism organisation in Denmark.

A two-day Tourism Planning and Development seminar has been developed to provide an introduction and foundation of the fundamental tourism concepts and issues relevant to persons involved in tourism planning and development, on which the participants will be able to build up their tourism related knowledge and experience. The seminar has seven modules (ref. Section 7.5.2):

Module 1: Introduction to Tourism

The objective of this introductory module is to: a) Define tourism terms and concepts, b) Provide a brief overview of the history of tourism, and c) Identify the main types of tourism and tourism development trends

Module 2: Socio-economic impacts of tourism

The aim of this module is to: a) Identify the economic and social benefits of tourism, especially from a regional perspective, b) Explain how to measure tourism and the limitations of such measurement, and c) Understand the wider socio-economic trends that influence tourism development, especially those affecting the project area.

Module 3: Structure and organisation of tourism industry

To be able to plan and develop sustainable tourism, it is important to understand how the tourism industry is structured and organised.

Module 4: The accommodation and catering sub-sectors

This module focuses on a) The structure and nature of the hospitality sector, b) Classification of accommodation with the reference to current legislation, c) The nature of demand for accommodation and how the sector responds to changing patterns of demand, and d) The relationship between the hospitality sub-sector and other sub-sectors of the tourism industry.

Module 5: Tourism resources and attractions

This module will give the participants an understanding of: a) Definition of tourism resources and attractions, b) Classification of tourism attractions – the basis of product development, c) Tourism attraction management, and d) Main attractions and resources of the project area.

Module 6: Tourism products of the project area

Based on the Niche Market and Niche Products analysis conducted as part of this Tourism Master Plan, the objective of this module is to: a) Introduce the notion of the tourism product and current trends, b) Provide an overview of the current and potential products available in the project area, c) Provide basic knowledge of niche market segments and mechanism to reach these, and d) Understand the relationship between tourism products and the selected priority development projects of the Tourism Master Plan.

Module 7: Tourism development prospects and planning priorities of the project area

This module gives an overview of the importance of planning tourism development and the approach to tourism planning in the project area as adopted in the Tourism Master Plan. The specific objectives of the module are to: a) Introduction to the tourism planning process, b) Structure and contents of the Tourism Master Plan, c) The roles of different stakeholders in the tourism development process and in the implementation of the Tourism Master Plan.

The seminar was successfully organised at the Institute for Tourism 21-22 January 2008 with more than 20 participants from public and private tourism sector organisations in the two counties.

Activity 1.4 Training in Project Management Cycle of Development Agency/other staff

As the Tourism Master Plan follows the project-based implementation approach specified in the TOR, the priority and second priority projects selected for inclusion in the Tourism Master Plan will need to be implemented within the set timeframe, budgetary restrictions and through cooperation between various stakeholders.

Consequently, those involved in the implementation will need to obtain sound knowledge of the different stages of the project cycle including identification, preparation, implementation, monitoring and evaluation.

As stated in Section 7.5.3, the Development Agency of Varaždin County (AZRA) was identified as perhaps the most progressive in terms of the number of projects approved and managed, the number of staff directly and indirectly employed and the concentration of experience and skills. Further, AZRA is willing to educate the potential personnel to be involved in the implementation of the Tourism Master Plan on the main aspect of project preparation and implementation.

Consequently, a training programme was developed in cooperation with AZRA covering:

- Introduction to the project management cycle (project identification, preparation, application and implementation) within the ROP regime
- Development of logical frameworks
- Development of project proposals
- Management of regional development agencies
- Introduction to donor agencies and their funding priorities
- Hands-on experience in the project management that they are currently implementing.

Following considerable delay in the identification / selection process, the County Councils in January 2008 selected three candidates each to attend the AZRA training.

While the Consultants have facilitated the contact to AZRA and held initial discussions about the content of the training, the Counties need to make direct arrangements with AZRA in respect of contents and timing of the training, which has been communicated to the Steering Committee at its 4th meeting in September 2007.

9.2.2 Activities to be commenced in year 1 and completed in subsequent years

In consideration of the limited resources of the existing county organisations, the first year of implementation focuses institution building and preparatory work to facilitate the implementation of the Tourism Master Plan with only a few projects proposed to commence during the current year. In total it is proposed that three project activities start up at a moderate pace focusing on preparatory sub-activities that can be undertaken through the Advisory Group at no or very limited costs.

The three projects to be commenced represent some of the top priority projects: Priority project No 2 concerning a uniform system of visitor information and visitor centres under the Tourism Infrastructure Component; the strategic plan for the development of hiking and biking tourism under the Product Development Component; and the regional Marketing plan under the Marketing and Promotion Component.

Component 1 Institution building

Activity 1.5 Strengthening of the existing County Tourism Boards

While this is a continuing activity throughout the 5-year implementation period, a first initiative involves the exposure of the Directors of the two County Tourism Boards to a professional and well-operated European regional tourism organisation. Thus, the Consultants have facilitated attachment training at one of the most successful regional tourism organisations in Denmark, Fyntour as detailed in Section 7.5.4.

Fyntour was established in 1996 to be responsible for the planning, development and marketing of tourism in the former Fyn County, covering a geographical area of about 3,500 square kilometres, which is similar to that of Karlovac County.

The organisational structure of Fyntour is fairly similar to the originally planned organisation of KALIS-TDA, with a Board of Directors consisting of both county and municipality council members, municipality tourism boards and private tourism sector operators.

Fyntour has grown continuously since its establishment and is currently having a secretariat staff of 20-25 professionals with an annual budget of more than 20 million Kuna. The tourism product is extremely diversified but focusing on a series of special interest products that are similar to the potential in Karlovac and Lika-Senj Counties including, among others, sport

fishing, hiking and biking, historic castles, sailing, and fairytale-based tourism around fairytale author Hans Christian Andersen.

Initially, Fyntour has agreed in having the two Directors of Karlovac and Lika-Senj County Tourism Boards attached in their head office in Odense for a two-week period in the spring of 2008. During this period, the Directors will follow the day-to-day activities of the different departments and sections of Fyntour including the product development, marketing and human resource development departments, pending specific preferences of the Directors.

While the attachment training at Fyntour will expose the County Tourism Board Directors to a professional operation of a regional tourism organisation, this should only be regarded as a humble start to a necessary continuing effort of improving the existing regional Tourism Boards that has been identified as one of the major constraints to tourism development in the two counties.

Therefore, it is essential that the County Councils invest in the development of the regional Tourism Boards parallel to the establishment of the regional Development Agencies. Especially the human resources are recommended to be expanded and improved. It is suggested that Lika-Senj County Tourism Board get an tourism development assistant by mid 2008, and that both County Tourism Boards get an additional professional staff in the beginning of 2009. Finally, a second assistant is proposed as from mid 2010 bringing the total staff in each organisation at 2 professionals and two assistants.

Component 2 Tourism infrastructure improvements

Activity 2.1 Uniform system of tourist information and interpretation

This activity is selected as Priority Project No. 2 detailed in the funding application in Vol. II of the Tourism Master Plan.

The main aim of the project is to develop a strategic framework for a comprehensive and uniform tourist information system, ranging from fully equipped visitors centers to interpretation boards and information points. This represents an essential element of a destination's offer intended to welcome the guests, provide useful information and orientation tips, interpret the resources/attractions within the destination etc. Visitor centers are not only facilities where guests learn about the destination, but facilities which increase the quality of stay.

The specific objectives of the project are:

1. To induce transit visitors and on-ground tourists to visit tourist attractions/sites, and to spend more overnights in the project area.
2. To improve tourism infrastructure and increase visitor satisfaction
3. To develop a uniform and logic system of tourist information facilities and improve general visitor information and interpretation facilities in the region

More specifically, the project will include:

1. Development of an overall strategy and guidelines for tourist information signage
2. Development of guidelines for the establishment of a 2-4 levels system of visitor information facilities varying in size and extent of information provision
3. Identification of locations for the different levels of visitor information facilities
4. Branding of the visitor information centre network and creation of market awareness
5. Preparation of a business model for servicing the different levels of visitor information facilities

Component 3 Product development and diversification

Activity 3.2 Strategic development and action plan for hiking & biking tourism

This activity is selected as Priority Project No. 4 as detailed in the funding application in Vol. II of the Tourism Master Plan.

Hiking and biking tourism already exist in the project area with well-defined hiking trails on the Velebit Mountain Range, around Klek and the Plitvice Lakes and Karlovac County boasts 550 km of cycling tracks along 10 routes and a 'bike and bed' network comprising 105 accommodation providers. Other cycling areas in the region include the area around North Velebit National Park, the island of Pag, and around Duga Resa and Draganić.

The main aim of the activity is to enhance the region's hiking and biking potential and place the region on the world map of top hiking and biking destinations through the development of a comprehensive framework for long-term sustainable and competitive hiking and biking tourism product.

The project will include the following sub-activities:

1. An objective assessment of the existing hiking and biking trails and an evaluation of their market readiness
2. Conduct of a detailed survey of potential new hiking and biking locations
3. A detailed analysis of the hiking and biking market to determine the market potential for the product
4. Identification of the need for new specialised accommodation facilities with cost estimates and recommendation of optimal locations
5. Identification of required destination management support services to be developed and design of suitable training programmes
6. Definition of distribution channels for the new hiking and biking products
7. Development of an operational marketing plan

Component 4 Marketing, promotion and HR development

Activity 4.2 Preparation of a regional marketing plan for Karlovac / Lika-Senj Counties

This activity is selected as Priority Project No. 10 as detailed in the funding application in Vol. II of the Tourism Master Plan.

There is a need to optimise the utilisation of scarce promotional budgets of tourism stakeholders in the region through the development of a consolidated plan for marketing and promotion of tourism in Karlovac and Lika-Senj Counties. This plan should take into consideration the series of adventure and other special interest tourism studies scheduled to be undertaken in the first year of implementing the Tourism Master Plan as well as the national marketing and promotion framework.

The project will include the following sub-activities:

1. Conduct of an analysis of the existing marketing system in the two counties (institutions involved, staffing, budgets, existing activities, distribution channels, quality and quantity of promotional material, marketing effectiveness and efficiency)
2. Definition of goals and objectives of the regional marketing plan that will guide and coordinate activities of the stakeholders involved
3. Assess the potential for tourism development in the project area for selected niche market products proposed in the Tourism Master Plan
4. Preparation of a comprehensive tourism market analysis to assess potential demand for tourism products in the project area so that the marketing and promotional activities can be highly targeted
5. Definition of the project area's product portfolio based on the competitiveness and attractiveness of the different products and propose the most appropriate means of product development and promotion
6. Development of product portfolio and distribution channels characteristic for each identified geographical cluster to help ensuring a more even development of tourism throughout the project area
7. Preparation of a marketing plan for the project area as a whole and for each geographical cluster, including reasonable cost estimates for each of the proposed activities, with a view of maximise the effectiveness of the marketing budget available.

9.2.3 Activities to be fully implemented in the medium term

In consideration of the limited resources available in the counties at present, the implementation period of individual activities have been extended and the number of activities to be handled by the implementing agencies at anyone time have been reduced compared to the draft Action Plan.

Further, the implementation of the following six second-priority projects is proposed to be postponed to after the first 5-year period.:

- Activity 3.11 Technical assistance to Plitvice Lakes National Park for upgrading of accommodation and other visitor and infrastructure facilities
- Activity 3.12 Development plan for visitor management for Rastoke site
- Activity 3.13 Feasibility study for a new accommodation facility at Taborište
- Activity 3.14 Development plan for possible utilization of highland villages around Senj
- Activity 3.15 Development plan for the Eurovillage at Krasno
- Activity 3.16 Study of the potential for development of pilgrimage tourism

As a consequence, these activities are not further described in the following but reference made to Sections 8.5 and 8.6 for further details of the contents of these projects

Component 2 Tourism infrastructure improvements

Activity 2.2 Manual for development/improvement of small accommodation facilities

This activity is selected as Priority Project No. 1 as detailed in the funding application in Vol. II of the Tourism Master Plan.

Endowed with its national parks, nature parks and other protected landscapes, Karlovac and Lika-Senj Counties represent an ideal setting for different types of small family owned and operated, accommodation facilities that appeal especially to the different nature and culture-based special interest niche markets. The provision of such accommodation facilities in numbers and service quality sufficient to match potential market demand would result in increased visitor satisfaction, which would lead to increased length of stay and more repeat visitation.

On this basis, this project concerns the preparation of a manual for the development and improvement of small accommodation facilities with the main aims:

1. To improve the quality of tourist accommodation facilities and services in the region and thereby improving visitor satisfaction
2. To ensure market success of small (family owned and operated) accommodation facilities in the region
3. To increase the effectiveness of the state aided investment schemes related to tourism accommodation development.

The project will include the following sub-activities:

1. Preparation of a comprehensive “how-to-do” educational manual that will enable existing and potential accommodation operators to develop high quality accommodation facilities in line with market expectations
2. Creation of awareness of the educational accommodation manual and promotion of its use
3. Facilitation of the establishment of an advisory service facility and call centre that, free of charge, provide vital information to existing and potential investors

Activity 2.3 Strategic plan for accommodation along the Senj- Karlobag coastal road

This activity is selected as Priority Project No. 6 as detailed in the funding application in Vol. II of the Tourism Master Plan.

The coastal strip underneath the Velebit Mountain Range stretching along the Senj-Karlobag coastal road is characterized by ragged terrain and numerous gorges cut into the mountain slopes forming shallow coves with pebbly beaches. Although some of these gorges have traditionally been used as natural seaports, the potential for tourism development in this area has so far been neglected by tourism planners and local authorities. Based on the scenic beauty and immediate presence of the Adriatic to the south and the Velebit Mountain Range to the north, the strip offers a multitude of tourist experiences, ranging from passive sun, sea and beach holidaymaking, to various physical and adrenalin related activities. To induce tourist demand and increase tourist visitation, there is a need to increase the number and variety of accommodation facilities. To ensure environmental sustainability and long-term market attractiveness, the whole development concept needs to be carefully planned.

On this basis, this activity concerns the preparation of a strategic framework for the development of small (family owned) traditionally built accommodation establishments and clusters with the aims:

1. To preserve the still undeveloped coastal strip from possible degradation and ensure sustainable tourism development
2. To create a hub for increased tourist visitation to the North Velebit National Park
3. To preserve and/or revitalise national heritage, particularly built heritage.

The project will include the following sub-activities:

1. Conduct of a detailed survey of best suited small accommodation locations and assessment of their carrying capacity
2. Identification of the need for additional infrastructure
3. Assessment of the economic viability of each of the selected locations
4. Definition of distribution channels for the new tourism product and creation of market awareness
5. Recommendations of the contents of an investment incentive package for the development of identified accommodation facilities.

Activity 2.4 Repositioning study of the HOC Bjelolasica Olympic Centre

While this activity was not selected as a priority development project, it was included in the short-list of 25 projects of potential priority projects as shown in Table 8.1 and further described in Sections 8.4 and 8.5. Reference is also made to the brief project description for Project No. 3.4 in Section 8.5.2.

The present utilisation model, market positioning, and overall economic performance of the HOC Bjelolasica Olympic Centre does not seem to produce the expected results and threats to

cause serious problems in terms of sustainable management of the destination, resource utilisation and degradation. On the basis of a best use approach to the destination, the aim of the project is to propose the best use of the facilities, propose further development, improvement and possible expansion to the existing facilities, suggest market segments to be targeted, and assess the economic feasibility of proposed developments. The project should also recommend on the most suitable ownership and managerial model for the resort.

The project will include the following sub-activities:

1. An assessment of the best use of the facilities at the Olympic Centre and establishment of the economic viability
2. Preparation of necessary project documentation
3. Tender preparation and facilitation
4. Selection of best suited investment proposal(s)

Component 3 Product development and diversification

Activity 3.1 Strategic plan for development of a medieval castles/fortifications route

This activity is selected as Priority Project No. 3 as detailed in the funding application in Vol. II of the Tourism Master Plan.

The main aim of the project is to create a framework for the development of a cultural heritage route focused on medieval fortresses and fortified castles through the project area, diversifying the product base and contribute to the protection, restoration and sustainable management of regional cultural resources.

In particular, the project will involve:

1. An assessment of the resources (castles and fortifications) available and their individual and combined market readiness
2. An assessment of the market size and profile for the regional castles/fortifications route
3. Identification and establishment of partnerships for the development of a heritage trail
4. Identification of tourism products relating to the trail
5. Recommendation of major renovation and development projects
6. Preparation of concept development plans and interpretation strategies for selected sites including assessment of site impacts
7. Creation of national and international awareness of the medieval tourism route

Activity 3.3 Preparation of a strategic plan for wildlife viewing

This activity is selected as Priority Project No. 5 as detailed in the funding application in Vol. II of the Tourism Master Plan.

The main aim of this activity is to establish a comprehensive framework for the development of long-term sustainable and competitive quality wildlife-based tourism product, building on the region's rich and well-preserved fauna, including among others, large mammals such as bears and deer, and a great diversity of birds.

The project will include the following sub-activities:

1. Conduct of a detailed survey of potential wildlife watching locations
2. Conduct of a detailed wildlife watching market analysis to determine the market potential for the product
3. Preparation of a strategic action plan for the development of the most prosperous wildlife watching locations
4. Preparation of site plans and interpretation strategies for the most prosperous locations
5. Identification of the need for new specialised accommodation facilities with cost estimates and recommendations of optimal locations
6. Identification of the requirements for additional infrastructure and destination management services and design of appropriate training programmes
7. Definitions of distribution channels for the new wildlife viewing product
8. Development of an operational marketing plan

Activity 3.4 Preparation of a strategic plan for the development of sport fishing

This activity is selected as Priority Project No. 7 as detailed in the funding application in Vol. II of the Tourism Master Plan.

Although sport fishing in the Gacka River Valley used to be quite developed before the War, particularly popular in the Japanese market, the sport fishing potential of the wider area has so far been somewhat neglected. Therefore, apart from reinstating the Gacka River Valley as one of the leading trout fishing destinations in Europe, sport fishing tourism throughout the project area should be developed as a leading tourism product and trademark for the region. Consequently, the main aim of this activity is to create a comprehensive framework for the development of long-term sustainable and competitive regional sport fishing tourism.

In order to achieve this aim in an effective manner, minimizing the risk of unplanned construction and potential environmental damages, the following sub-activities need to be undertaken:

1. Conduct a detailed survey of potential sport fishing locations in the region
2. Identification of the need for new specialised accommodation facilities with cost estimates and recommendations of optimal locations
3. Identification and costing of possible additional infrastructure
4. Identification of additional destination management support services and design of appropriate training programmes
5. Definition of distribution channels for the new sport fishing products
6. Development of an operational marketing plan

Activity 3.5 Study of the potential for development of rural tourism

This activity is selected as Priority Project No. 8 as detailed in the funding application in Vol. II of the Tourism Master Plan.

This activity was selected as a priority project by the Steering Committee with a view to survey the possibilities for developing rural tourism.

In the Consultants' view, most tourism in Karlovac and Lika-Senj Counties takes place in the rural areas, whether it be hiking or biking tourism, sport fishing, wildlife viewing, hunting, or cultural tourism. However, it will always be related to one form of nature or culture based activity or the other that attracts the tourist. Rural tourism in its own right seems difficult to attract tourists. Therefore, the aims of the study should include:

1. To assess the potential for development of rural tourism and identify linkages to the different types of special interest tourism to ensure the sustainable development of tourism in the rural areas, and possibly identify clusters of family owned and operated agricultural properties (estates)
2. To enrich the existing tourist offer through the preservation and/or revitalization of rural estates
3. To induce self-employment

The project will include the following sub-activities:

1. Identification of the most important types of special interest tourism that have the highest potential to attract visitors to the rural areas
2. Conduct of a detailed survey for best suited locations for rural tourism development and assessment of their carrying capacity
3. Identify the possible need for additional infrastructure
4. Assess the economic viability of developing rural tourism
5. Propose suitable investment incentive packages to encourage developments.

Activity 3.6 Strategic development and marketing plan for wine and gastro tourism

This activity was not selected as a priority development project though it was included in the short-list of 25 projects of potential priority projects as shown in Table 8.1 and further described in Sections 8.4 and 8.5. Reference is also made to the brief project description for Project No. 3.4 in Section 8.5.2.

With the increasing interest for local gastronomy and oenology, the region has the potential to further develop its gastronomy/wine tourism product, building on the existing production. The product development pertains to the wineries and private cheese production plants as tourism attractions offering a range of experiences, scenic roads, wine cellars and wine/food themed events. The project aims to formulate and develop a well organised gastro/wine tourism product in the region using a two-pronged approach:

1. Preparation of a conceptual plan for the further development of wine and gastro tourism and
2. Using a community-based development approach to ensure stakeholder participation and commitment

The project will include the following sub-activities:

1. Evaluate the existing wine tourism products and identify product gaps and recommend on required improvements
2. Identification of stakeholders and their human and financial resources
3. Develop a plan for wine tourism development to ensure synergy between public and private sector activities
4. Using community development principles to generate support and commitment from all stakeholders involved in the process
5. Preparation of an action plan
6. Implement product improvement and promotion

Activity 3.7 Study of the potential for developing caving tourism

This activity was not selected as a priority development project though it was included in the short-list of 25 projects of potential priority projects as shown in Table 8.1 and further described in Sections 8.4 and 8.5. Reference is also made to the brief project description for Project No. 3.4 in Section 8.5.2.

With the vast karsts formations in large proportions of Karlovac and Lika-Senj Counties, there are many caves, some of which are amongst the longest in Europe. Specialists of Croatian speleological societies currently organise caving training and caving expeditions for the more adventurous visitors. However, only a few caves are presently accessible to the general public. Thus, Grabovača Cave Complex has ambitious plans but lacks funding to realise its tourism potential. The North Velebit National Park is preparing to open two pits to the public within the next 12 months. With the significant growth of the international caving demand, there is a potential to utilise these resources to develop a strong caving niche product. The proposed activity aims to evaluate the potential for development of caving tourism as a separate market niche within the project area

The project will include the following sub-activities:

1. Identification of caves that are best suited for tourist visitation
2. Elaboration of a well-founded sustainable product development concept
3. Identify and recommend on the most suitable market positioning
4. Preparation of implementation guidelines

Activity 3.8 Development of a textile factory museum at Duga Resa

This activity was not selected as a priority development project though it was included in the short-list of 25 projects of potential priority projects as shown in Table 8.1 and further described in Sections 8.4 and 8.5. Reference is also made to the brief project description for Project No. 3.6 in Section 8.5.2.

The textile factory at Duga Resa has an impressive and well documented history. It was built on the banks of the Mrežnica River at the end of 19th Century. The current complex includes the original factory buildings, power plant, houses for master craftsmen, and the owner estate with the guest house and a well-established park, administration building as well as a kindergarten and medical centre built for the factory workers. The entire factory complex with the surrounding service areas deserves to be developed for tourist visitation and could potentially become a major attraction adding to the diversity of the product range.

The project will include the following sub-activities:

1. Preparation of a well-founded concept for the sustainable development of a textile factory museum
2. Identification of necessary tourism infra and superstructure
3. Establishment of organisational issues like opening hours, entrance fees, interpretation and guiding and provision of the appropriate equipment
4. Market launching and commercialization

Activity 3.9 Strategic plan for the development of hunting tourism

This activity was not selected as a priority development project though it was included in the short-list of 25 projects of potential priority projects as shown in Table 8.1 and further described in Sections 8.4 and 8.5. Reference is also made to the brief project description for Project No. 3.7 in Section 8.5.2.

Hunting is well-established within the project area and has a long history of tourism linkage. In Karlovac County, there are 175,000 hectares of hunting grounds, two-thirds of which are forested. In Lika-Senj, the mountain hunting grounds offer excellent hunting opportunities and hunting tourism is organised by hunting societies and private hunting ground lease-holders.

As mentioned in Section 8.5.2, big game hunting includes wild boar, red deer, doe, brown bear, mouflon, chamois and fallow deer. Small game available in the project area includes Greek partridge, snipe, quail, pheasant, rabbit and wild duck. Wild boar hunting is organised in the Petrova Gora, Slunj, Pokuplje basin, the Bosiljevo hunting grounds and on the Perušić hunting grounds which is particularly famous and reputed for offering the best tusks in Croatia and the 4th best in the world. There are several hunting lodges within the project area, many of which are managed by the Croatian Forests and various hunting societies. Some lodges are large enough and well equipped to host business meetings, receptions and celebrations. The project aims to evaluate the potential of further developing hunting tourism as a separate market niche and

prepare a comprehensive development strategy to guide the development of a highly competitive tourism product.

The project will include the following sub-activities:

1. Elaboration of a well-founded concept for the further sustainable development of hunting tourism
2. Identification and costing of necessary tourism infra and superstructure relating to hunting tourism development
3. Establishment of organisational issues like hunting concessions for tourism purposes, pricing and access timing to hunting grounds
4. Market launching and commercialization

Activity 3.10 Development of historic diving tourism at Novalja

This activity was not selected as a priority development project though it was included as project No. 3.9 in the short-list of 25 projects of potential priority projects as shown in Table 8.1 and further described in Section 8.4.

Diving is very well-established on a national scale along the Adriatic coast including the island of Pag in Lika-Senj County, where diving opportunities include shipwreck diving, cave diving, diving walls and diving for underground Roman archaeological sites. Diving opportunities are organised by certified diving centres offering a range of diving experiences from beginners to advanced level, night diving, and diving schools. Although historic diving already exists with a variety of dive locations, it can be further expanded and developed. With the worldwide growth of the diving market, diving is becoming more of a mainstream product rather than a niche product. In addition, a growing number of tourists travel abroad with the expressed purpose of attending dive schools. Added to this group are tourists keen on snorkelling or diving with professionals for the first time.

The project aims to exploit these opportunities by establishing attractive dive packages which can be sold to the international dive market. The project will include the following sub-activities:

1. Identification and mapping of the best suited dive locations
2. Preparation of a well-founded concept for the further sustainable development of historic diving in Novalja
3. Identify and recommend on the most suitable market positioning
4. Preparation of guidelines for implementation
5. Ensure the cooperation of relevant private service operators
6. Market launching and commercialization

Activity 3.17 Development of joint cultural heritage itineraries

This activity was not selected as a priority development project though it was included in the short-list of 25 projects of potential priority projects as shown in Table 8.1 and further described

in Sections 8.4 and 8.5. Reference is also made to the brief project description for Project No. 3.19 in Section 8.5.2.

Apart from the medieval castles and fortifications, the project area offers a variety of different historical and/or cultural heritage related resources. These include the archaeological remains of an Illyrian tribe (Japodi) dating from pre-Roman times, whose artefacts can be found throughout the region, an abundance of churches and monasteries of various age and style, famous historical figures, a well-preserved tradition of local folklore, colourful legends and myths, as well as events. Although all of these, treated separately, are unlikely to become major tourism products that would motivate people to visit the region in their own rights, this project aims to assess the economic viability of creating various cultural heritage itineraries that would combine attractive elements of the history/culture of the project area to attract visitors to the region.

The project will include the following sub-activities:

1. Identification of the best suited resources/attractions for tourist visitation
2. Preparation of a well-founded concept for the sustainable development cultural heritage products
3. Identification and recommendation of the most suitable market positioning
4. Identification of the optimal market positioning
5. Development of implementation guidelines

Component 4 Marketing, promotion and HR development

Activity 4.1 Development and implementation of a community awareness campaign

This activity is selected as Priority Project No. 9 as detailed in the funding application in Vol. II of the Tourism Master Plan.

The main aim of this community tourism awareness building project is to create increased awareness in the communities of Karlovac and Lika-Senj Counties of the potential for tourism development and the benefits of this.

The project will, firstly, ensure that the general public and local entrepreneurs are aware of the tourism's potential to generate business and employment opportunities to the region, particularly within the highly specialised niche markets of sport fishing, hiking and cycling, wildlife viewing, medieval heritage trails, etc. These products and their quality depend on a mix of accompanying components – accommodations, guiding, transport, sales of relevant equipment and services, restaurants and other food outlets, local food produces, provision of brochures and maps, interpretation – all of these, creating entrepreneurial and job opportunities for the local population. It is essential to create awareness of tourism's ability to generate employment and specific business opportunities for the resident population.

The project will include the following sub-activities:

1. Development of a tourism awareness campaign for local entrepreneurs concerning the overall tourism development potential of the project area, the benefits that tourism development can create and the business opportunities that these developments offer
2. Motivation of entrepreneurs to invest in tourism-related businesses through the organisation of workshops and distribution of the appropriate educational packages
3. Conduct of a tourism awareness campaign to inform about tourism development plans, and potential direct and indirect community benefits and ensure their support for tourism development initiatives
4. Increase the awareness of local communities of available and potential tourism products and services in the region so that the community members can become tourism ambassadors of the project area
5. Train tourism-related service sector employees in general hospitality and increase their understanding of the role that they have in the tourism value chain.

Activity 4.3 Training of local tourism boards in preparation of marketing plans

This activity was not selected as a priority development project though it was included in the short-list of 25 projects of potential priority projects as shown in Table 8.1 and further described in Sections 8.4 and 8.5. Reference is also made to the brief project description for Project No. 4.2 in Section 8.5.2.

The lack of well thought of marketing and promotion plans on both municipal and county levels still represent one of the most pronounced deficiencies in the management of tourism development in the project area. This situation is only a logical reflection of an overall lack of professional skills and budget resources. To ensure the preparation of marketing and promotion plans on a local municipal level, and enhance the quality of these documents, there is a need for professional training programmes that would enable municipal and county tourism boards and other public institutions to become probably responsible for tourism development in the project area and manage the tourism development process.

The project will include the following sub-activities:

1. Public invitation to tender
2. Selection of the training institutions/individuals
3. Preparation of training materials
4. Approval of training materials
5. Implementation of identified training

9.2.4 Summary action plan

Figure 9.1 below summarises the implementation of the Tourism Master Plan activities over the five-year implementation period.

Figure 9.1: *Tentative*

Plan Component / Activity

1 Institution building

1.1 Establishment of a Tourism

1.1.1 Establishment of a Tourism Development Agency

The timing of the individual activities follows the strategic logics of the Master Plan immediately providing for the institutional aspects followed by the preparation of strategic development plans for key niche markets.

- **Karlovac County Development Agency**

In accordance with the Terms of Reference, the bulk of the activities comprise the 10 priority development projects and eight second-priority projects, primarily intended for outside funding. The timing also takes into consideration the capacity of the existing County Tourism Boards and the fact that the regional Development Agencies for Karlovac and Lika-Senj Counties are yet not established.

- **Lika-Senj County Development Agency**

1.3 Training in Tourism Planning and

Consequently, it is assumed that these agencies at the outset of the Tourism Master plan can only handle a limited number of simultaneous project commencements with reasonable gaps between

new project start-ups and also limiting the total number of projects handled at the same time in the first part of the implementation. Assuming the increasing capacity of the implementing agencies with increased budget and staff commitment and increased training initiatives, the number of projects to be handled at the same time is slightly increasing over time.

1.4 Training in Project Cycle Management

1.5 Strengthening of the existing County

- **Attachment training of County**

2 Tourism infrastructure improvement

9.3 Cost of plan implementation

9.3.1 Methodology issues

This section briefly explains the methodologies used for estimating the cost of implementing the Tourism Master Plan. Obviously, these methodologies are linked to both the requirements of the Terms of Reference (TOR) and the actual implementation structure agreed to by the stakeholders.

Thus, In accordance with the TOR, the priority development projects and second-priority projects intended to be implemented through donor funding make up the great majority of the plan activities.

Similarly, with the decision not to establish a joint implementation structure, the operational aspects of the plan implementation will be split between the existing County Tourism Boards, planned Development Agencies and the County Departments of Economics.

In light of the current limitations in financial and human capacities of the county institutions, and for reasons of simplicity, it is assumed that the expertise required for the implementation of the priority development projects and second-priority projects will be provided through international and local technical assistance while the county agencies will in cooperation with the Advisory Group will act in an administrative capacity.

Since even this will be difficult with the existing capacity limitations, it is proposed that the capacity of both the County Tourism Boards and Development Agencies are gradually expanded and improved over the implementation period. While this will enable the agencies to better manage the plan implementation and enhance the general tourism destination management, it is not expected that it will enable the agencies to replace the specialized expertise of the required technical assistance.

Estimates of staff and operational costs of county agencies

In estimating the total costs of implementing the Tourism Master Plan (TMP), the following assumptions have been made:

- Inclusion of the additional costs of increased staff in the County Tourism Boards
- Inclusion of the staff and operating costs of the regional Development Agencies
- The staff of Lika-Senj County Tourism Board will be expanded as follows:
 - A tourism assistant in mid 2008
 - An additional professional tourism officer by the beginning of 2009
 - A second tourism assistant by mid 2010
- The staff of Karlovac County Tourism Board will be expanded as follows:
 - An additional professional tourism officer by the beginning of 2009
 - A second tourism assistant by mid 2010

- The two regional Development Agencies will be established in 2008 and be expanded as follows:
 - A professional project coordinator by second quarter of 2008
 - An assistant project officer by mid 2009
 - An additional assistant project officer by the beginning of 2011
- The gross salary costs of staff are assumed as follows:
 - Professional officers: EUR 1,500 per month
 - Assistant officers: EUR 750 per month
- Office operational costs of the regional Development Agencies are set at EUR 1,500 per month including office rent, electricity, heating, vehicle and other operational costs
- The cost of the existing staff of the County Tourism Boards and their operational costs are not included but regarded as relating to general destination management
- Staff and office operating costs of the County Departments of Economics are not included but regarded as part of the general County operational costs

Cost estimates of the 10 priority development projects

The costs of implementing the individual priority development projects have been estimated in the respective project applications presented in the separate Vol. II of the Tourism Master Plan using the following assumptions:

- The estimated consulting input to undertake the individual priority projects has been split approximately equally between international and local consultants at an overall average consulting fee at EUR 10,000 (with international fee rates varying between EUR 16,000 – 20,000 and local rates varying between EUR 3,000 – 4,500)
- An average per diem rate of EUR 200 has been applied
- The number of per diem days has been set at about one third to one fourth of total manpower input and covering international consultants' stay in Croatia and local consultants' field visits
- Total travel costs are set at a lump sum amount of EUR 5,000 covering both international air travel and field travel in Croatia
- Workshops and stakeholder meetings are estimated at EUR 1,000 per event
- A contingency of about 10% of the total costs is applied
- The total estimated project cost is applied for donor funding

On the above basis, Table 9.1 overleaf summarises the estimated total costs of implementing the 10 priority development projects.

Table 9.1: Summary of estimated costs of implementing the 10 priority projects

Activity No.	Activity Name	Cost Estimate (EUR)
2.1	Development of a uniform system of tourist information centres	168,000
2.2	Manual for establishment and improvement of small accommodation	152,000
2.3	Strategic plan for the development of small accommodation along the Senj- Karlobag coastal road	140,000
3.1	Strategic plan for the development of a medieval castles/fortifications	200,000
3.2	Strategic development plan for hiking & biking trails	154,000
3.3	Strategic plan for wildlife viewing	154,000
3.4	Strategic plan for the development of sport fishing	135,000
3.5	Study of the potential for development of rural tourism	116,000
4.1	Community awareness building	180,000
4.2	Preparation of a regional marketing activity plan	140,000

Cost estimates of second-priority projects

The total estimated cost of implementing individual second-priority projects is based on the cost estimates prepared for the similar priority development projects, and not broken down on items. Table 9.2 summarises the estimated total costs of implementing the 14 second-priority development projects.

Table 9.2: Summary of estimated costs of implementing the 14 second-priority projects

Activity No.	Activity Name	Cost Estimate (EUR)
2.4	Market repositioning study of the HOC Bjelolasica Olympic Centre	100,000
3.6	Strategic plan for wine and gastro tourism	120,000
3.7	Study of the potential for developing caving tourism	120,000
3.8	Development of a textile factory museum at Duga Resa	500,000
3.9	Strategic plan for development of hunting tourism	140,000
3.10	Development of historic diving tourism at Novalja	120,000
3.11	TA to Plitvice Lakes NP to upgrade accommodation & other facilities	100,000
3.12	Development plan for visitor management for the Rastoke site	120,000
3.13	Feasibility study for a new accommodation facility at Taborište	80,000
3.14	Development plan for possible utilization of highland villages at Senj	120,000
3.15	Development plan for the Eurovillage at Krasno	80,000
3.16	Study of the potential for development of pilgrimage tourism	120,000
3.17	Development of joint cultural heritage itineraries	100,000
4.3	Training of local tourism boards in marketing and promotion	80,000

As mentioned in Section 9.2.3, Activities 3.11 – 3.16 are not proposed to be implemented within the 5-year plan period. Consequently, the estimated costs of these projects are not included in the total cost estimate.

Contribution from county councils

In addition to the the

In addition to the cost of additional staff in the County Tourism Boards and the staff and operating costs of the regional Development Agencies, the county councils are assumed to contribute to the implementation of the individual priority and second-priority projects through the provision of necessary office space for consulting teams including the costs of electricity, water, heating etc. as well as covering the rent of venues for meetings, workshops, etc.

These costs are generally estimated at a level of EUR 5,000 – 7,500 per priority project except for Activities 2.2 and 4.1 for which they are estimated at EUR 10,000 and EUR 15,000.

The costs of office facilities and venues for meetings and workshops are estimated at a slightly lower level for second-priority projects.

In general, it is believed that the actual costs of office provision and meeting venues will be lower than what is estimated here since may be possible to use existing facilities so that the costs become partly in-kind contributions.

In the draft standard funding applications for priority development projects presented in Vol. II of the Tourism Master Plan, the value of staff of the county-based beneficiaries' organisations represented on steering committees, working groups, etc. This estimated staff value is estimated in the level of EUR 30,000 – 40,000 and is considered as a contribution in kind and not included in the cost estimates of activity implementation presented in this chapter.

Distribution of costs over time

Given the nature of the priority and second-priority development projects and considering the limited financial and staff resources of the existing county organisations, these are generally anticipated to be undertaken within 1-1½ year with the following distribution of the total cost share of county councils and donor funding over the four-to-six quarters:

Quarter	6 Quarters		Implementation over 5 Quarters		4 Quarters	
	County	Donor	County	Donor	County	Donor
Quarter 1	5% of cost share		10% of cost share		20% of cost share	20% of cost share
Quarter 2	10% of cost share		15% of cost share	20% of cost share	25% of cost share	25% of cost share
Quarter 3	20% of cost share	20% of cost share	20% of cost share	25% of cost share	25% of cost share	25% of cost share
Quarter 4	20% of cost share	25% of cost share	25% of cost share	25% of cost share	30% of cost share	30% of cost share
Quarter 5	20% of cost share	25% of cost share	30% of cost share	30% of cost share		
Quarter 6	25% of cost share	30% of cost share				

9.3.2 Cost estimate of TMP implementation on an activity basis

Based on the assumptions discussed in Section 9.3.1 above, Table 9.3 presents the costs of implementing the Tourism Master Plan for Karlovac and Lika-Senj Counties, 2008 – 2012 estimated on an activity basis. This means that the total cost of plan implementation is estimated as the combined costs of implementing all plan activities / priority projects.

Implemented on an activity-by-activity basis, the total costs of implementing the Tourism Master Plan for Karlovac and Lika-Senj Counties are estimated at about EUR 3.2 million (3,216,000).

Not surprisingly, the majority of the total costs are anticipated to be spent in the third and fourth project years, i.e. just above EUR one million or about 31% in 2010 and almost EUR one million or 30% of the total in 2011. In comparison, in consideration of the limited resources available, only EUR 75,000 or 2.3% of the total costs is anticipated to be spent in 2008 and between EUR 500,000 – 600,000 in 2009 and 2012.

In line with the philosophy of the Terms of Reference, and the current financial capacity of the two county councils, about three quarters of the total cost of implementing the Master Plan is anticipated to be funded through donor assistance, namely about EUR 2.4 million.

The two county councils are estimated to contribute about EUR 850,000 corresponding to approximately 26.3% of the total costs.

Table 9.3: *Estimated Costs of implementing the Tourism Master Plan for Karlovac and Lika-Senj Counties*

Plan Component / Activity	
1	Institution building
1.1	Establishment of a Tourism Master Plan
1.2	Establishment of regional Development A

9.3.3 Breakdown of cost estimates on county councils

Applying the assumption for estimating the cost of implementing the different plan activities, the costs to the two county councils are estimated as:

- Karlovac County: EUR 403,200 12.5% of the total
- Lika-Senj County: EUR 443,800 13.8 % of the total

Most of these costs relate to the cost of additional staff of the County Tourism Boards and the staff and operational costs of the regional Development Agencies, accounting for more than 80% of the total estimated costs of the counties.

Further, the cost of provision of office and other support facilities during the conduct of the priority projects have been distributed between the counties according to the coverage of the projects.

For projects benefiting both counties, these costs are distributed equally between the two counties. For projects only benefiting one of the counties, the respective county council will cover the full amount of these estimates.

Further, if the staff value of the county-based beneficiaries' organisations represented on steering committees, working groups, etc. is included as an in-kind contribution, this would add about EUR 750,000 to the combined county contribution.

9.4 Potential sources of funding plan implementation

9.4.1 General

In general, the implementation of any tourism development plan benefits from access to and control over the required financial resources, provided partly through public sector budget lines and private sector investment.

However, often prevailing economic conditions do not permit this ideal situation. This is particularly the case in Karlovac and Lika-Senj Counties characterised by low economic activities, low average per capita GDP and small and financially weak private tourism sector.

Further, this Tourism Master Plan focuses on activities which can contribute to creating a sound foundation for a systematic and sustainable development of tourism in the two counties before directing private sector investment. This is primarily done through the development of a series of strategic plans for the development of key types of nature and culture-based special interest tourism niches.

Consequently, there is a need to adjust ambitions to public budget availability and for the stakeholders are forced to look for alternative means of funding opportunities though. While there in this connection will still be a need for traditional funding through the county council

budget contribution and contribution from the private sector operators regardless of how limited these may be.

Further, the private and public tourism stakeholders may be able to identify certain options for self-generated revenues that can be used for the implementation of Tourism Master Plan activities.

However, in light of the evident limitation in both public and private funding opportunities, external funding by donor agencies must be considered. In consideration of Croatia's aspiration to join the European Union, EU funding options should be explored. In addition, a number of other donor agencies operating in Croatia offer financial and technical assistance opportunities in support of tourism development directly or indirectly through environmental, cultural, educational, community, or other economic development priorities.

9.4.2 Public sector contribution

As has been evident throughout the conduct of this Tourism Master Plan study, it can not be emphasised enough that the most secure and sustainable funding source of plan implementation is the direct budget support by the responsible county councils, either through contributions to the operation of the County Tourism Boards, or through separate budget lines for implementation of the Master Plan in general or individual plan activities.

The most efficient contribution would comprise full commitment to the implementation of the Master Plan and provision of a combination of funds for capacity building (staff and budget wise) of the County Tourism Boards and the regional Development Agencies and financial support for the implementation of essential Master Plan activities.

In essence, the county councils will need to understand the potential of tourism development to trigger general economic development through the generation of employment opportunities and income. In other words, the county councils need to dare investing scarce resources to the development of tourism in order to create general economic development.

9.4.3 Contribution from the private sector

Needless to repeat: that the private tourism sector in Karlovac and Lika-Senj Counties is small and financial vulnerable to contribute significantly to the development of tourism in the area.

However, it is important to cultivate a sense of responsibility of the need of the private tourism sector to contribute morally as well as financially to the concerted efforts of developing tourism in the area.

As stated in Section 9.4.1 above, the private sector normally spearheads and drives tourism development through investments in tourism business enterprises. But where tourism is small and business opportunities low, the operators are often driven by more idealistic tourism visions than pure business considerations, and here it is important, to utilise this momentum or resource of idealism to further the interest in investing in the tourism sector.

Consequently, the existing private sector operators, regardless of their small numbers can contribute towards increased commitment and support by developing various means of support programmes. A simple programme would include a small membership contribution of each private sector company for becoming a member of a Tourism Master Plan Implementation Fund or likewise.

When considering contribution from the private sector, it should be recognised that the sector in the project area as well as elsewhere in Croatia already contributes towards tourism development through the tourism taxation stipulated in the Law on Tourism Boards and Promotion of Croatian Tourism (National Gazette No. 30/94) and related laws on tourist taxes (National Gazette No. 35/95) and Membership (National Gazette No. 35/95). As discussed in Section 7.1.3, this income is shared between the municipal tourism boards (65%), county tourism boards (10%), and the Croatian National Tourism Board (25%).

Therefore, it is difficult within the current legal framework to introduce additional taxation on the use of accommodation facilities (e.g. a levy on bed nights sold), which would also add to the administrative burden of the establishments as well as their price competitiveness.

However, it is still noteworthy that with the combined annual sale of approximately 1.5 million bed-nights in the two counties, an additional levy corresponding to only one Euro per bed-night would generate sufficient funds to enable the full implementation of the Tourism Master Plan.

9.4.4 Donor funding and other sources of revenue

While the reliance of donor funding for implementation of Tourism Master Plan activities by no means contributes towards a sustainable development of tourism, it may help kick-starting a sustainable development for the future, especially in an economic environment characterised by limited financial and human resources as is the case in Karlovac and Lika-Senj Counties. Consequently, this section identifies the most important sources of donor funding.

Funding by the European Commission

There are two main reasons to start an analysis of donor funding available for tourism development with an analysis of available EC funding instruments:

- The European Commission is the world's largest donor agency for the development of tourism and has in numerous countries and regions proven a determined commitment and continuity in its support
- Croatia has applied for membership of the European Union, which automatically attracts considerable resources for regional development to eliminate and/or minimise regional disparities under the Union's cohesion policy.

Already, the European cohesion policy has benefited Croatia through a range of economic development programmes including the three ***pre-accession financial instruments***², under which Croatia was allocated about EUR 245 million in 2005-2006:

- PHARE for institution-building and economic and social cohesion: EUR 160 million
- ISPA for environment and transport: EUR 60 million
- SAPARD for rural development: EUR 25 million

Further, Croatia has benefited from the Structural Funds under the INTERREG III Community Initiative with the EUR 26 million INTERREG IIIA Slovenia/ Hungary/Croatia cross-border cooperation programme, 2004-2006 and the CARDS (*Community Assistance for Reconstruction, Development and Stabilisation*) programme for Croatia. A total of EUR 228 million were channelled to Croatia through CARDS prior to 1 January 2005, when Croatia became eligible for the pre-accession instruments. This assistance has primarily been used on the country's reform and modernisation efforts. This Tourism Master Plan is funded under the CARDS 2004

Of relevance to the implementation of the TMP, is the Commission's recent attempt to simplify the complex spectrum of external aid programmes, a simplified framework for external actions during the period 2007-2013 has been developed including the Instrument for Pre-accession Assistance (IPA). The IPA Council Regulation (EC No 1085/2006) was adopted on 17 July 2006.

IPA supersedes the previously pre-accession instruments mentioned above, merging all pre accession assistance under a single legal basis, and aiming at providing targeted assistance to countries which are candidates and potential candidates for membership to the EU.

Overall, the IPA will:

- Strengthen democratic institutions and the rule of law, reform public administration
- Carry out economic reforms
- Promote respect for human and minority rights and gender equality
- Support the development of civil society and advance regional and cross-border cooperation among Western Balkan Countries and
- Contribute to sustainable development and poverty reduction, and prepare countries for EU Structural, Cohesion and Rural Development Funds by building the necessary structures and systems and by financing projects

The total IPA budget is about EUR 11.5 billion for the period 2007-2013 in support of the five IPA Components:

- 1) Transition Assistance and Institution Building
- 2) Cross-Border and Regional Co-operation
- 3) Regional Development Component
- 4) Human Resources Development Component

² PHARE: Poland and Hungary aid for Economic Reconstruction; ISPA: Structural Instrument for Pre-Accession; SAPARD: Special Accession Programme for Agricultural and Rural Development

5) Rural Development Component

As a candidate country, Croatia is eligible for possible funding under all five IPA components.

While most IPA components do not perceive direct financing “axes” for tourism development future IPA funding (European funding), there may still be funding opportunities that can benefit tourism development if the projects are formulated with other objectives like employment generation, capacity building and human resource development, poverty reduction etc.

However, one of the most obvious IPA components catering for tourism development appears to be the Cross Border Cooperation (CBC) programmes including:

- The IPA Adriatic CBC Programme
- The Slovenia-Croatia CBC Programme
- The Hungary-Croatia CBC Programme

It is uncertain whether Karlovac and Lika-Senj Counties are eligible for funding under the European Neighbourhood and Partnership Instrument (ENPI) CBC Strategy 2007-2013 and Indicative Programme 2007-2010. Thus, in general, ENPI does not cover countries that are candidates for EU membership including Croatia but aimed to benefit border areas of both sides of the EU's external border. However, under certain conditions, a NUTS III/II or equivalent region adjoining to a border region may also be included in the eligible programme area. (The Nomenclature of Territorial Units for Statistics (NUTS) is a common regional classification used in EU for statistical purposes, classifying regions in decreasing orders of magnitude from NUTS I to NUTS V). The most interesting area of ENPI assistance is its provision of technical assistance for institutional capacity-building

Other programs available for Candidate and Potential Candidate countries to promote EU internal policies in neighbouring countries include Twinning, TAIEX and PRINCE, under which the following types of assistance may be granted: Finance investments; procurement contracts; grants; interest rate subsidies; loans; loan guarantees; budgetary support; expert's assistance.

Further, if the project region is not eligible for assistance under the European Neighbourhood and Partnership Instrument (ENPI), it may obtain similar assistance under the Development Cooperation and Economic Co-operation Instrument (DCECI). The purpose of this programme is to support development cooperation, economic cooperation, financial cooperation, scientific and technical cooperation and any other form of cooperation with partner countries and regions, thereby helping developing countries achieve the Millennium Development Goals, and help reduce poverty.

The Competitiveness and Innovation framework Programme (CIP) for the period 2007-2013 is also open for Candidate Countries like Croatia. The CIP is structured around three main blocks of activities:

- Entrepreneurship and Innovation: includes entrepreneurship, SMEs, industrial competitiveness and innovation, encouragement of young entrepreneurs, and implementation of the Environmental Technologies Action Plan (EUR 2.6 billion).

- Intelligent Energy Europe (EUR 780 million).
- Information and Communication Technologies (ICT) Policy Support (EUR 800 million).

Finally, opportunities for assistance to implement aspects of the Tourism Master Plan exist under the three components of LIFE+: a) Nature and Biodiversity; b) Environment Policy and Governance, and c) Information and Communication that includes support of awareness raising activities.

9.4.5 Other donor funding opportunities

World Bank

Croatia joined the World Bank in 1993. Since then, the Bank has provided financial and technical assistance and policy advice to Croatia. The Bank has supported a total of 32 projects at a total value of USD1.8 billion, and approved 48 grants at a total value of USD51.5 million.

The Bank's assistance has focussed on:

- Strengthening governance in public administration
- Promote privatisation in key sectors including tourism
- Improve the environment for private sector development
- Infrastructure development

Since 2004, the Bank's assistance to Croatia has been structured under the Programmatic Adjustment Loan (PAL) aiming at enhancing economic growth through:

- 1) Improving the investment climate, and
- 2) Reducing the size and improving the efficiency of the public sector

The Bank and PAL support the successful integration of Croatia in the EU call and the required structural and institutional reforms. The Second Programmatic Adjustment Loan (PAL2) in the amount of EUR 150 million covers the period 2005–2008. This programme will specifically support:

- 1) Improvements in the investment climate by re-launching the privatization or liquidation of state-owned enterprises, improving financial discipline of enterprises, reducing the cost of doing business, and strengthening the related judiciary.
- 2) Strengthening governance in public administration by rationalizing, depoliticizing and improving efficiency of public administration and improving public expenditure management.
- 3) Measures to enhance fiscal sustainability of sector programs by addressing health financing, rationalizing social benefits, improving fiscal and social sustainability of the pension system, and fiscal sustainability of railways operations.

Though the programme does not contain direct tourism development initiatives, the Bank's efforts to improve the business environment and promote privatisation of state-owned enterprises will benefit tourism development in Croatia including in Karlovac and Lika-Senj Counties.

In general, the World Bank (WB) has considerably increased its support to the development of tourism throughout the world and is becoming a major donor of tourism development. However, apart from the general benefits of the Bank's development initiatives, it is perceived that the current WB development instruments are not geared at implementation of essential parts of the Tourism Master Plan.

United Nations Development Programme

UNDP's development assistance to Croatia is structured around the following five focus areas:

- 1) Democratic governance
- 2) Poverty reduction
- 3) Crises prevention and recovery
- 4) Energy and environment
- 5) HIV/AIDS

In consistency of the National Strategic Development Framework (2006-2013), the objectives of UNDP's current country programme for the period 2007-2013 include

- 1) Reducing social exclusion and aligning social policies with European standards and ratified UN and other international conventions and conferences
- 2) Regional development with emphasis on socio-economic recovery in the areas of special state concern and underdeveloped areas
- 3) Promotion of biodiversity conservation and energy efficiency
- 4) Measures to improve the competitiveness of the business environment, and
- 5) Transitional justice and human security.

In particular, the regional development component (component 2) aims to create conditions for socio-economic recovery in the ASSC and in other underdeveloped communities including the Lika- and Dalmatian Hinterland region. Where specific interventions include:

- Capacity strengthening of municipal and county authorities, especially in project cycle and financial management, absorption capacity, decentralized service delivery to citizens
- Limited reconstruction of targeted basic community infrastructure, particularly related to the functioning of small remote communities, businesses and local markets
- Improved delivery of social services, with an emphasis on the elderly, single mothers, returnees and other excluded groups, and
- Support for greater entrepreneurial activity and investment, mainly in agriculture, rural products and tourism and small-scale manufacturing

The environmental governance component (component 3), among others, supports the greening and sustainable conservation actions and practices of key sectors driving coastal and island development in Croatia including tourism.

The business competitiveness component aims at an improved and more competitive investment and business environment so that the private sector can be tangibly involved in shaping national and regional economic development, and promotes the development of public-private partnerships and greater investment in the socio-economic revitalization of underdeveloped areas.

While the UNDP development assistance initiatives will benefit the private tourism sector operators, it is doubtful that the implementation of the Tourism Master Plan can be financed through this assistance, to any measurable degree.

9.5 Recommendations for Master Plan implementation

9.5.1 General recommendations

In conclusion, the Consultants recommend:

- Use of a ***systematic approach to the planning and development of sustainable tourism*** ensuring the development of a solid planning foundation on which to build future developments. The development of a series of detailed strategic development plans for the most prosperous types of special interest tourism will help to ensure this approach.
- ***Establishment of an Advisory Group for Tourism Master Plan Implementation*** is critically important to ensure a structured, coordinated and concerted public- private partnership approach to tourism development in the two counties, assisting both the County Tourism Boards and the planned County Development Agencies in the TMP implementation and tourism development, and an important means of ensuring the involvement of the private sector.
- Organisational ***strengthening of the County Tourism Boards*** through investing in both ***human resource development*** and allocation of ***larger operational budgets***, in particular in light of the decision not to establish a joint implementation structure. The same holds for the Counties' Departments of Economics. Without increased financial commitment for human resource development (including both numbers of staff and their skills development) and expanded operational capacity, the planned tourism development will not take place.
- Ensure the ***establishment of effective County Development Agencies*** that can play a leading role in the implementation of the Tourism Master Plan in particular relating to the implementation of the priority development projects.
- In general, ***piecemeal reliance on donor funding*** for TMP implementation and general tourism development should be ***avoided or minimized***, preferably through self-financing and creative investment of stakeholders efforts for implementation of costless

and/or least costly Master Plan activities, as well as through nursing of partnership relations:

- In accordance with the requirements of the Terms of Reference (TOR), the Consultants have illustrated a series of international best practices relating to **income generation** for tourism development including various forms of tourist taxation and levies, some of which are already being used in Croatia.
 - It is recommended that the **stakeholders**, particularly through the Advisory Group for TMP Implementation **take creative and serious initiatives** in ensuring the immediate commencement of the implementation of TMP activities without waiting for outside donor funding. In some instances, the use of time is the only investment required to commence developments.
 - Another important initiative is the **nursing of partnership developments**. Since the implementation of the selected priority development projects focuses on the development of niche products, this requires cooperation with specialised organisations, associations and individuals, differing from project to project.
 - While considering the recommendations regarding Plan implementation, individual priority and secondary-priority projects should be **incorporated in the Regional Operational Programmes (ROP) Action Plans** of the two counties.
- Although the priority project concerning the community awareness campaign is only scheduled for implementation from mid 2009, the process of **social awareness development** can commence immediately as an integral part of other development initiatives with gradual expanding activity level.

9.5.2 Recommended funding of plan implementation

In principle, the Consultants would prefer that the Tourism Master Plan (TMP) could be sustainably implemented through local public and private financing. However, in consideration of limited financial and human resources available in Karlovac and Lika-Senj Counties, and the vulnerability of both the private and public tourism sector stakeholders, it will be necessary to seek some degree of external funding through relevant donor agencies.

In light of Croatia's status as a Candidate country for accession in the EU, and the Union's status as the world's largest contributor to tourism development, it is recommended that EU assistance is considered **a** primary source of assistance for TMP implementation. This does not mean that assistance can not be sought from other agencies.

9.5.3 Integrated development programme for TMP implementation

Justification

While the Terms of Reference (TOR) require development of funding applications for individual Master Plan activities or projects, the Consultants have some doubts about the effectiveness of this approach to the implementation of the plan. Such a disaggregated approach will make it difficult for the stakeholders to control the implementation process and ensure a systematic approach as it will depend on the approval process and decision(s) of donor agencies. The more disaggregated funding approach, the more difficult it becomes to ensure a systematic and strategic implementation of the TMP, especially where the order of activity implementation is important and priority projects are delayed in the funding process, or worse, is rejected for funding.

In this regard, it is noteworthy that of a total of six funding applications for EU funding of tourism related projects prepared by the two regional PMUs in a format similar to the funding applications prepared for the priority development projects within this Tourism Master Plan (Ref. Vol. II). Not only did the application process stretch over more than a year, and the approval process alone ranging from 3-9 months, only one of the six project applications was eventually approved for funding.

Consequently, on this basis, and based on the strategic recommendations concerning plan implementation as well as the experience from other major EC-funded tourism development projects, the Consultants recommend a ***consolidated approach to the funding of the Master Plan implementation***.

Such an approach would entail EC-funding through the IPA of ***a single major programme of technical and financial assistance for an integrated implementation of the Tourism Master Plan*** under the guidance of a team of 3-4 international and national technical advisors over a 2-3 year period. This would at one and the same time ensure a systematic approach to tourism development in the project area, contribute to the capacity building of the regional Tourism Boards, improve the social awareness of tourism, and avoid a piecemeal implementation of the TMP.

An example of such an approach is the recent EC approval of a EUR 1.0 million integrated tourism development programme for the ***Support to Implementation of the National Strategy for Tourism in Serbia*** (CRIS Number: 2007/19322). This project will be financed through IPA centralised programmes with the Serbian Ministry of Economy and Regional Development as the beneficiary, this ministry also being responsible for tourism development.

According to the Summary Project Fiche, the overall objective of this programme is similar to the overall objectives of the priority development programmes this Tourism Master Plan, and the proposed integrated tourism development programme for Karlovac and Lika-Senj, namely:

Enhancement of economic growth, employment and the quality of life of the population by stimulation of tourism

The project purpose of the Serbian project is twofold to:

- Support tourism sector to implement a strategy and policy framework ensuring the link between tourism potentials and economic development; and
- Enhancement of tourist competitiveness, the attractiveness of tourist products and positioning of Serbia on the world tourist market.

Admittedly though, the Serbian project is a national project and it may be more problematic to obtain

Preliminary contents of an integrated tourism development programme for TMP implementation

A consolidated implementation of the Tourism Master Plan will not only secure a more systematic and strategically justified plan implementation and ease the funding process, it will also be much cheaper than implementing the plan on a project-by-project basis through better use of resources. For instance, the implementation of the series of priority development projects and second-priority projects will in most cases require the engagement of teams of consultants and the conduct of field work and stakeholder consultations. Through an integrated approach, some of the required consulting skills can be shared by several projects.

Therefore, it is recommended that a small team of international and local tourism consultants with a broad tourism planning and marketing background be engaged for a period of say 2-3 years to assist the Advisory Group, regional Tourism Boards, Development Agencies, and County Economic Departments in the steering and guiding of the TMP implementation. This core team of tourism consultants will be assisted by international and/or local specialists according to requirements of the specific activities, e.g. specialists in sport fishing, biking and hiking tourism, biologists and zoologists, etc.

The core team of tourism consultants will work in close cooperation with the implementing authorities in the two counties and ensure capacity building of these institutions, particularly of the regional Tourism Boards and Development Agencies and ensure the transfer of skills and knowledge related to the planning and development of sustainable tourism at the regional level to the key staff of these organisations.

Further actions relating to the integrated implementation of the TMP

Since, the preparation of the necessary project documentation for a consolidated implementation of the Tourism Master Plan is beyond the scope of the current Terms of Reference, it is recommended that the two county PMUs assist in the preparation of necessary project documentation for the proposed integrated tourism development programme though it may be necessary to engage a tourism consultant experienced in the design of integrated tourism development programmes for this purpose.

9.5.4 Other guidelines for implementation

Regular updating of the Tourism Master Plan

While the Tourism Master Plan (TMP) is prepared for implementation over a period of four years, the Plan is not cast in stone and needs to be regularly reviewed and updated according to actual developments in Karlovac and Lika-Senj Counties in particular and in Croatia in general, as well as external developments may influence the plan.

Therefore, it is recommended that the TMP be reviewed and updated at least once per year, on the initiative and guidance of the Advisory Group for TMP Implementation and whenever major developments or events impacting on tourism development in the project area so require.

The annual review and subsequent updating of the Master Plan should consider the status of the implementation of the individual Plan activities and their continuing priority relevance and make adjustment accordingly.

Annex 1: Terms of Reference

SPECIFIC TERMS OF REFERENCE

Design of a Tourism Master Plan for two Croatian Counties

1. Background Information

1.1. Beneficiary Country:

Republic of Croatia

1.2. Contracting Authority

Central Finance and Contracting Unit, Ministry of Finance of the Republic of Croatia.

1.3. Relevant Country Background

Recognising that tourism is one of the most significant strategic, economic and development sectors of the Croatian economy, and considering the systematic support pledged to continental tourism, the Counties of Karlovac and Lika-Senj have started the elaboration of a Master plan for tourism development. According to data from the Croatian National Bank for the year 2004, the share of international tourism revenues in Croatian gross domestic product amounts to 20,3%, and there is an evident tendency of continued gradual growth.

The existing strategic documents at the national level that determine the framework for tourism development are the following:

The Croatian Government Programme in the mandate period 2003 – 2007 states that the Government will prepare special programmes in order to revitalise the tourist potential of the Croatian hinterland, through development of non-standard types of tourism such as rural, family, sport, hunting and others.

The Strategy for Regional Development of Croatia (proposal) outlines as a priority the strengthening of development capacity, in order to be able to effectively manage the county development potential. This priority focuses on the promotion of new ways of cooperation and relations between all stakeholders at county and inter-county level and between central and county level. Local stakeholders are obtaining an important role in the development of their territories, mainly through membership of County Partnership Committees whose input is deemed crucial in the process of implementation of county development strategies. This methodology will also be applied in the elaboration of the tourism master plan..

The National Programme for Agriculture and Rural Areas (proposal) lays down the guidelines for tourism development in rural areas. These guidelines are provided in the chapter entitled “Preservation and development of rural area”. This is particularly relevant for the Counties of Karlovac and Lika-Senj having in mind that the majority of their territory is of a rural character.

The Strategy for Croatian tourism development until 2010 lays down the strategic objectives for Croatian tourism as follows:

<i>Strategic objectives of Croatian tourism up to 2010</i>	
Solving ownership relations and completing the process of hotel privatisation	Construction of transport infrastructure and optimal transport organisation in function of tourism and increasing the quality of concurrent tourist programmes on traffic routes and terminals
Croatian competitiveness on international capital market	Development of all-inclusive offer of certain tourist destinations
Adoption of spatial plan for tourism development in Croatia for the purpose of	Raising the quality level of all accommodation capacities, basic and complementary, and
preservation of the attractive natural resources – moving forces of development and initiation of sustainable tourism development	adjusting the quality criteria to international standards
Permanent protection, implementation and adhering to high ecological standards and long term valorisation of tourist potentials	Introduction of well-known international hotel “brands” to the Croatian market
Education of management and other employees in the tourism industry	More efficient distribution and use of contemporary communication and marketing trends

In order to support tourism development support and at the same time, raise the quality of the total tourist offer as well as the diversity of tourism products specific for certain regions, the government has developed a series of measures to realise the objectives of the national strategy documents:

- A credit programme «Incentive for success»;
- A grants programme to stimulate, protect and reconstruct the heritage in underdeveloped tourism areas, to include them in the mainstream of tourism;
- A programme of subsidies for organised tourist transport.

1.4. Current State of Affairs in the Relevant Sector

The diversity in climatologic, hydrological, relief and historical characteristics of the various Croatian areas is significant in terms of their contribution to coastal as well as continental tourism. The inland area is still inadequately and sparsely used as a tourism destination, although it has a lot of potential tourist attractions, such as historical towns with interesting architectural features, sanctuaries, thermal mineral springs, rivers, national parks and protected areas, etc.

The objective of the Tourism Master Plan is, by a systematic approach to tourism development, to facilitate development in the continental parts of the region, without ignoring the potential of the coastal areas. The potential for continental tourism in the region is significant, but the sector is very inadequately developed.

Both the Karlovac and Lika-Senj Counties have elaborated a Regional Operational Programme (ROP), as the strategic development document for the future period, in compliance with the recently presented Draft National Strategy for Regional Development. The table below shows the strategic objectives that have been defined and agreed:

ROP	Karlovac County	Lika-Senj County
STRATEGIC OBJECTIVE	1 Creation of the preconditions for economic development	2 - The promotion of the tourism sector, as a key “driver” of development in the County
PRIORITY	2 - Improvement and Promotion of Tourist Offer	3 - Institutional and human resource capacity building in tourism development 4 - Development of tourism product offer
MEASURES	1 - Creation of optimal conditions and development of selective forms of tourism 3 - Improvement of destination management and establishment of tourist information system 4 - Improvement of marketing strategy and promotion of the County	11 - Development and capacity building of all tourism stakeholders 12 - Development of selective tourism offers and basic infrastructure building for development of new tourism models and new types of products, emphasizing the environmental protection and sustainable development principle

The Ministry of Sea, Tourism, Transport and Development (MSTTD) is responsible for tourism development in Croatia. It determines tourism policy and implementation measures; monitors and analyses tourism policy of the counties; participates in the elaboration of tourism strategies and their implementation; participates in the activities regarding EU accession; follows the work of tourist associations; proposes concepts and development policy for particular selective forms of tourism; directs the development of various environmental friendly forms of tourism; proposes the most appropriate concrete locations for and forms of tourism development; deals with administrative, legal and professional issues regarding regional development; monitors implementation and evaluation of regional development programmes and the annual and multi-annual incentive programmes for development of areas of special state interest; and proposes policy for sustainable island development.

The Ministry of economy, labour and entrepreneurship (MELE) deals with stimulation strategies for investments and export; eliminates obstacles for investments, regional development and privatisation, proposes measures for economic policy; implements and co-ordinates measures and activities for systematic development, creation and allocation of credit lines for SME, institution building support, application of innovations;

The Ministry of Agriculture, Forestry and Water Management (MoA) implements policy regarding structural improvement of family farms, improvement of physical and social infrastructure, preservation of nature and cultural heritage, education and training of rural population, promotion of original products and agricultural processing industry; proposes and implements laws and sub-laws; implements international co-operation, monitors implementation of agreements, conventions and projects.

The Ministry of Culture (MoC), deals with research, monitoring, recording, documenting and promotion of cultural heritage; identifies characteristics of cultural properties and their

assessment; keeps the Register of Cultural Properties; delineates conditions for use and purpose of cultural properties; manages cultural properties; deals with issues concerning preservation of bio and landscape diversities, sustainable use of natural resources and protection of natural values; co-ordinates and implements educational and promotional programmes related to the nature preservation and protection.

The County is a regional self-government unit. Its departments are responsible for activities regarding economy, small and medium entrepreneurship, crafts, water management, maritime properties and sea-ports, transport and communications, forestry, agriculture, tourism, hunting, protection against fire and natural disasters, fishing, veterinary, communal infrastructure management, and other activities within the economy field. A unit for economy and entrepreneurship deals with activities related to catering and tourism. The unit for agriculture and forestry deals, among others, with activities in the field of rural development and eco-agriculture. An Administrative Department for Development and European Integration co-ordinates co-operation with other administrative bodies and local and foreign institutions as well as with local self-government units, co-ordinates activities on preparation and implementation of projects, co-ordinates issues regarding European integration; elaborates reports and analyses within the scope of its responsibilities.

Towns and Municipalities constitute the lower level local self-government units. The Karlovac County has 5 towns and 17 municipalities, and the Lika-Senj County has 4 towns and 8 municipalities.

Regarding the activities of the state administration on the territory of both Counties, a series of County Services have been established. As concerns tourism development, the Services for Economy deal with administrative and professional activities regarding economy and statistics, while the Services for Spatial Planning, Environment Protection, Construction and Ownership Relations deal with administrative and professional activities regarding territorial planning and construction as well as ownership relations.

2. Description of the Assignment

2.1. Global Objective

The overall objective of the project is to contribute to the social and economic welfare of the Karlovac and Lika-Senj counties, through targeted development of the tourism sector

2.2. Specific Objective

The specific objective of the project is improved planning and implementation of tourism development in the Karlovac and Lika-Senj Counties, through the adoption of a clear and feasible common strategy.

2.3. Requested Services Including Suggested Methodology

The direct beneficiaries and at the same time counterparts to this project are the Karlovac County and the Lika-Senj County authorities, with their respective County Tourist Associations.

Final beneficiaries are the population of these Counties at large, the enterprises and entrepreneurs active in tourism, and towns and municipalities in the Counties.

The following activities are requested in support of these beneficiaries:

Task 1: Brief analysis of existing situation

Rather than becoming a lengthy description of the tourism opportunities in the Karlovac and Lika-senj Counties, the Tourism Master Plan must be solution and action oriented. Yet, in order to propose a strategy and future actions, it is necessary to make a good assessment of the present status quo in the tourism sector. This will require the following sub-tasks:

Subtask 1.1: Review and assess the existing situation

The Consultant shall review and analyse existing studies, reports and policy papers on tourism in Croatia in general, and in both Counties in particular. In addition, he will conduct interviews with representatives of all relevant stakeholders in the counties. Finally, he will conduct site visits to a selection of most important actual and potential tourist facilities and areas in the Counties.

Subtask 1.2: Identification of strengths and weaknesses

Based on the information retrieved under subtask 1.1., the Consultant shall organise one or more workshops with stakeholders from both Counties, in order to conduct a joint SWOT analysis. This analysis shall be represented in tabular format, with explications where needed. The SWOT analysis shall be the basis for the strategy to be developed by the Consultant.

Task 2: Design of a strategy for tourism development

The most important elements of the Tourism Master Plan are the long-term strategy, a short-term action plan, a medium-term action plan and the arrangements for their implementation. The tasks related to this work are described below.

Subtask 2.1: Identify niche markets and niche products

Tourism in Croatia is predominantly oriented towards the coastal areas of the country. Karlovac County is completely land-locked, while only a smaller part of Ličko-senjska County is located at the sea side. Thus, any strategy for tourism development must be oriented towards “continental tourism”, drawing on the abundant cultural and natural resources in both Counties. This may – but must not- imply that both Counties should opt for different tourist groups and tourist products than those related to mass tourism. The Consultant shall verify this assumption and identify specific niche products in both Counties, to be offered to specific target groups within and without Croatia. Special attention shall be given to the possibility of defining tourism clusters, being sub-areas or micro destinations within a given tourist area that share common characteristics. The Consultant shall summarise the findings in a brief report, describing the products, the target groups and the instruments most suitable to reach these target groups.

Subtask 2.2: Strategic vision

Based on the SWOT analysis and the identified niche products, the Consultant shall design a Strategy for Tourism Development for both counties, for a period of ten years. The strategy shall at least contain a common vision, a set of main objectives and a number of clear development priorities. It will describe not only what has to be achieved over this period, but also how it will be achieved. The Consultant should incorporate in the Tourism Master Plan one or more variants for the organisational and institutional set-up needed to achieve the strategic objectives (see also task 4 below). It is essential that the Tourism Master Plan contain one strategy and one implementation structure for both Counties together. The Consultant shall ensure that the strategic part of the Tourism Master Plan is agreed on and adopted by all main stakeholders in the two Counties.

Subtask 2.3: Action plans

Croatian budgeting for County and local authorities follows a one-year cycle. Multi-annual budgeting systems are being prepared, but still in their very beginnings. For this reason, the Consultant shall prepare an action plan including budgetary requirements (see task 6) for the first calendar year following the completion of the Tourism Master Plan. This short-term action plan must be limited to those actions, activities, investments and projects that can reasonably be expected to be funded and executed within one year. The Consultant should thus ensure that the Tourism Master Plan receives immediate follow-up, which is essential for local parties accepting it as their guideline for future joint activities. The short-term action plan must include a solution for the implementation structures at the regional level (see task 4).

It is acknowledged that only a limited number of projects, investments and other activities can be financed and implemented within a period of one year. Many projects will require external (donor) funding, to which in many cases lengthy procedures apply. The Consultant shall therefore design an action programme for a period of 3-4 years after the implementation of the short-term action plan. This mid-term action programme shall at least contain:

- solutions for a permanent regional implementation structure;
- policy measures and decisions to be taken by local and regional authorities;
- concrete projects to be implemented during this period, with special attention to the cluster approach (see task 6);
- funding sources identified for the proposed actions and projects;
- tasks and responsibilities attributed to regional stakeholders, public and private, in order to prepare and implement each of the proposed actions and projects.

The Consultant shall present the short-term and medium-term action plans to all relevant stakeholders, in order to seek and receive their approval.

Task 3: Guidelines for regular updates of the strategy and action plans

Until recently, the practice in Croatia has been that strategies, once developed and adopted, find their way to a book shelf and remain without any noticeable follow-up. With the introduction of Regional Operational Programmes through EU assistance, a marked change has been introduced, in particular at the regional level. Also with EU assistance, implementation structures and plans for the ROPs have been introduced, and Regional Partnership Committees supervise this implementation. The Consultant shall introduce appropriate methods and systems to ensure that

the Tourism Master Plan is regularly updated, and that the results of the implementation of action plans are collected and distributed to stakeholders. This not only requires a set of guidelines, with fixed dates for selected actions, but also the attribution of responsibilities to individual stakeholders in both Counties. The Consultant shall, throughout the implementation of this project, use the planned frequent sessions with stakeholders (see task 4) to develop, elaborate and agree on such a system of regular updates.

Task 4: Establish a joint implementation structure

This is the first time that two Counties in Croatia have agreed to join forces for the overall development planning of their tourism sector. The visions of both Counties on the future of tourism are similar, but not entirely identical. In addition, tourism development activities until now have been isolated actions, taken by individual stakeholders. The Consultant shall therefore throughout the implementation of this project ensure the active involvement of all relevant stakeholders in both Counties, and guide them towards “innovative” ways of co-operation. (e.g. public-private partnerships).

Subtask 4.1: Workshops, seminars, working group meetings

During the preparation of this project, a Project Working Group (WG) has been established consisting of 15 representatives of the main stakeholders in both Counties. It is envisaged that the WG will meet every fortnight and that its members will actively contribute to the work of the Consultant. The Consultant himself shall organise and prepare these WG meetings, providing the WG members with recent information on work in progress, but also requesting them for specific contributions. The Consultant is expected to use the meetings of the WG as a tool for preparing joint activities.

The stakeholder analysis performed during the preparation for this project has revealed that there are at least 70 other relevant stakeholders located in both Counties, a number that still does not include representatives of private business. The Consultant shall organise workshops, seminars and other types of sessions in order to include in the project as many as possible private and public parties (and NGOs) that may have some role in tourism activities and tourism development. The direct aim of this task is to create awareness that the development and implementation of the Tourism Master Plan is a matter of joint responsibility. The Consultant shall produce, with his final report, a list of workshops, seminars and other sessions held, with lists of participants and a concise summary of results.

Subtask 4.2: Consultations with stakeholders

Subtask 4.2 covers the inclusion of regional stakeholders in the project. The Consultant shall judge whether individual consultations with selected stakeholders are required, in order to discuss specific actions and/or their specific roles.

At the national level, the Ministry of Sea, Tourism, Transport and Development (MMTPR) is the first responsible for tourism issues; other relevant ministries are the Ministry of Agriculture, Forestry and Water Management (management of natural resources, especially water) the Ministry of Culture (nature protection and cultural heritage) and the Ministry of Economy, Labour and Entrepreneurship (SME promotion). The Consultant shall regularly consult these and other national bodies in order to ensure that the plans to be developed under the Tourism

Master Plan are in line with national policy, but also in order to identify and incorporate in the Tourism Master Plan, available national funding for implementation.

The Consultant shall in particular establish and maintain contacts with relevant international organisations and institutions, such as the EU, other multilateral donors, bilateral donors, private investors, tourism organisations, etc. The aim of this activity is to identify funding and marketing possibilities.

Subtask 4.3: Set up joint implementation structure

The Consultant shall explore the possibilities for the establishment of a (formal or informal) joint organisation that will be responsible for the implementation of the Tourism Master Plan in both counties jointly. He shall use and present examples of successful similar organisations in the European Union. Specifically, the Consultant shall assess the chances for establishing a public-privately funded organisation, thus incorporating the private sector in the strategic development of regional tourism.

Regardless of the ensuing formal or informal organisational structure, the Consultant shall identify and define the tasks and responsibilities of individual stakeholders and groups of stakeholders, and propose a workable model for their assuming of these tasks and responsibilities. This activity must be carried out in much detail, and must end up in formal agreements with individual stakeholders.

Subtask 4.4: Train future staff of the implementing organisation

Many organisations and institutions at the local and regional level are currently involved in tourism development and promotion. The Consultant shall, in the course of his regular consultations, workshops and other project activities, identify persons that would be suited to execute the development tasks within the future implementation structure. Concurrent with his proposal for the implementation structure (sub task 4.3.), the Consultant shall propose candidates for positions in it. Once these candidates have been approved by the Steering Committee, the Consultant will train them in all aspects of the work.

The Consultant shall design a training programme in an early stage of the project, and submit it to the Steering Committee for approval.

Task 5: Define budgets for implementation

The work of the Consultant will –among others- end up in a number of concrete actions, measures and projects (see task 6) and a proposed implementation structure (see task 4). The Consultant shall attach price tags to each of these actions, measures, projects and structures, and propose how to divide the costs over local, regional and national stakeholders and specific international donors. Based on this proposal, the Consultant shall liaise with local and regional authorities in order to assist them with the reallocation of existing budget or the allocation of new budget to the implementation of the Tourism Master Plan. This should at least lead to sufficient budget allocations for the first year of implementation.

The Consultant shall also suggest and agree financial contributions to the implementation of the Tourism Master Plan, to be delivered by the private sector. These may be contributions to individual projects, actions and measures, but also and preferably to the costs of the new implementation structure.

Finally, the Consultant shall propose methods to the local and regional authorities for securing their share of funding of the Tourism Master Plan implementation during the period of the medium-term action plan

Task 6: Identify a series of concrete development projects

Based on the status analysis, the SWOT analysis and the agreed strategic vision, the Consultant shall identify potential projects to support tourism development in both Counties. A primary source of project ideas is available in the Regional Operational Programmes of the Counties. These project ideas must be checked by the Consultant against the newly to be developed strategy.

Apart from the requirement to fit the new strategy, there are no a priori criteria for the selection of projects. They may be in the field of capacity building, of infrastructure development, of preparation for (sizable) private investment, or any other field. However, priority should be given to projects aiming at establishing or developing tourism clusters.

The Consultant is required to identify at least 25 feasible project ideas, if possible more or less equally divided over the two Counties. For each individual project, the Consultant shall prepare a short general description, a justification of the intervention, a project budget and the intervention logic as commonly used in EU project fiches.

The Consultant shall facilitate the selection, by the Working Group, the Project Steering Committee and the Regional Partnership Committees, of 10 projects that will be immediately developed. Upon this, the Consultant shall prepare complete funding applications for each of these projects, the format of which will depend on the sources of funding identified by the Consultant.

2.4. Required outputs

By the end of the project, the Tourism Master Plan **will be available in both the English and Croatian language.**

The Tourism Master Plan will contain at least the outputs as listed under numbers 1 to 5 and 7 below; outputs 6 and 8 are to be presented as annexes to the Tourism Master Plan.

1. Present situation in the tourism sector in both Counties comprehensively analysed and described in a situation assessment report, not exceeding 10 pages of text. This report shall include a SWOT analysis;
2. Niche markets and niche products identified;
3. Strategic vision on tourism development in the next ten years, with action plans for the short term and medium term, prepared and approved by main stakeholders;
4. Practical working methods for regular actualisation of the strategy established and agreed with main stakeholders, including regular updates on the actual state of affairs in the sector

5. Establishment of joint implementing structure (formal or informal) prepared, with participation of most relevant parties, for planning and execution of tourism development activities
6. At least 6 staff of the future implementing organisation trained and well-prepared for the activities
7. Proposals submitted for (additional) local budgets to be allocated to the implementation of the first five years of activities
8. At least 25 potential projects identified, of which at least 10 prepared for execution.

3. Profile of the Experts

The Contractor shall appoint a small team of experts for the execution of this assignment. The team will possess abundant know-how and experience in the field of (a) tourism strategy development and implementation, (b) organisation and management of tourism development at the regional and local level and (3) project development for EU and other donor funding (PRAG, project cycle management).

Senior expert no 1. (Category II – at least 10 year relevant experience) will operate as the **team leader** for the project. He/she will spend minimum 70 working days on the project, and will be responsible for overall planning, organisation, logistics and reporting.

Senior expert no.2. (Category II - at least 10 year relevant experience) shall be available for tasks related to the establishment of a regional organisation for tourism development and implementation, and the preparation of concrete tourism development projects for donor and national funding. His time consumption in Croatia will be minimum 30 working days.

The team of experts shall furthermore comprise at least two more experts. Expert no 3. (Category III – at least 5 years relevant experience) will be responsible for data research, and will have proven experience with tourism-related research and development activities at the national, regional or local level in Croatia. Expert no 4. (Category III – at least 5 years relevant experience) shall be responsible for data research and for practical issues in terms of logistics, interpretation, and publicity. The two category III experts will share between them at least 335 working days of inputs.

The Contractor's offer shall include at least 435 man-days.

Moreover, the profile of the experts is as follows:

- University degree in social sciences, economics or related discipline;
- Proven practical experience in tourism development activities;
- Proven record of managing similar projects for international organisations/donors;
- Sound knowledge of the role of regions in tourism development and the models of regional co-operation and organisation applied in the EU;

- Knowledge of the social, economic and political context within Croatia would be an asset;
- Familiarity with project design following the EC's project cycle management methodology
- At least two of the experts should be experienced in application of the PRAG procedures concerning works, supply, services and grant contracts, for purposes of project development;
- Fluent in English;
- At least two of the experts should be fluent in Croatian, in order to be able to collect data important for research through interaction with local stakeholders.

3.1. Working language

All reports and formal communications relating to the project shall be in English. However, although the formal working language is English, the Contractor should make provisions for the fact that the majority of stakeholders in the Counties do not command the English language. Internal reports, presentations, meetings, workshops etc. should therefore be formulated and held in Croatian.

4. Location and Duration

4.1. Starting period

Commencement of the assignment is in November 2006.

4.2. Foreseen finishing period and duration

The assignment will be performed within a period of 12 months.

4.3. Planning

The duration of the assignment will be in a series of discrete phases within the overall time frame of 12 months. A firm schedule for the various activities will be agreed during the inception phase, which has a duration of one month. The Contractor shall make provisions for continuous and uninterrupted presence of at least part of the project team in Croatia.

4.5. Location(s) of assignment

The location of the assignment shall be Gospić, Lika-Senj County, and Karlovac, Karlovac County. However, frequent field trips will be required within both target counties.

5. Reporting

5.1. Contents and submission timing of reports

The Central Finance and Contracting Unit (CFCU) at the Ministry of Finance acts as the Contracting Authority. The responsibility for approving project reports, other project documents, consultants' invoices, addenda to the contract and any other requests related to the contract lies with the CFCU. The Project Implementation Unit for this project is the Ministry of Sea, Tourism, Transport and Development (MSTTD) who will also be consulted concerning approval of the projects reports.

The Contractor will be expected to have obtained the acceptance of the beneficiary institutions (Karlovac County and the Lika-Senj County authorities) for all project reports prior to submission to the MSTTD and CFCU. Contact details of the counties are:

PMU Lika-Senj County	PMU Karlovac County
Mr. Dražen Peranić	Ms. Marijana Tomičić
Bilajska 3	Jurja Haulika 14
53000 Gospić	47000 Karlovac
kabinet-zupana@ls-zupanija.htnet.hr	mtomicic@email.t-com.hr

The Contractor shall prepare and submit the following reports:

- An Inception Report to be submitted within one month of commencement of the assignment. The Inception report will:
 - define clearly the aims and objectives of the technical assistance,
 - detail any changes agreed with the beneficiary that were not specified in the ToR,
 - set out a detailed work plan and time schedule for the project duration,
 - contain an overall strategy for the whole project duration.

All recipients of the Report have the opportunity to submit comments within 1 week to the contractor.

- An Interim Report describing the results of the project to date, the problems encountered and the solutions proposed, by the beginning of the seventh month after commencement.

All recipients of the Report have the opportunity to submit within 1 week comments to the contractor.

- A Final Report to be submitted within two weeks following the completion of the assignment, containing complete overview of all activities implemented during the project, summary of outputs and identification of problems during the implementation of the contract, as well as assessment of the impact of the project., Final Report is to be accompanied by the final invoice.

All recipients of the report have the opportunity to submit within 1 week comments to the contractor. The final version of the revised report based on all the collected comments will be submitted at the latest 1 week after the end of contract.

The Contractor shall agree prior to the assignment with both the beneficiary institutions and the CFCU about the exact structure and content of the administrative reports to be submitted.

5.2. Language

All reports shall be written in English and Croatian.

5.3. Number of report copies

All reports are to be submitted in hard copies and electronic format, simultaneously to:

Ministry of Finance, CFCU	Ministry of Sea, Tourism, Transport and Development	EC Delegation to the Republic of Croatia
Ms. Vladimira Ivandić	Mr. Željko Tufekčić, SPO	Mr. Florian Hauser
Katančičeva 5	Krležin Gvozd 1a	Trg Žrtava Fašisma 6
10000 Zagreb	10000 Zagreb	10000 Zagreb
ivana.podhraski@mfin.hr	maja.hranilovic@ws.mmtpr.hr	florian.hauser@ec.europa.eu

Each of these institutions will receive:

- One hard copy in Croatian
- One hard copy in English
- Electronic copy of the reports to the above-indicated e-mail address

6. Administrative Information

6.1. Authorised items to foresee under “Reimbursable”

Within the contract, an amount of 44,000 € is available for reimbursable costs.

This amount is to be used to cover the cost of local travel, international travel, per diems and translation/interpretation costs, as well as any other expenses required for the successful completion of the assignment, to be agreed with the contracting authority.

Please note that maximum the per diem rate for Croatia is fixed to 228 EUR.

Note that it is expected that all costs of meetings, conferences, venues, catering, offices, printing and publicity will be borne by the project beneficiaries.

6.2. Tax and VAT arrangements

Based on the Framework agreement between the European Commission and the Government of the Republic of Croatia concerning the participation of the Republic of Croatia in the European Community's aid programs of 27th March 2002, the contract shall not be subject to value added tax or similar charges in Croatia. In addition, natural and legal persons, including expatriate staff, from the Member States of the European Community, executing technical co-operation contracts financed out of the EC Grant, shall be exempt from business and income tax in Croatia.

Annex 2: Changed priorities – adjusted Terms of Reference

Introduction

As a result of the decision not to establish a joint organisational structure for the implementation of the Tourism Master Plan, the Specific Terms of Reference (TOR) for the Design of a Tourism Master Plan for two Croatian Counties were modified as shown on the following pages. Those sections of the TOR that are not shown here remain unchanged as in the original TOR presented as shown in Annex 1.

Subtask 2.2: Strategic vision

Based on the SWOT analysis and the identified niche products, the Consultant shall design a Strategy for Tourism Development for both counties, for a period of ten years. The strategy shall at least contain a common vision, a set of main objectives and a number of clear development priorities. It will describe not only what has to be achieved over this period, but also how it will be achieved. The Consultant should incorporate in the Tourism Master Plan one or more variants for the organisational and institutional set-up needed to achieve the strategic objectives (see also task 4 below). ~~The Consultant shall ensure that the strategic part of the Tourism Master Plan is agreed on and adopted by all main stakeholders in the two Counties.~~

Deleted: It is essential that the Tourism Master Plan contain one strategy and one implementation structure for both Counties together.

Subtask 2.3: Action plans

Croatian budgeting for County and local authorities follows a one-year cycle. Multi-annual budgeting systems are being prepared, but still in their very beginnings. For this reason, the Consultant shall prepare an action plan including budgetary requirements (see task 6) for the first calendar year following the completion of the Tourism Master Plan. This short-term action plan must be limited to those actions, activities, investments and projects that can reasonably be expected to be funded and executed within one year. The Consultant should thus ensure that the Tourism Master Plan receives immediate follow-up, which is essential for local parties accepting it as their guideline for future joint activities.

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It is acknowledged that only a limited number of projects, investments and other activities can be financed and implemented within a period of one year. Many projects will require external (donor) funding, to which in many cases lengthy procedures apply. The Consultant shall therefore design an action programme for a period of 3-4 years after the implementation of the short-term action plan. This mid-term action programme shall at least contain:

- ~~policy measures and decisions to be taken by local and regional authorities;~~

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- concrete projects to be implemented during this period, with special attention to the cluster approach (see task 6);

- funding sources identified for the proposed actions and projects;

- tasks and responsibilities attributed to regional stakeholders, public and private, in order to prepare an implement each of the proposed actions and projects.

The Consultant shall present the short-term and medium-term action plans to all relevant stakeholders, in order to seek and receive their approval.

Task 4: Implementation of the Tourism Master Plan

~~Tourism~~ development activities until now have been isolated actions, taken by individual stakeholders. The Consultant shall therefore throughout the implementation of this project ensure the active involvement of all relevant stakeholders in both Counties, and guide them towards “innovative” ways of co-operation. (e.g. public-private partnerships).

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Subtask 4.3: Possible joint implementation structure

~~While the~~ Consultant shall explore the possibilities for the establishment of a (formal or informal) joint organisation that ~~could~~ be responsible for the implementation of the Tourism Master Plan in both counties. ~~the final beneficiaries and the contracting authorities have decided that a joint implementation structure would not be viable.~~ He shall use and present examples of successful similar organisations in the European Union. Specifically, the Consultant shall assess the chances for establishing a public-privately funded organisation, thus incorporating the private sector in the strategic development of regional tourism.

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Regardless of the ensuing formal or informal organisational structure, the Consultant shall identify and define the tasks and responsibilities of individual stakeholders and groups of stakeholders, and propose a workable model for their assuming of these tasks and

Annex 3: Draft constitution of the originally proposed KALIS-TDA

Article 1. Name of the Organisation

1.1 The Agency shall be known as the Karlovac and Lika-Senj Tourism Development Agency (hereinafter referred to as KALIS-TDA or the Agency) which is a body corporate and a non-profit making Agency, with powers to sue and be sued

Article 2. Offices / Headquarters

2.1 The Agency shall have its Headquarters and appropriate office facilities in either Karlovac or Gospic.

2.2 Initially, the Agency will be housed within one of the two County Council administrations to save resources.

Article 3. Vision and Mission

3.1 The Vision of KALIS-TDA is:

“To effectively coordinate the implementation of the Tourism Master Plan for Karlovac and Lika-Senj Counties, and serve the interest of the Counties’ public and private tourism industry, and actively assist in the sustainable development of tourism in Karlovac and Lika-Senj Counties to the benefit of the local population.” (To be agreed by the Board once established)

3.2 The Mission of KALIS-TDA is:

“To ensure the efficient implementation of the Tourism Master Plan for Karlovac and Lika-Senj Counties, be a focal point and dynamic forum for a strong and effective public-private partnership, and maintain a positive dialogue with the County Tourism Boards, other County and Municipality Administrations, NGOs, local communities and civil society, in an effort to develop tourism in Karlovac and Lika-Senj Counties in a sustainable manner.” (To be agreed by the Board once established)

Article 4. Functions and Powers

4.1 KALIS-TDA is initially established to coordinate and ensure the implementation of the Tourism Master Plan for Karlovac and Lika-Senj Counties in close consultation with relevant stakeholders, notably the two County Tourism Boards, and become the focal point for a strong public-private partnership, and that way contribute to the sustainable development of tourism in Karlovac and Lika-Senj Counties.

4.2 The main roles and functions of KATIS-TDA are:

- To coordinate the implementation of the Tourism Master Plan for Karlovac and Lika-Senj Counties
- To enhance the public-private partnership within the tourism sector in Karlovac and Lika-Senj Counties
- To become the focal point for the coordination of tourism planning and development in the Karlovac / Lika-Senj tourism area.

4.3 In the future, KALIS-TDA may take over certain of the current functions of the two County Tourism Boards if desirable and in agreement among the stakeholder organisations represented in the Agency.

Article 5. **Organisation**

a. Facilitation Board

5.1 The Agency is guided by a Facilitation Board (hereinafter referred to as the Board). The Board shall consist of:

- 3) 2 County Council members – one member appointed by each of the two County Councils
- 4) The Directors of the two County Tourism Boards – permanent members
- 5) 2 Town and Municipality Council members – appointed by the group of municipality councils
- 6) 2 members appointed by the group of Town and Municipality Tourism Boards
- 7) 2 members appointed by the group of National and Nature Parks (i.e. Plitvice Lakes and North Velebit National Parks and Velebit Nature Park)
- 8) 2 members appointed by the County Chambers of Commerce and representing each of the two County Chambers
- 9) 8 private sector members appointed by the TDA Council – representing:
 - Hotels and other accommodation facilities (4)
 - Tour operators and travel agents (2)
 - Restaurants and other food outlets (1) – (elected in uneven years)
 - Other tourism related businesses including tourist attractions (1) – (elected in even years).

5.2 Each Board member, except (b) is elected for a period of two years, except in the first year of establishment, where half of the members of each membership category (a) – (g) are elected for one year only. Thereafter, half of the members of each membership category are elected in even years, and the other half in uneven years.

5.3 Board members are eligible for re-election within their respective membership category.

5.4 The Board shall elect from among its membership a Chairperson, a Deputy Chairperson, one from the public sector and one from the private sector. The Chairperson and Deputy Chairperson shall never represent the same membership category.

5.5. The Chairperson and Deputy Chairperson shall be elected for a period of two years, and shall be eligible for re-election.

5.7 The Board may establish permanent and/or ad hoc sub-committees according to requirements. While the sub-committees shall be chaired by a Board member, the Board may invite non-Board members, if found relevant.

5.8 The Board shall meet quarterly or as and when necessary provided that not less than seven (7) days notice has been given in writing.

5.9 The role of the Board is to oversee and advise the administration of KALIS-TDA in its operation and approve the annual work programmes and budgets of the Agency.

b. Council

5.10 The Council of KALIS-TDA is established to elect members of the Board and will meet annually for that purpose. The Council will consist of:

- One representative from each of the Town and Municipality Councils
- One representative of each of the Town and Municipality Tourism Boards
- One private sector representative from each town and municipality
- One representative from each National and Nature Park within Karlovac and Lika-Senj Counties

5.11 The representatives of the Town and Municipality Councils will elect among themselves two members to the Board.

5.12 The representatives of the Town and Municipality Tourism Boards will elect among themselves two members to the Board.

5.13 The representatives of the private sector will elect among themselves, or if necessary among non-Council members eight (8) members to the Board comprising:

- Hotels and other accommodation facilities (4)
- Tour operators and travel agents (2)

- Restaurants and other food outlets (1)
- Other tourism related businesses including tourist attractions (1)

5.14 The representatives of the National and Nature Parks will elect among themselves two members to the Board.

5.15 The Board members are elected for two years in accordance with the Article 5.2, i.e. half in even years and half in uneven years.

c. Administration

5.16 The day-to-day work of KALIS-TDA will be undertaken by a professional Administration.

5.17 Initially, the Administration will consist of two full-time professional staff, one appointed by Karlovac County Council and one appointed by Lika-Senj County Council in accordance with the job descriptions and qualifications outlined in Schedule 2.

5.18 One of the professional staff will be appointed as Director of the Agency according to qualifications.

6.8 Under the responsibility of the Director, the Administration shall be responsible for, among others:

- Day-to-day management of the KALIS-TDA
- Acting as Secretary and Treasurer to the Board
- Formulating annual Activity Plans and Budgets for Board approval
- Keeping the accounts of the Agency in good order
- Ensuring close contact between the Administration and the Board members, and between the Agency and the County and Municipality Tourism Boards, County Councils, National and Nature Parks, Chambers of Commerce, and the private sector
- Ensuring general awareness of KALIS-TDA in all layers of the society and its objectives, roles and functions, notably the implementation of the Tourism Development Plan for Karlovac and Lika-Senj Counties
- Generally ensuring the implementation annual work programmes and budgets of KALIS-TDA

Article 6. **Funding and Use of Funds**

6.1 Finances of the Agency may come from a variety of sources including:

- Annual contributions from the two County Councils according to the size of their population
- Annual contributions from the Town and Municipality Councils according to the accommodation capacity of the town / municipality
- A special KALIS-TDA bed levy levied visitors to Karlovac and Lika-Senj Counties who stay at commercial accommodation establishments
- Subscriptions of affiliate memberships
- Donations
- Consultancy fees
- Such other legal sources as the Agency may, from time to time, determine

6.2 The Board will approve the sources of finances on an annual basis in connection with the approval of the annual work programmes and budgets, and shall ensure the implementation of the relevant funding mechanisms.

6.3 Proper accounting records of the Agency shall be kept by the Treasurer (the Director) who shall present regular statement of income and expenditure to the Board.

6.4 The Treasurer shall prepare a balance sheet and income and expenditure statement for presentation to the Board on an annual basis.

6.5 The Board may employ a qualified person to audit the accounting records, balance sheet and income and expenditure statement.

Article 7. **Amendments to the Constitution**

7.1 Any provision of the constitution may be amended or repealed by resolution of a Board meeting convened for that purpose by a least two-thirds (66%) provided that a written notice of not less than 10 days has been given. A quorum for such a meeting should be set at no less than 15 members.

Article 8. **Dissolution**

8.1 The Council may be dissolved or merged with another body having similar objectives subject to:

- a) A resolution by two-thirds majority of members present at a duly constituted Council meeting; or

- b) By an order of a competent court of law obtained by any member on the grounds that the Council has become dormant or is unable to fulfil its purpose and objectives.

8.2 Upon dissolution of the Council, it shall within a period of six months thereafter wind up all business including the distribution of all assets thereof to member sub-sector associations or institutions approved by the Council, failing which the Council shall approach a court of competent jurisdiction for the appointment of a liquidator.

Article 9. Limited Liability and Indemnity

9.1 The Agency is formed purely for the objective as stated in this constitution and not for any other purpose or financial gain. No representative shall be liable for any debts or obligations of the Agency.

9.2 Every member of any duly constituted committee and every officer or servant of the Agency, shall be indemnified against all costs, losses and expenses which any members, officer or servant, may incur or become liable for in any way, in the execution of his office or trust, unless the same costs, losses or expenses have been incurred or occasioned by his own wilful act or default.

Schedule 1: Proposed Distribution of Roles and Functions between KALIS-TDA and the County Tourism Boards

Since it has not been possible to obtain common stakeholder support for the establishment of a single regional tourism organisation for Karlovac and Lika-Senj Counties, the combined tasks of implementing the Tourism Master Plan and performing general tourism destination management at the regional level will need to be split between the new Karlovac and Lika-Senj Tourism Development Agency (KALIS-TDA) and the existing County Tourism Boards.

Further, the Ministry of Sea, Tourism, Transport and Development (MSTTD) has the overall responsibilities of setting the legal, regulatory and planning framework for tourism development at the national level, which County and Municipality tourism organisations have to adhere to.

The County Tourism Boards

In close consultation with the County Councils, of which they are an integral part, the Karlovac and Lika-Senj County Tourism Boards are responsible for:

- Regional tourism policy and strategic planning
- Setting the planning framework for regional tourism planning and development, e.g. formulating regional tourism development plans and strategies

- Marketing and promotion of their respective county as a tourist destination
- Collection and provision of visitor and general information
- Product development
- Conduct market research
- Facilitation of tourism investment and product development in cooperation with the KALIS-TDA
- Regional tourism awareness

The Karlovac Lika-Senj Tourism Development Agency (KALIS-TDA)

In general, the primary responsibility of KALIS-TDA is to ensure the implementation of the Tourism Development Plan in cooperation with other stakeholders, especially the two County Tourism Boards. In particular, KALIS-TDA is responsible for the implementation of the selected priority development projects including the ensuring of funding.

However, in light of the limited capacity of the County Tourism Boards, it is essential that KALIS-TDA supports and assists the County Tourism Boards in part of their normal destination management tasks, and if deemed feasible, takes over some of these in the longer run.

Consequently, in the short run, the roles and functions of KALIS-TDA should include:

- To coordinate the implementation of the Tourism Master Plan for Karlovac and Lika-Senj Counties
- To enhance the public-private partnership within the tourism sector in Karlovac and Lika-Senj Counties
- To become the focal point for the coordination of tourism planning and development in the Karlovac / Lika-Senj tourism area.

Schedule 2: Job Descriptions and Qualifications of KALIS-TDA Staff

Tasks of the Director

The Director of KALIS-TDA will be responsible for the day-to-day operation of the Agency and represent the Agency on all matters. More specifically, the Director will be responsible for the following main tasks:

- Day-to-day management of the KALIS-TDA Administration
- Being responsible for the functions of Secretary and Treasurer/Accounting Officer to the Board including ensuring the organisation of Board meetings in accordance with the Constitution and the wide distribution of minutes of Board meetings

- Formulating annual Work Programmes and Budgets for Board approval and keeping the accounts of the Agency in good order
- Ensuring the close contact between the Administration and the Board members, and between the Agency and the County and Municipality Tourism Boards, County Councils, National and Nature Parks, Chambers of Commerce, and the private sector
- Promoting general awareness in all layers of the society of KALIS-TDA and its objectives, roles and functions, notably the implementation of the Tourism Development Plan for Karlovac and Lika-Senj Counties
- Generally ensuring the implementation of KALIS-TDA's annual work programmes and budgets

Qualifications of the Director

The Director of KALIS-TDA should be highly qualified, dedicated and motivated to ensure the success of the organisation in spearheading tourism development in Karlovac and Lika-Senj Counties. More specifically, the KALIS-TDA Director should have the following qualifications:

- Possess a bachelor degree in tourism, economics, financial business administration or similar field or have acquired similar practical experience
- Be familiar with tourism development and operation in Croatia
- Have at least ten years of practical experience in the tourism sector or other business operation and administration
- Be dynamic and possess excellent communications and negotiations skills

Tasks of KASLIS-TDA Officer

The KALIS-TDA Officer will report to the Director and carry out any other KALIS-TDA-related duties assigned to him/her by the Director.

Qualifications of KASLIS-TDA Officer

The KALIS-TDA Officer should be qualified and motivated in ensuring the success of the Agency. More specifically, he/she should

- Possess a bachelor degree in tourism, economics, financial business administration or similar field or have acquired similar practical experience
- Be familiar with tourism development and operation in Croatia
- Have at least five years of practical experience in the tourism sector or other business operation and administration
- Be dynamic and possess excellent communications skills