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SURVEY ON LOW CARBON TOURISM IN MONTENEGRO

FINAL REPORT



Report prepared by:

E3 Consulting
Energy-Ecology-Economy



2015.

Survey on Low Carbon Tourism in Montenegro is conducted in July 2015 in cooperation with the Centre for sustainable development and E3 Consulting Podgorica.

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EXECUTIVE SUMMARY

Survey on low-carbon tourism in Montenegro was conducted in 6 coastal municipalities (Bar, Budva, Herceg Novi, Kotor, Tivat, Ulcinj) and Old Royal Capital Cetinje and it included three target groups: 1) 1,000 visiting tourists; 2) 100 travel and tourism sector representatives; and 3) relevant central & local authorities in the area of tourism and environmental protection.

Tourists, travel and tourism sector representatives and relevant central & local authorities in the area of tourism and environmental protection in general showed **quite poor awareness level** on low carbon growth and knowledge on low carbon services and products throughout the travel and tourism supply chain. Still, general perception is that Montenegro is pure and nature-friendly tourism destination. There **were no concretely stated low carbon travel and tourism products or services offered in Montenegro**, except for Marina Porto Montenegro with ecological standards for yachts.

Travel and tourism business entities **are at certain level using mitigation measures** for decreasing CO₂ emissions, but some incentives are needed and systematic approach led by the national institutions. Relevant institutions **are aware on eco-labelling schemes** and there are some intentions for providing assistance to travel and tourism sector representatives in applying it in their tourism offer.

The main barriers against using or providing low carbon tourism products and services stated by travel and tourism sector representatives is **lack of interest** (perception that it would not attract more clients/tourists) and **lack of funds and incentives**. Additionally, tourists are generally not interested in low carbon tourism products and services, while relevant central & local authorities stated lack of funds and lack of interest by tourism sector representatives.

Actions identified in offsetting travel and tourism carbon footprint that could also be an incentive and motivation for further creating the environment for low carbon tourism development are related to pedestrian and bicycle zone, bicycle trails and stations for manual and electric bikes, tax incentives for accommodations of higher category, the benefits for tourism facilities using some energy efficiency program, adequate waste disposals, etc.

- **1,000 visiting tourists**

- ✓ Interviewed tourists were generally guessing what the low-carbon tourism is. However, majority (70.17%) of interviewed tourists are interested to decrease own impact on nature through the low carbon tourism and somewhat less than half (48.84%) of tourists would pay more for vacation if it would fund low-carbon projects in Montenegro.
- ✓ Most tourists do not know what carbon footprint is – more than a half (51.60%) stated that don't know definition of carbon footprint. Only 2.20% of interviewed tourists have ever calculated own carbon footprint. Still, most tourists (49.29%) are interested to calculate their carbon footprint for less than 10 EUR per year.
- ✓ More than three quarters (76.32%) of interviewed tourists stated that environmental protection **is** on a satisfactory level in Montenegro.
- ✓ Tourists generally chose Montenegro because of its pure nature (50.60%) and good prices (40%). One quarter of tourists that have chosen Montenegro as a destination for holiday because of pure nature think that environmental protection is not on a satisfactory level in Montenegro.
- ✓ Tourists visiting Montenegro generally believe that they behave in an environmentally conscious way (76.23%). However, activities that tourists do in order to reduce use of natural resources while in Montenegro are mainly related to energy saving – switch off lights and air conditioning when out and water/fuel saving – taking a quick shower and walking.
- ✓ Summer holidays in general (56.07%) and this summer holiday in Montenegro (50.90%) are, to some extent, based on contact with nature for most of tourists although less than one third (32.23%) of tourists are well informed about the nature friendly tourism in Montenegro.
- ✓ Tourists have heard of nature friendly tourism (63.30%), but only less than one third (31.22%) of tourists have ever been on nature friendly tourism holiday. Tourists that have been on nature-friendly tourism holiday, usually heard about that from the Internet (58.39%) and at these destinations were looking for various experiences and activities. Tourists usually traveled on nature-friendly tourism holiday with family, the travel was independently organized and they approximately spend on such traveling less than 500 EUR.
- ✓ Half of tourists coming from abroad arrived in Montenegro by plane, while more than two thirds (67.64%) of all interviewed tourists arrived by road vehicle – own car, rent-a-car, motorbike or bus. Tourists usually use own car (44.80%) or a bus (30.70%) when travel around Montenegro.
- ✓ Most of tourists stay in hotels and hotel-apartments (41.34%) as well as in private accommodation (renting rooms) (34.33%). Most of them usually spend 10 to 30 EUR per person per day for accommodation (45.05%) and for food and drinks (33.23%).

- ✓ One third of tourists coming from abroad visited Montenegro for the first time, as well as over half of tourists coming from the rest of the world. Almost all (95.77%) tourists do plan to visit Montenegro again within the next five years.
- ✓ The most important aspect, out of 18 offered, with average highest given grade when choosing a holiday destination for tourists is “general sense of safety”, while the least important is “availability of sports facilities”.
- ✓ Majority of interviewed tourists behave on holiday in expected ways – most of them go on holiday one or two times (78.74%), every year (76.9%) for approximately 2 weeks, choose location asking friends and relatives or the Internet and organize holiday independently.

• **100 travel and tourism sector representatives**

- ✓ Tourist business entities (49%) are investing in energy efficiency and most of them (63.3%) are invested in new insulation - doors, while 18.4% of them are invested in alternative energy sources (solar panels) and only 4.1% of them are investing in other energy sources, such as hybrid cars and smart room. At the same time, most of tourist business entities (61.2%) invested up to 10,000 EUR in energy efficiency. Only 21% of tourist business entities invested in renewable energy sources and 80.95% of them invested in solar energy.
- ✓ Involvement of local communities in development of low-carbon tourism is of crucial importance since vast majority of tourist business entities (98%) are willing to support waste collection in their community.
- ✓ Two thirds of tourist business entities (67%) believe that municipality does not have enough financial resources for financing “green” projects and as a reason for that most stated the economic crisis (30.8%) and other priorities (15.4%). On the contrary, 33% of companies believe that municipality has enough financial resources for financing “green” projects primarily because of the budget, high taxes, fees and other income (68.8%).
- ✓ More than a half (56%) legal entities that provide transportation as the main activity are willing to invest in their vehicles to switch on ecological and alternative fuels and they are willing to invest on average 1,528.9 EUR annually, and the use of ecological and alternative fuels should be promoted through various incentives.
- ✓ Most tourist business entities (89%) strongly agree and agree with the statement “Eco-tourism will be important in the future” as well as 81% of them are strongly agree and agree with the statement “Climate change has a great impact on the tourism sector development”.
- ✓ When it comes to the question about level of environmental protection in Montenegro opinion of tourist is very different from tourist business entities. Namely, somewhat more than one fifth (23.7%) of tourists believe that environmental protection is not on the satisfactory level versus 62% of legal entities with the same opinion. However, they agree that “Lack of care and will” and “Dirtiness, waste and waste water” are the main reasons why environmental protection is not on a satisfactory level.

- ✓ Almost half (48%) of tourist business entities strongly agree and agree with the statement "Investments in development of low-carbon / carbon neutral tourism services and products will attract specific tourism markets and generate income in the long-term", while 40% of them somewhat agree with the above statement.
- ✓ Majority (60%) of tourist business entities agree that the National Tourism Fund should be established for financing projects in the area of CO2 reduction.
- ✓ In relation to the total number of tourist business entities, only one quarter (25%) are willing to allocate funds and more than half of them (54.2%) are willing to allocate more than 10 EUR in order to know the way of calculating the carbon footprint.
- ✓ More than two thirds (68.7%) of tourist business entities, do not apply any environmental standardization scheme or have a certified business segment.
- ✓ More than half (58%) tourist business entities are willing to pay for Eco Certification – 23% on voluntary basis and 35% on mandatory basis.
- ✓ Two thirds of tourist business entities (66%) are interested to learn more about Eco Certification in Montenegro as well as to be further informed about climate change and tourism in the future (75%).

• **Relevant central & local authorities in the area of tourism and environmental protection**

- ✓ Representatives of all relevant institutions are generally familiar with the concept of eco-tourism, but not sufficiently with the low-carbon tourism definition.
- ✓ Overall, institutions believe that Montenegro is a "clear" tourist destination in terms of its impact on climate change and regarding the level of harmful GHG emissions. However, a global awareness on climate change is developing and future tourism development should be in accordance with these challenges.
- ✓ When it comes to environmental protection in general, particularly in the tourism sector, institutions usually addressed three problems: (1) municipal solid waste, (2) "illegal dumps" and (3) waste water, while rarely considered air pollution as a significant problem. It is important to emphasize that it is recognized that institutions as well as citizens and tourists that are dealing with inadequate treatment of waste and wastewaters and equally contribute to those problems. In addition to waste, all interviewees noted significant concerns about the poor infrastructure - transport, electricity and water supply, which continues to negatively impact not only on tourism, but also on the quality of life in Montenegro.
- ✓ Although the legal and strategic documents were adopted at the national level, representatives of the national and local institutions believe that there are preconditions for the inclusion of the eco-tourism concept, which implies the reduction of GHG, in a strategic and regulatory system of Montenegro. It was pointed out that there are already some legal and strategic guidance as a precondition for the application of the concept of eco-tourism.

- ✓ When it comes to the application of defined legal and policy provisions and guidelines, all respondents agree that they are not satisfied with the application of laws and regulations in the field of environmental protection, as well as with the system for monitoring of implementation of laws and regulations and a system of penalties for violators of laws and regulations in the area of environmental protection.
- ✓ In addition to the obvious barriers to adequate supervision of application of laws and regulations, such as the small number of environmental inspectors and defined procedures by which they work, they mentioned the lack of transparency and consistency in the work of the competent authorities.
- ✓ Significant disagreement regarding the jurisdiction in making and implementing decisions, regulations and supervision was noticed between representatives of institutions at national level and representatives of the institutions at the local level. Institutions at the national level are more for the idea of further centralization, while local institutions believe that decentralization would lead to simplified system of adoption and implementation of regulations and the whole system would be significantly more efficient. In addition, representatives of all relevant institutions pointed out the lack of cooperation among the institutions and municipalities.
- ✓ All the institutions agree that the establishment of a National Climate Fund would be desirable, but there are some preconditions that should be fulfilled in order to make it fully operational needed to make this function adequate, such as cost-benefit analysis, transparency, models for financing the fund, the ways of resource allocation.
- ✓ Institutions in general are not familiar with voluntary/ compensatory scheme for polluters, but believe that more it would be more efficient to apply any compulsory compensatory schemes and the provision of certain incentives for businesses.
- ✓ Institutions believe that the introduction of eco-certification and standardization is necessary, but with transparent criteria and significant incentives for businesses so that this would not be an additional barrier to business.
- ✓ Representatives of relevant institutions at the local and national level mostly stated that employees in all institutions have sufficient knowledge and skills in accordance with the tasks performed, but are regularly further educated and informed and are interested in expanding their knowledge.
- ✓ The institutions that have direct contact with tourists and businesses in the tourism sector are familiar with the requirements of tourists through regular surveys and communication, and following the trends in tourism at the international level. The results of their findings and information from tourists are transferred to the decision makers in order to improve the tourist offer.

CONTENT

EXECUTIVE SUMMARY	5
CONTENT	11
TABLES AND GRAPHS.....	12
INTRODUCTION	15
PROJECT METHODOLOGY.....	17
THE TOURISTS.....	21
Introduction.....	22
Survey Results	24
Socio-economic characteristics of respondents	24
Holiday Behavior	27
Visiting Montenegro	30
Nature-friendly tourism	35
Low-carbon tourism	41
Key Conclusions.....	43
LEGAL ENTITIES IN TOURISM SECTOR	45
Introduction.....	46
Survey Results	48
General information about the legal entity	48
Eco-Tourism	56
Carbon footprint	62
Eco certification	64
EU ecolabel for tourist accommodation	66
IN-DEPTH INTERVIEWS	71
Introduction.....	72
Survey Results	73
Analysis of the level of awareness and general knowledge and preferences on specific issues	73
The impact of climate change, emissions of carbon dioxide and other harmful gases to tourism in Montenegro	73
Preconditions for the inclusion of the concept of eco-tourism in the strategic and regulatory system of Montenegro.....	75
The establishment of the National Climate Fund in tourism or other funding mechanism, reducing emissions of greenhouse gases in the tourism sector	77
The potential benefits of voluntary / compensatory schemes and their inclusion in the booking system the area of tourism in Montenegro.....	79
Ecological certification and standardization; promote wider standardization in daily activities	80
Availability of low/no carbon tourist products and services in Montenegro	81
Incentives for industry 'champions' to promote climate change in tourism	83
Awareness of the institution staff on the concept of sustainable and eco-tourism.....	84
Possibility and capacities for implementation of low carbon tourism.....	85
Decision making processes and response mechanisms to the tourism sector demands	85
The extent to which legal frameworks are sympathetically interpreted or simply applied	86
Systems of monitoring and enforcing existing laws aimed at greening the tourism industry.....	87
The functioning of the system of financial penalties and the use of funds collected for the "green" sector	88
Role of Institutions in low carbon tourism development	89
Awareness on end-users'/tourists' needs and requirements regarding implementation of the low carbon tourism in Montenegro	90
Key Conclusions.....	93

TABLES AND GRAPHS

LIST OF TABLES:

TABLE 1: TYPE OF ACCOMMODATION WHILE STAY IN MONTENEGRO.....	31
TABLE 2: WHY TOURISTS THINK THAT ENVIRONMENTAL PROTECTION IS NOT ON A SATISFACTORY LEVEL IN MONTENEGRO.....	34
TABLE 3: ACTIVITIES AIMING TO REDUCE THE USE OF NATURAL RESOURCES AND ENERGY ON HOLIDAY BY TOURISTS' COUNTRY OF ORIGIN	39
TABLE 4: DEFINITION OF CARBON FOOTPRINT.....	41
TABLE 5: SAMPLE BY MUNICIPALITY / MAIN SERVICE IN TOURISM.....	47
TABLE 6: CAPACITY OF TOURISM FACILITIES BY TYPE OF SERVICE.....	48
TABLE 7: MARKETING TOOLS USED TO PROMOTE TOURIST OFFER.....	50
TABLE 8: WHERE GUESTS/CLIENTS COME FROM.....	50
TABLE 9: MODES OF INVESTMENT IN ENERGY EFFICIENCY / MAIN ACTIVITY OF BUSINESS ENTITIES.....	52
TABLE 10: MONTHLY AVERAGE OVERHEAD COSTS BY MUNICIPALITY.....	54
TABLE 11: TO WHAT EXTENT AGREE WITH THE STATEMENTS ABOUT CLIMATE CHANGE AND ECO-TOURISM.....	56
TABLE 12: WHY NOT INFORMED ENOUGH ABOUT THE ECO-TOURISM IN MONTENEGRO.....	58
TABLE 13: WHY NOT INFORMED ENOUGH ABOUT THE ECO-TOURISM IN MONTENEGRO.....	58
TABLE 14: WHY SERVICES AND FACILITIES ARE NOT ON A SATISFACTORY LEVEL IN MONTENEGRO	59
TABLE 15: DEFINE OF CARBON FOOTPRINT.....	62
TABLE 16: HOW MUCH WILLING TO PAY FOR THAT ON ANNUAL BASIS.....	63
TABLE 17: WHAT ENVIRONMENTAL STANDARDIZATION SCHEME OR CERTIFICATION APPLIED; WHY NOT APPLIED ANY ENVIRONMENTAL STANDARDIZATION SCHEME OR CERTIFICATION; WHAT ENVIRONMENTAL STANDARDIZATION SCHEME OR CERTIFICATION ARE PLANNED TO BE APPLIED	64
TABLE 18: HOW MUCH WILLING TO PAY FOR ECO-CERTIFICATION STANDARDS ON ANNUAL BASIS	65
TABLE 19: EU ECO-LABEL.....	66

LIST OF GRAPHS:

GRAPH 1: SAMPLE STRUCTURE BY MUNICIPALITIES	22
GRAPH 2: SAMPLE STRUCTURE BY TOURISTS'/VISITORS' COUNTRY OF ORIGIN	22
GRAPH 3: RESPONDENTS' GENDER	24
GRAPH 4: RESPONDENTS' AGE	24
GRAPH 5: RESPONDENTS' MARITAL STATUS	25
GRAPH 6: LEVEL OF EDUCATION.....	25
GRAPH 7: EMPLOYMENT STATUS	25
GRAPH 8: BASIC SOURCE OF INCOME	26
GRAPH 9: AVERAGE ANNUAL INCOME.....	26
GRAPH 10: HOW OFTEN TOURISTS USUALLY GO ON HOLIDAY.....	27
GRAPH 11: TOURISTS GO ON SUMMER HOLIDAYS EVERY YEAR	27
GRAPH 12: FOR HOW LONG TOURISTS PLANNING TO BE ON SUMMER HOLIDAY THIS YEAR.....	28
GRAPH 13: HOW TOURISTS CHOOSE A LOCATION WHERE TO GO ON HOLIDAY	28
GRAPH 14: HOW ARE HOLIDAYS ORGANIZED.....	29
GRAPH 15: ON A SCALE FROM 1 TO 10 INDICATED IMPORTANCE OF THE FOLLOWING ASPECTS WHEN CHOOSING A HOLIDAY DESTINATION.....	29
GRAPH 16: FIRST TIME VISITING MONTENEGRO (DOMESTIC TOURISTS INCLUDED).....	30
GRAPH 17: FIRST TIME VISITING MONTENEGRO (DOMESTIC TOURISTS EXCLUDED)	30
GRAPH 18: WHY CHOOSING MONTENEGRO AS A DESTINATION FOR HOLIDAY	30
GRAPH 19: TYPE OF TRANSPORTATION USED WHEN TRAVELED TO MONTENEGRO (DOMESTIC TOURISTS EXCLUDED).....	31
GRAPH 20: PERSONAL COSTS FOR ACCOMMODATION AND FOOD AND DRINKS IN MONTENEGRO PER PERSON PER DAY.....	32
GRAPH 21: MEANS OF TRANSPORTATION USED TO TRAVEL AROUND MONTENEGRO.....	32
GRAPH 22: WHO IS ACCOMPANYING TOURISTS DURING CURRENT VISIT.....	33
GRAPH 23: PLANNED ACTIVITIES DURING HOLIDAY IN MONTENEGRO.....	33
GRAPH 24: IS ENVIRONMENTAL PROTECTION ON A SATISFACTORY LEVEL IN MONTENEGRO.....	34
GRAPH 25: TO WHAT DEGREE TOURISTS BEHAVE ON ENVIRONMENTALLY CONSCIOUS WAY.....	35
GRAPH 26: EVER HEARD ABOUT AND BEEN ON NATURE FRIENDLY TOURISM HOLIDAY.....	35
GRAPH 27: HOW FIRSTLY HEARD ABOUT NATURE FRIENDLY TOURISM HOLIDAYS.....	36

GRAPH 28: WHAT TOURISTS ARE SEEKING THE MOST WHEN ON NATURE FRIENDLY TOURISM HOLIDAY.....	36
GRAPH 29: WHO TOURISTS ARE USUALLY TRAVELLING WITH ON NATURE FRIENDLY TOURISM HOLIDAY	37
GRAPH 30: HOW IS TOURISTS' NATURE FRIENDLY TOURISM HOLIDAYS ORGANIZED.....	37
GRAPH 31: HOW MUCH TOURISTS SPEND ON NATURE FRIENDLY TOURISM HOLIDAY.....	37
GRAPH 32: SUMMER HOLIDAYS AND THIS SUMMER HOLIDAY IN MONTENEGRO BASED ON CONTACT WITH NATURE IN AVERAGE.....	38
GRAPH 33: DO TOURISTS DO THINGS TO REDUCE THE USE OF NATURAL RESOURCES AND ENERGY ON HOLIDAY	39
GRAPH 34: ACTIVITIES TOURISTS DO IN ORDER TO REDUCE USE OF NATURAL RESOURCES WHILE IN MONTENEGRO	39
GRAPH 35: HOW IMPORTANT NATURE-FRIENDLY TOURISM IS LIKELY TO BE FOR THE FUTURE.....	40
GRAPH 36: THE STATEMENTS THAT BEST DESCRIBES WHAT LOW CARBON TOURISM IS.....	41
GRAPH 37: TOURISTS INTERESTED IN CALCULATING CARBON FOOTPRINT.....	42
GRAPH 38: HOW MUCH TOURISTS ARE WILLING TO PAY FOR CALCULATING CARBON FOOTPRINT ON ANNUAL BASIS.....	42
GRAPH 39: MUNICIPALITIES	46
GRAPH 40: PART OF TOURISM INDUSTRY SECTOR.....	48
GRAPH 41: ANNUAL TURNOVER OF THE TOURISM SECTOR (IN 2014)	49
GRAPH 42: ACTIVITIES OFFERED TO CLIENTS/GUESTS	50
GRAPH 43: TO WHAT EXTENT IS BUSINESS AFFECTED BY SEASONALITY	51
GRAPH 44: IF COMPANY INVESTS IN ENERGY EFFICIENCY	51
GRAPH 45: MODES OF INVESTMENT IN ENERGY EFFICIENCY	51
GRAPH 46: AMOUNT OF INVESTMENTS IN ENERGY EFFICIENCY	52
GRAPH 47: EVER INVESTED IN RENEWABLE ENERGY SOURCES	53
GRAPH 48: IN WHICH RENEWABLE ENERGY SOURCES WAS INVESTED	53
GRAPH 49: MUNICIPALITY HAS ENOUGH FINANCIAL RESOURCES FOR FINANCING "GREEN" PROJECTS	54
GRAPH 50: COMPANIES CONSIDER FUEL POLLUTION AS IMPORTANT.....	54
GRAPH 51: KIND OF FUEL USED IN THE TRANSPORT OF PASSENGERS/TOURISTS.....	55
GRAPH 52: WHICH IS AGE GROUP YOU THINK THAT ECO-TOURISTS BELONG TO.....	56
GRAPH 53: OPINION ABOUT ANNUAL INCOME OF THE ECO-TOURISTS / ANNUAL INCOME OF TOURISTS WHO HAVE BEEN ON ECO-TOURISM HOLIDAY.....	57
GRAPH 54: HOW MUCH DO YOU THINK THAT ECO-TOURISTS SPEND DURING THEIR VISIT TO MONTENEGRO (PER PERSON).....	57
GRAPH 55: ENOUGH INFORMED ABOUT THE ECO-TOURISM IN MONTENEGRO.....	58
GRAPH 56: IF ENVIRONMENTAL PROTECTION IS ON A SATISFACTORY LEVEL IN MONTENEGRO	58
GRAPH 57: IF SERVICES AND FACILITIES ARE ON A SATISFACTORY LEVEL IN MONTENEGRO.....	59
GRAPH 58: WHY SHOULD TOURISTS CHOOSE MONTENEGRO AS A DESTINATION FOR ECO-TOURISM	59
GRAPH 59: THE STATEMENTS THAT BEST DESCRIBES WHAT LOW-CARBON TOURISM IS	60
GRAPH 60: INVESTMENTS IN DEVELOPMENT OF LOW-CARBON/CARBON NEUTRAL TOURISM SERVICES AND PRODUCTS WILL ATTRACT SPECIFIC TOURISM MARKETS AND GENERATE INCOME IN LONG TERM.....	60
GRAPH 61: SHOULD NATIONAL TOURISM FUND BE ESTABLISHED FOR FINANCING PROJECTS IN AREA OF CO2 REDUCTION.....	61
GRAPH 62: WHAT CARBON FOOTPRINT IS.....	62
GRAPH 63: WILLING TO ALLOCATE FUNDS ON A VOLUNTARY BASIS IN ORDER TO KNOW THE WAY OF CALCULATING THE CARBON FOOTPRINT	63
GRAPH 64: WHICH INNOVATIVE PRACTICES ARE YOU APPLYING IN YOUR COMPANY.....	64
GRAPH 65: ARE COMPANIES WILLING TO PAY FOR ECO CERTIFICATION ON VOLUNTARY OR MANDATORY BASIS.....	65
GRAPH 66: HEARD OF ECO LABEL CRITERIA (10 THE MOST FREQUENT ANSWERS FOR THOSE RESPONDENTS THAT ARE AWARE ON ECO-LABEL)	67
GRAPH 67: FACILITY APPLYING ECO-LABEL CRITERIA (10 THE MOST FREQUENT ANSWERS).....	68

INTRODUCTION

Towards Carbon Neutral Tourism project (TCNT) will adopt a comprehensive approach to minimizing the carbon footprint of Montenegro's main and most dynamic economic sector, the tourism. Since the largest development challenge in XXI century has been a creation of climate resilient future, this project has the ultimate objective to reduce GHG emissions from Montenegro's tourism sector by promoting country's transition towards a carbon neutral travel & tourism, minimizing energy use and transport in and around new green-field development projects, helping tourism industry to identify and implement cost-effective mitigation options in travel and accommodation sectors, as well as introducing carbon offset scheme and other innovative financial mechanisms to compensate for the residual emissions. Further, the project will directly support four out of the seven priority areas identified by the Montenegro Strategy for Sustainable Development (MSSP), namely 1) sustainable mobility through appropriate management in transport; 2) sustainable tourism as a leading sector of the economy; 3) sustainable urban development, and 4) improved rational use of energy, increased use of energy from renewable sources.

Project "Towards Carbon Neutral Tourism" is aimed at:

- Improvement of legal and regulatory framework supporting low carbon tourism, including increased certification of both existing and new tourist accommodation facilities;
- Support of pilot investments in low carbon tourism;
- Development of low carbon and carbon neutral transport infrastructure and permanent financing mechanism to support climate change mitigation and adaptation; as well as
- Monitoring of GHG emission of the tourism sector,

which will all together increase public awareness about the tourism sector's carbon footprint, and in a long run positively influence this major sector of Montenegrin economy.

More specifically, the research was focused on developing insights into:

- Awareness levels of, and attitudes towards low carbon growth, general knowledge about low carbon services and products throughout the travel and tourism supply chain;
- Existing low carbon travel and tourism products and services offered in Montenegro;
- Extent to which travel and tourism firms and organizations are using mitigation measures for decreasing CO₂ emissions;
- Use of and knowledge about eco-labelling schemes;
- Identification of barriers within the above mentioned groups against using or providing low carbon tourism products and services; and

- Identification of existing actions in offsetting travel and tourism carbon footprint, and creating the environment for low carbon tourism development.

The basic aim of the research is to undertake the “Survey on Low-Carbon Tourism in Montenegro” focused to find out the possibilities on reduction of harmful gasses in tourism in Montenegro by targeting three target groups: (1) 1,000 visiting tourists; (2) the travel and tourism sector – 100 representatives; and (3) relevant central & local authorities in the area of tourism and environmental protection.

This Report is accordingly consisted of 3 reports as per target groups. The key results with basic and detail analysis of data obtained from target groups’ representatives are presented. Conclusions given in this Report are based on what target groups representatives gave as personal and/or institutional opinion or attitude. Questionnaires for quantitative surveys – targeting tourists and travel and tourism sector representatives, as well as in-depth interview guides for qualitative survey – targeting relevant central & local authorities in the area of tourism and environmental protection were prepared and previously approved by the project Supervisory Team.

Besides this Report, Annexes document was prepared and it contains:

- The precise Terms of Reference;
- Questionnaire 1 for interviewing tourists (manual for pollsters included);
- Basic analysis of survey among tourists – frequencies – for each question in the Questionnaire 1;
- Detail analysis of survey among tourists – cross-tabulations – for each question in the Questionnaire 1 in relation to profile variables;
- Questionnaire 2 for interviewing travel and tourism sector representatives;
- Manual for pollsters for interviewing travel and tourism sector representatives;
- Basic analysis of survey among travel and tourism sector representatives – frequencies – for each question in the Questionnaire 2;
- Detail analysis of survey among travel and tourism sector representatives – cross-tabulations – for each question in the Questionnaire 2 in relation to profile variables;
- Guidance for conducting In-depth interviews;
- List of interviewed representatives of local and national institutions;
- In-depth interviews with stakeholders – detailed reports from the interviews conducted with each representative of local and national institutions.

PROJECT METHODOLOGY

The “Survey on Low-Carbon Tourism in Montenegro” was divided into three sections according to three target groups.

- **1,000 visiting tourists**

The main objective of the survey conducted among 1,000 tourists in Montenegro was to analyze the level of awareness, general knowledge and preferences of the visiting tourists in terms of the:

- Low carbon tourism concept, products and services (e.g. sustainable means of transport, ecofriendly accommodation facilitates, applying of environmental standards, complementary tourism products);
- Eco-certification standards in accommodation sector and tourism offer chain;
- Their own carbon footprint and carbon offsetting;
- Availability of low/no carbon tourist products and services in Montenegro.

In addition,

- Level of use of public and non-motorized transport by tourists;
- Readiness to pay more for services that might help to offset their own environmental impacts, including similar experiences from another destinations;
- Specify the optimum methods for disseminating information on the indicated issues through the media (e.g. via internet, handbooks and other publications, by media appearances, etc.), depending on how the visitors get the information most frequently.

SLCT project addressed research among six municipalities situated in the coastal area/southern region of Montenegro (Ulcinj, Bar, Budva, Kotor, Tivat, Herceg Novi) and the Old Royal Capital of Cetinje, situated in the central region.

For the purposes of the sample design and procedure official statistical data (Monstat-Statistical Yearbook 2014/Tourism) was used and modified in accordance to the UNDP/CSD request. Sample design was based on three-stage stratified random sample that took into consideration following categories:

1. Distribution between domestic/foreign tourists;
2. Frequency of their visit in the coastal cities;
3. Tourist overnight stays.

For the purposes of the survey the Questionnaire 1 was prepared originally in Montenegrin language but additionally translated in English. For the purposes of the fieldwork realization E3 Consulting engaged its network of 15 surveyors was engaged and distributed in each targeted municipality. Prior the process of data collection (interviews) surveyors

were trained and monitored by the team of the project supervisors. Project supervisors conducted training for surveyors and introduced them the survey methodology that was prepared and printed in Manuals specially designed for surveyors – at the back page of each Questionnaire 1. Data collection (field work) was conducted in a period from July 5 – July 15, 2015.

After completion of the fieldwork and data control project team conducted a data entry process in created data bases in MS Office (Excel). For the purposes of data processing data bases were created in SPSS statistical program. Data processing included SPSS outputs such as key frequencies, descriptive statistics, cross tabulations and graphs. Project analysts have prepared deliverables according to the client requirements in the form of statistical annex.

- **100 travel and tourism sector representatives**

The main objective of the survey conducted among 100 travel and tourism sector representatives in Montenegro was to analyze the level of awareness, general knowledge, and level of development and preferences of the tourism industry in terms of:

- Low carbon tourism concept, products and services,
- Carbon offset and carbon footprint on tourism,
- Benefits of voluntary/carbon offset schemes and integration in to Montenegro tourism related booking systems from transport, accommodation,
- Legal requirements in terms of investing in low carbon infrastructure (e.g. energy efficiency, resources management)
- Impacts and interactions between tourism sector and climate change and their interconnections (contribution of the tourism development to the climate change and impacts of the climate change to the tourism sector).

Special attention was paid to the information on level of readiness and under which conditions and circumstances tourism industry representatives are ready to:

- Invest in development of low carbon/carbon neutral tourism services and products in order to attract specific tourism markets and generate income in long term;
- Invest in measures and activities related to decrease of their carbon footprint;
- Apply innovative management practices (e.g. corporate social responsibility, ISO, EMAS);
- Apply Eco-certification standards as standards of business operating and “selling point”;
- Apply mandatory vs. voluntary carbon offsets;
- Industry perspectives on carbon-offset programs;
- Educate on climate changes and tourism.

Survey was conducted among 100 companies operating in the tourism and travel sector, **hereinafter referred to as tourism business entities**, in six municipalities situated in the coastal area/southern region of Montenegro (Ulcinj, Bar, Budva, Kotor, Tivat, Herceg Novi) and the Old Royal Capital of Cetinje, situated in the central region.

For the purposes of the survey, E3 Consulting in coordination with UNDP prepared a sample – based on a database of the companies registered basically in the Central Company Registry as well as databases from the Montenegrin Chamber of Commerce and Employers' Federation and National Tourism Organization of Montenegro. Sample was created as a representative three stage stratified sample of national companies. Random sampling method is implemented in case of sample unit selection of rent-a-car agencies, restaurants and tourism agencies with the same probability of selection. Sample units for individual accommodation are based on the random sampling method according to the category of the accommodation facility (number of stars).

For the purposes of data collection from the tourism business entities, the Questionnaire 2 was prepared, according to the defined survey goals, originally in Montenegrin language but additionally translated in English. For the purposes of the fieldwork realization, E3 Consulting engaged its network of 13 surveyors was engaged and distributed in each targeted municipality. Project team conducted training for surveyors and introduced them the survey methodology that was prepared and printed in Manuals specially designed for surveyors in the separate document. The Manual also included detail explanations on specific terms and phrases, such as “eco-tourism”, low-carbon tourism, carbon footprint, etc. Data collection (field work) was conducted in a period from June 24 – July 3, 2015.

After completion of the fieldwork and data control project team conducted a data entry process in created data bases in MS Office (Excel). For the purposes of data processing data bases were created in SPSS statistical program. Data processing included SPSS outputs such as key frequencies, descriptive statistics, cross tabulations and graphs. Project analysts have prepared deliverables according to the client requirements in the form of statistical annex.

- **Relevant central & local authorities in the area of tourism and environmental protection**

The main objective of the survey conducted among representatives of 21 institutions at the central and local level in Montenegro was to analyze the level of awareness, general knowledge and preferences of public institutions (central & local authorities; academia) in terms of:

- Carbon offset and carbon footprint on tourism;
- Preconditions for integration of low carbon tourism concept in strategic and legislative system in Montenegro;
- Benefits of establishing a National Climate Touristic Fund and finance mechanisms to support low carbon tourism;

- Benefits of voluntary/carbon offset schemes and integration in to Montenegro tourism related booking systems from transport, accommodation;
- Eco-certification standards and their preferences towards future activities in promotion and larger integration of these standards in everyday activities;
- Availability of low/no carbon tourist products and services in Montenegro;
- Act as industry 'champions' in promoting climate change-tourism responses through knowledge exchange and education.

Additionally, the survey provided insights and information on:

- Decision making processes and response mechanisms to the tourism sector demands (example for low carbon tourism);
- The extent to which legal frameworks are sympathetically interpreted or simply applied without flexibility;
- Systems for and perceptions of success in monitoring and enforcing existing laws aimed at greening the tourism industry;
- How the existing systems of financial penalties work and if the funds collected are used in specific ways towards greening the industry.

To obtain information from the relevant national and local institutions the research method in-depth interviews was used. In-depth interview is a method that involves a conversation between the moderator and relevant representative of target group (the respondent). This technique belongs to a set of qualitative research. As their name suggests, in-depth interview as the method were used in those studies that need to provide deeper insight into the specific issue being examined, because it enables respondent to express deeper opinion without interference of the groups¹.

Survey results were presented through two objectives or two groups of questions. For the conducting interviews among representatives of relevant institutions, guidance was prepared, which however were not up front presented to respondents, but served moderator to focus interview and clearly to guide the interview towards the Survey objectives achievement.

The report presents the most important research findings from the qualitative research, accomplished by using the technique of in-depth interviews, which were implemented in the period from June 22 – July 08, 2015.

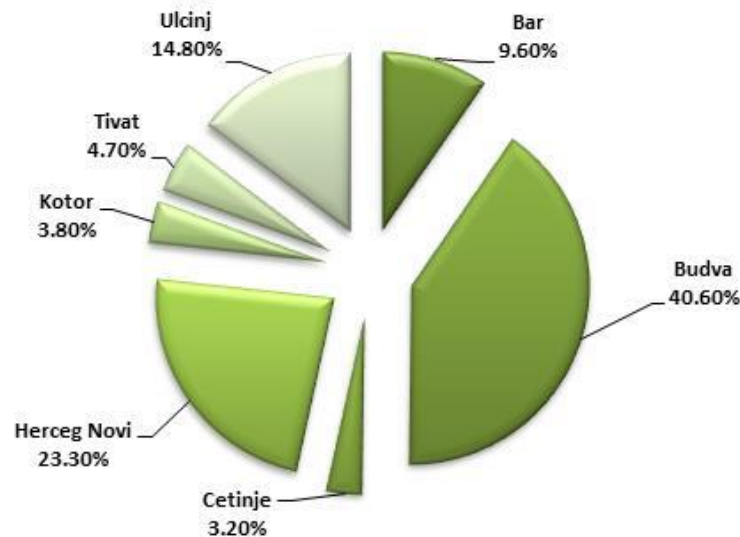
¹ Combined definition taken from the Almanac of Faculty of Economics in Zagreb, 3rd year, 2005, Mr. sc. Mirko Palic

THE TOURISTS

Introduction

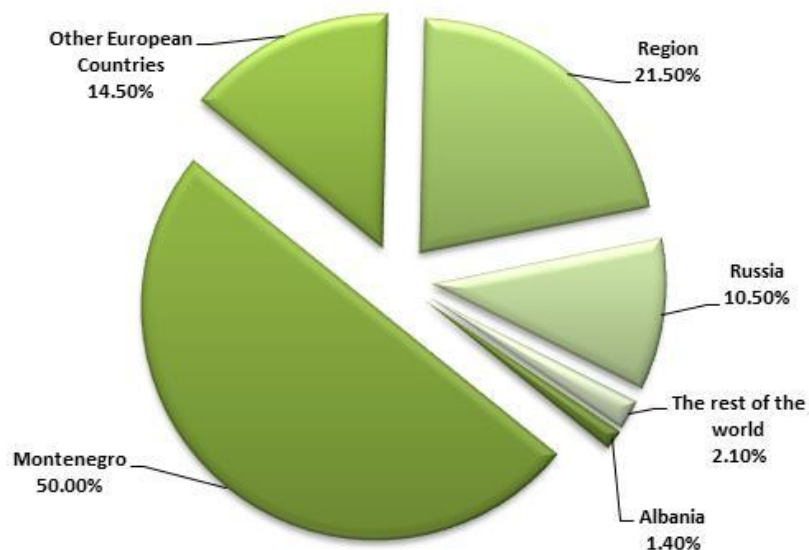
SLCT project addressed research among six municipalities situated in the coastal area/southern region of Montenegro (Ulcinj, Bar, Budva, Kotor, Tivat, Herceg Novi) and the Old Royal Capital of Cetinje, situated in the central region. Sample structure among the tourists/visitors was addressed to 1,000 tourists/visitors in seven targeted municipalities.

Graph 1: Sample structure by municipalities



Sample among 1,000 tourists/visitors included respondents over 18 years old selected according to Kisch tables (random selection of respondents) with estimated statistical error +/-3%.

Graph 2: Sample structure by tourists'/visitors' country of origin



For the purposes of the sample design and procedure official statistical data (Monstat-Statistical Yearbook 2014/Tourism) was used and modified in accordance to the UNDP/CSD request. Sample design was based on three-stage stratified random sample that took into consideration following categories:

4. Distribution between domestic/foreign tourists;
5. Frequency of their visit in the coastal cities;
6. Tourist overnight stays.

For the purposes of data collection from the visitors/tourists, the Questionnaire was prepared, according to the defined survey goals. The Questionnaire was consisted of dependent and independent variables. The main socio-economic variables were also included (educational level, employment, age, gender, living standard, country of origin), as well as holiday behavior (motivation for visits, accommodation preferences, booking preferences, frequency of visits, visit duration, mode of transport in inbound/outbound travels), eco-sensitivity, money spent for visits, and others. These variables represent a basis for cross-tabulation analysis with other variables such as: visitor activities, green actions, etc.

For the purposes of the survey the Questionnaire was prepared originally in Montenegrin language and additionally translated in English. For the purposes of the fieldwork realization, E3 Consulting engaged its network of 15 surveyors was engaged and distributed in each targeted municipality. Prior the process of data collection (interviews) surveyors were trained and monitored by the team of the project supervisors. Project supervisors conducted training for surveyors and introduced them the survey methodology that was prepared and printed in Manuals specially designed for surveyors – at the back page of each Questionnaire.

The training of surveyors included:

- Detailed explanation of the objectives of the survey
- Sampling design

After the training each interviewer received fieldwork pack. Fieldwork pack was consisted of:

- Interviewers manual
- Letter of introduction / company authorization issued by E3 Consulting
- A sufficient number of questionnaires to complete both in Montenegrin and English language.

After completion of the fieldwork and data control project team conducted a data entry process in created data bases in MS Office (Excel). For the purposes of data processing data bases were created in SPSS statistical program. Data processing included SPSS outputs such as key frequencies, descriptive statistics, cross tabulations and graphs. Project analysts have prepared deliverables according to the client requirements in the form of statistical annex.

Survey Results

Socio-economic characteristics of respondents

The Questionnaire for tourists/visitors within the Survey on Low-Carbon Tourism in Montenegro respondents were asked on their socio-economic characteristics under the separate Section.

The average tourist/visitor that participated in this survey was male (51.71%), in age 25-36 (32.65%, 35.81 average age), married (40.24%), with faculty completed (37.20%), full-time employed (61.16%), with the salary as the basic source of income (80.94%) in annual amount of less than 10,000 EUR (59.43%).

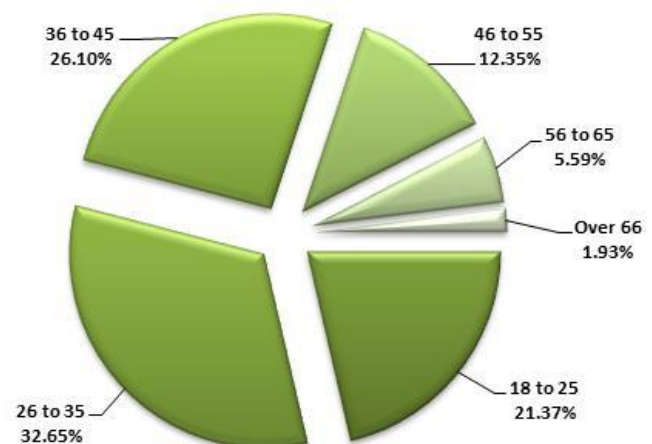
- **Gender of respondents** – Male tourists was slightly more represented in the total sample (51.71%) and even more represented in Bar (58.3%), while female tourists were more than average represented in Cetinje (65.6%).

Graph 3: Respondents' gender



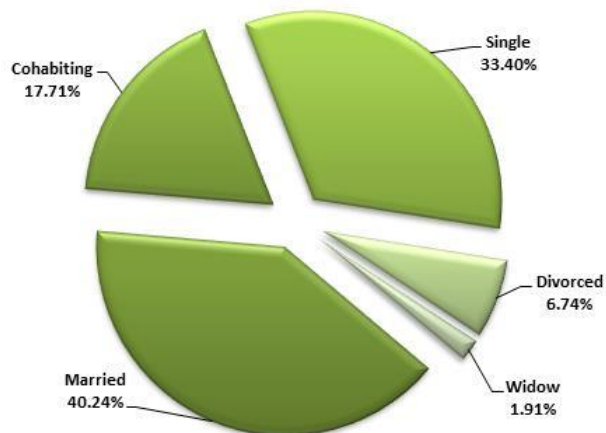
- **Respondents' age** – Average respondents' age was 35.81. Although most of respondents were in age 26 to 35 (32.65%), more than a half of tourists in Bar (57.20%) were over 36, while vast majority of tourists in Kotor and Tivat were younger than 35 (78.30% and 70.20%, respectively).

Graph 4: Respondents' age



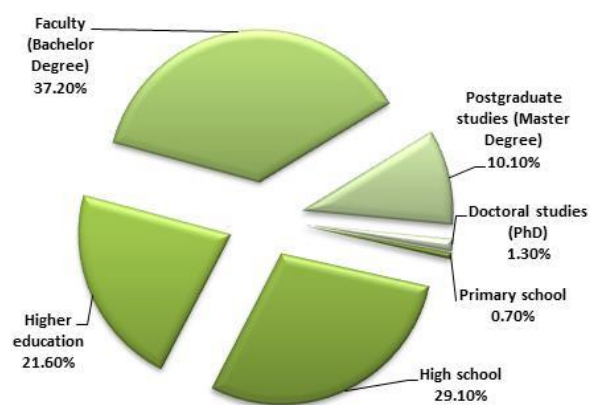
Additionally, there were no interviewed tourists in Kotor and Tivat above age of 55. Most of tourists in Cetinje were in age 18 to 25, while 62.60% of tourists in Budva were in age 26 to 45.

Graph 5: Respondents' marital status



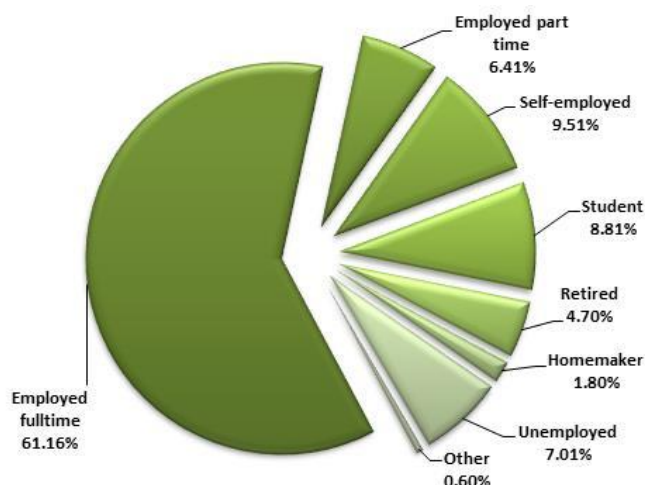
- **Marital status** – Most of interviewed tourists were married (40.24%). However, in Cetinje, Kotor and in Tivat most of interviewed tourists were single (37.5%, 44.7%, and 55.3%, respectively). There were the same percentage married and single tourists in Ulcinj (41.20%).

Graph 6: Level of Education



- **Level of education** – Most of interviewed tourists completed faculty with Bachelor Degree (37.20%), which was the case in Budva, Cetinje and Ulcinj (45.1%, 50.0% and 35.8%, respectively). On the other side, majority of tourists in Bar (44.8%) completed higher education and in Herceg Novi, Kotor and Tivat majority of tourists completed high school (43.8%, 60.5% and 51.1%, respectively).

Graph 7: Employment status



- **Employment status** – Almost two thirds of interviewed tourists were full-time employed, which was the case in all target municipalities. However, there were no retired, homemaker and unemployed interviewed tourists visiting Kotor and Tivat.

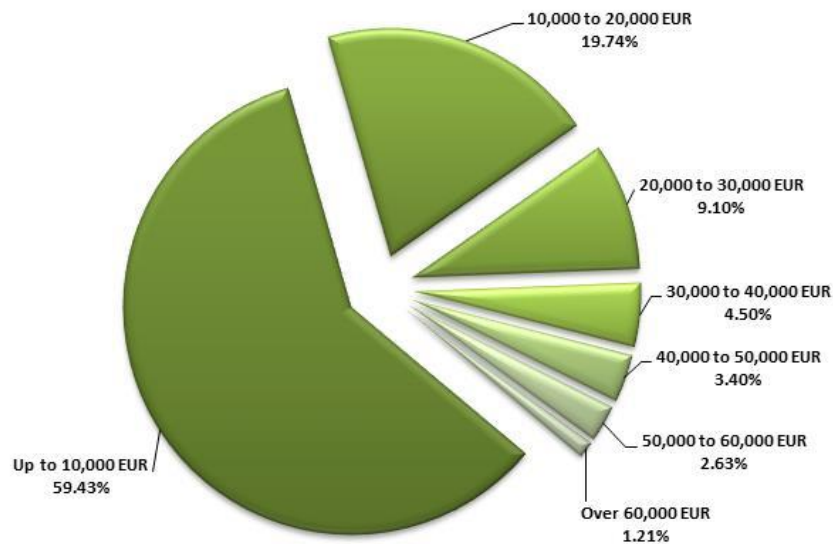
Graph 8: Basic source of income

- **Basic source of income** – Salary is the basic source of income for majority of interviewed tourists visiting Montenegro (80.94%). Out of all tourists that stated “other” as basic source of income, 85.83% are dependent for other family member (parents, spouse...) and most of them are visiting Cetinje (21.90%).



- **Average annual income** – is below 10,000 EUR for majority of interviewed tourists (59.43%). Tourists visiting Cetinje and Kotor did not stated income above 30,000 EUR, while most of those that reported annual income above 60,000 EUR visited Tivat (4.3%).

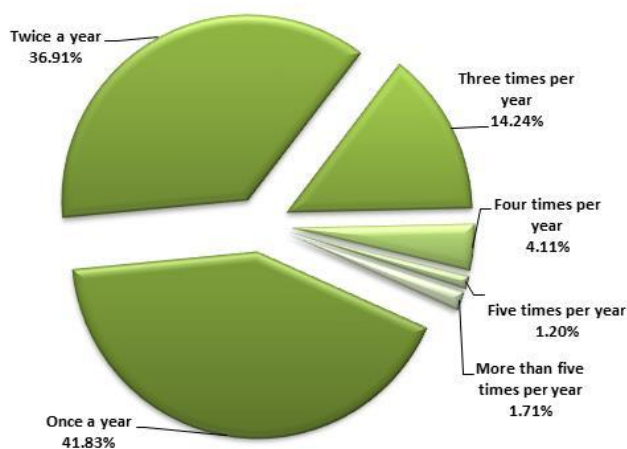
Graph 9: Average annual income



Holiday Behavior

- **How often tourists usually go on holiday** – More than three quarters (78.74%) of interviewed tourists usually go on holiday once or twice a year. Most tourists visiting Cetinje, Herceg Novi and Tivat usually go on holiday once a year. Tourists from Montenegro and from the Region in most cases usually go on holiday once a year, while most of other tourists usually go on holiday twice a year. Usually go on holiday once tourists that stated annual income of less than 10,000 EUR, those with income 10,000 EUR to 20,000 EUR and those with annual income over 60,000 EUR.

Graph 10: How often tourists usually go on holiday



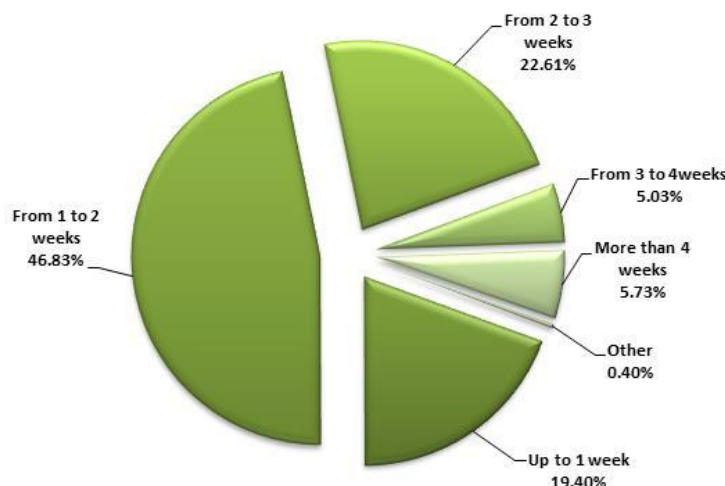
- **Do tourists go on summer holidays every year** – more than three quarters (76.9%) of interviewed tourists stated that usually go on summer holidays every year, out of 98.90% tourists that responded this question. Among them are in most cases interviewed tourists visiting Herceg Novi (82.0%), coming from Albania (92.9%), homemakers or with “other” occupation (83.3%, each) and with annual income over 60,000 EUR (81.8%).

Graph 11: Tourists go on summer holidays every year



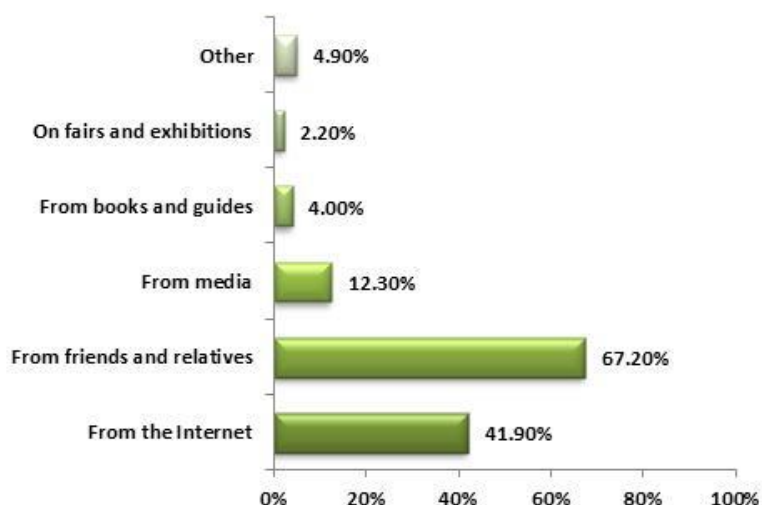
- **For how long tourists are planning to be on summer holiday this year** – More than two thirds (69.1%) of interviewed tourists are planning to be on summer holiday this year 1-2 weeks and from 2 to 3 weeks and almost half of them (46.8%) are planning to be on summer holiday for 1 to 2 weeks. Among tourists visiting Cetinje are the most of those that are planning to be on summer holiday 1 to 2 weeks, as well as among those coming from the Region, homemakers and those that stated “other” as occupation (61.1% and 66.7%, respectively) and among tourists that stated 10,000 EUR to 20,000 EUR as annual income.

Graph 12: For how long tourists planning to be on summer holiday this year



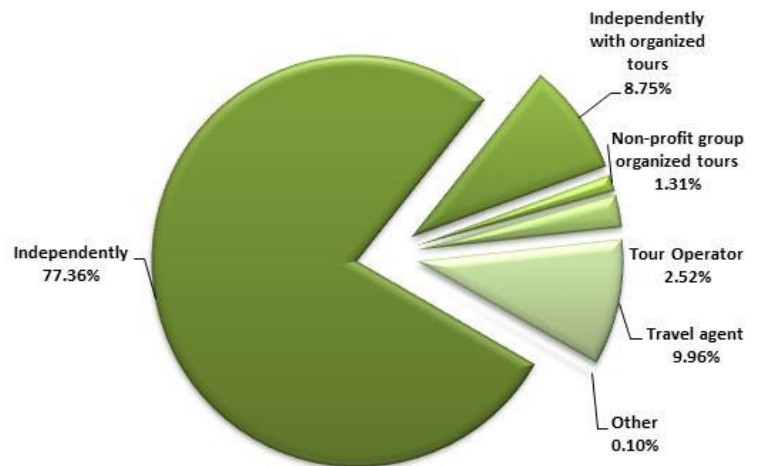
- **How do tourists choose a holiday destination** – There was a possibility to provide multiple answers. In most cases tourists choose a location where to go on holiday from friends and relatives (67.20%) or from the Internet (41.90%). Most of interviewed tourists that had chosen a holiday destination from books and guides are visiting Ulcinj (40.0%), they are in most cases coming from other European countries (47.5%), employed full-time (71.8%) and most of them stated annual income less than 10,000 EUR (30.0%).

Graph 13: How tourists choose a location where to go on holiday



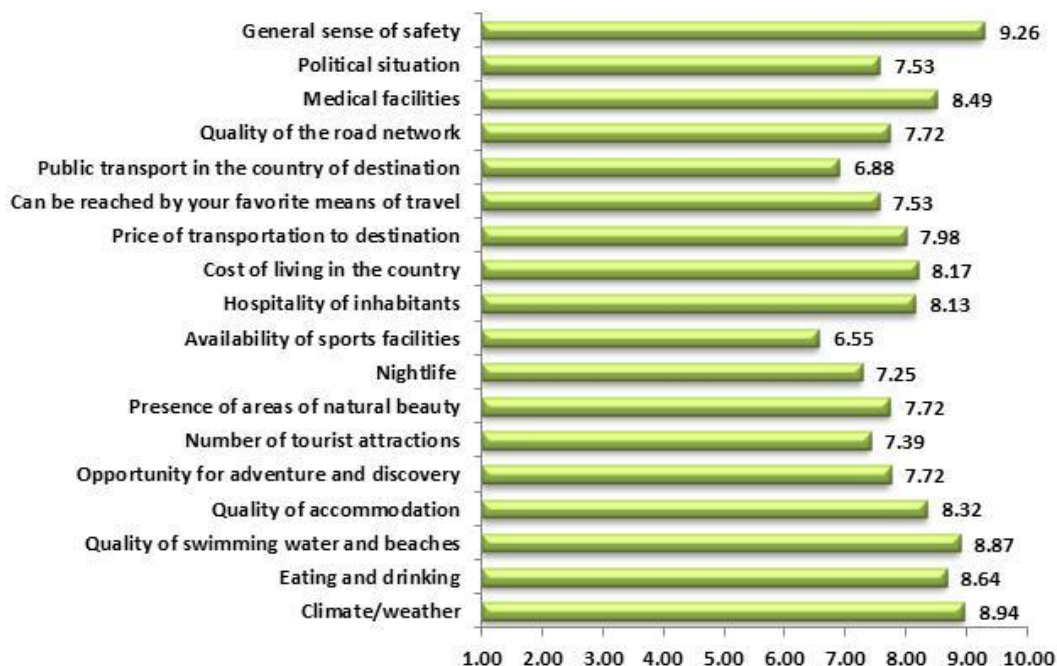
Graph 14: How are holidays organized

- **How tourists organize their holidays** – There was a possibility to provide multiple answers. Vast majority of tourists (77.36%) independently organize own holiday. Travel agent services use most of tourists visiting Kotor (39.5%), tourists coming from other European countries (23.2%), employed full-time (66.7%) and those that stated annual income less than 10,000 EUR (44.7%).



- **Tourists graded how important are listed aspects when choosing a holiday destination (in range 1 as the lowest to 10 as the highest importance)** – tourists in general consider offered aspects as important when choosing a holiday destination. The lowest average grades were given to public transport in the county of destination and availability of sports facilities (6.88 and 6.55, respectively). The highest importance was given to the general sense of safety, 9.26 average grade.

Graph 15: On a scale from 1 to 10 indicated importance of the following aspects when choosing a holiday destination



Visiting Montenegro

- **If this is the first visit to Montenegro** – Almost one quarter of all interviewed tourists (24.48%) and more than one third (34.47%) of tourists coming from abroad visited Montenegro for the first time. Interviewed tourists that visited Montenegro for the first time in most cases visited Budva (38.8%), came from the rest of the world (out of Europe) (55.0%), are self-employed (37.2%) and stated annual income of 30,000 EUR to 40,000 EUR (48.8%).

Graph 16: First time visiting Montenegro
(Domestic tourists INCLUDED)



Graph 17: First time visiting Montenegro
(Domestic tourists EXCLUDED)



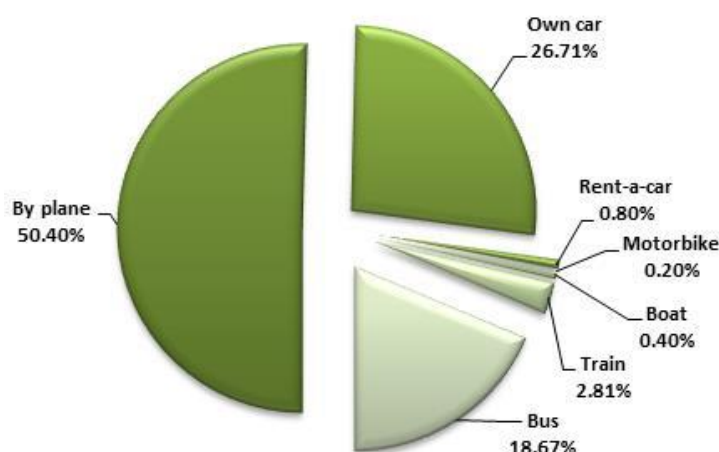
- **Why tourists choose Montenegro as holiday destination** – There was a possibility to provide multiple answers. Half of interviewed tourists (50.60%) have chosen Montenegro as a destination for holiday because of pure nature and almost 40% of them because of good prices. Out of tourists that stated other reason for choosing Montenegro for holiday, half of them stated the closeness, habit (27.40%) or own, friend's, cousin's house or other type of free accommodation (23.29%) as the reason. 75.75% of tourists that have chosen Montenegro as a destination for holiday because of pure nature think that environmental protection is on a satisfactory level in Montenegro.

Graph 18: Why choosing Montenegro as a destination for holiday



- **Type of transportation used when traveled to Montenegro** – Tourists were asked what type of transportation used when traveled to Montenegro and out of all tourists, more than two thirds (67.64%) used road vehicle – own car, rent-a-car, motorbike or bus. If tourists from Montenegro excluded, the survey showed that slightly more than a half tourists from abroad arrived by plane (50.40%). Only tourists from abroad that visited Ulcinj in most cases came in Montenegro by own car (48.1%), as well as tourists from Albania (71.4%), homemakers (54.5%) and those with annual income less than 10,000 EUR (40.3%).

Graph 19: Type of transportation used when traveled to Montenegro (Domestic tourists EXCLUDED)



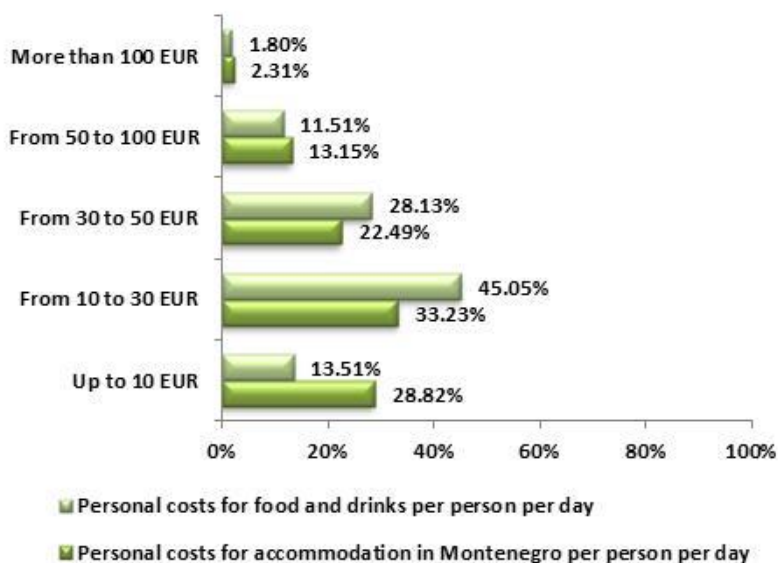
- **Kind of accommodation while stay in Montenegro** – Majority of tourists (41.34%) stated that stayed in hotel and in hotel-apartment during their visit to Montenegro, while more than one third (34.33%) stayed in private households. Tourists coming from Russia, other European countries and the rest of the world in most cases stayed in hotels (38.1%, 44.8% and 42.9%, respectively), as well as self-employed (29.5%) and most of interviewed tourists with annual income higher than 20,000 EUR.

Table 1: Type of accommodation while stay in Montenegro

Private households (renting rooms)	34.43%
Hotel	23.52%
Hotel-apartment	17.82%
Other	8.21%
Tourist apartment	6.91%
Boarding-house	3.40%
Tourist settlement	1.90%
Camping sites	1.50%
Motel	1.00%
Overnight accommodation	1.00%
Workers' hostels	0.20%
Health spa	0.10%

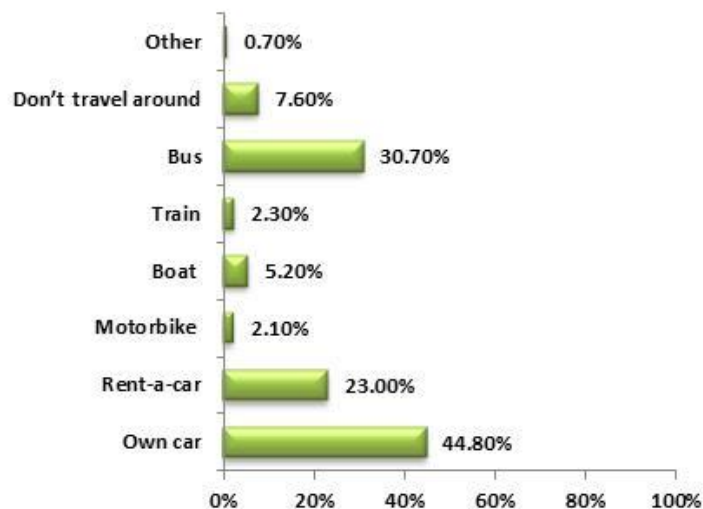
- **Personal costs for accommodation and for food and drinks in Montenegro per person per day** – Interviewed tourists responded that in Montenegro mostly spend from 10 to 30 EUR per day for accommodation (45.05%) and for food and drinks (33.23%). More than a half of tourists visiting Kotor (55.3%) spend for accommodation 30 to 50 EUR, as well as 41.7% of tourists coming from other European countries. Most tourists visiting Tivat (55.3%) and tourists coming from Albania (64.3%) spend from 10 to 30 EUR per day for food and drinks.

Graph 20: Personal costs for accommodation and food and drinks in Montenegro per person per day



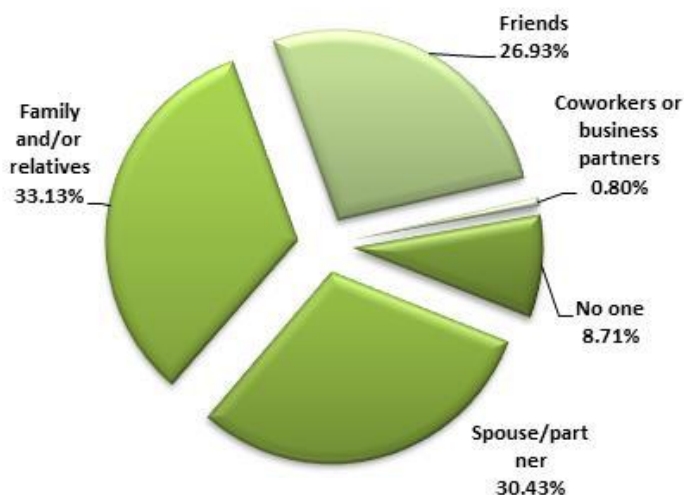
- **What means of transportation tourists used to travel around Montenegro** – There was a possibility to provide multiple answers. Tourists stated that usually use own car (44.80%) or a bus (30.70%) when travel around Montenegro. Tourists that mostly used bus when travel around Montenegro visited Budva (42.0%), Herceg Novi (29.0%) and Tivat (10.4%) and in most cases are from Montenegro (47.9%) and Region (20.5%). Tourists that in most cases used boat when travel around Montenegro stated annual income over 60,000 EUR.

Graph 21: Means of transportation used to travel around Montenegro



- **Who tourists were accompanied with during their current visit to Montenegro** – Almost two thirds of interviewed tourists visiting Montenegro stated that are usually accompanied with family and/or relatives (33.13%) and spouse/partner (30.43%). 52.87% of those with family and/or relatives were accompanied with 1.634 children, in average. Almost half of all interviewed tourists in Tivat (48.9%) and students (48.9%) were accompanied with friends, while most of tourists coming from other European countries were accompanied with spouse/partner (37.2%).

Graph 22: Who is accompanying tourists during current visit



- **Activities that tourists are planning to do during holiday in Montenegro** – There was a possibility to provide multiple answers. Almost all interviewed tourists stated swimming and sunbathing activities during holiday in Montenegro (97.80% and 95.00%, respectively). Tourists also mainly plan to visit historical places (35.30%), national parks (31.70%) or to cruise (32.10%).

Graph 23: Planned activities during holiday in Montenegro



- **Do tourists believe that environmental protection is on a satisfactory level in Montenegro** – more than three quarters of interviewed tourists stated that environmental protection **is** on a satisfactory level in Montenegro.

Graph 24: Is environmental protection on a satisfactory level in Montenegro



Table 2: Why tourists think that environmental protection **is not** on a satisfactory level in Montenegro

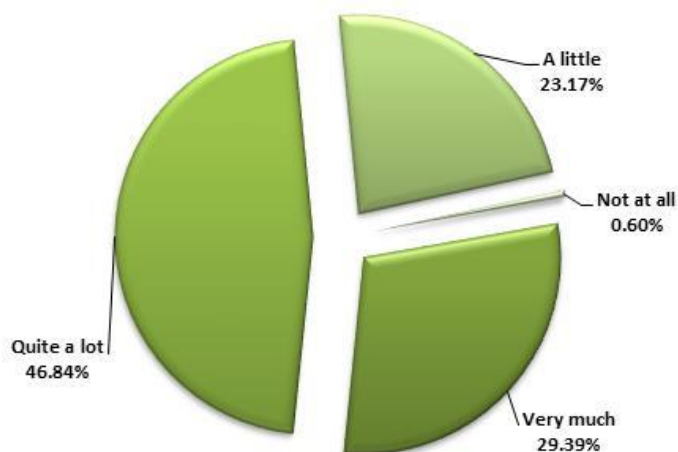
Dirtiness, waste, waste water	35.04%
Lack of care and interest	15.38%
Not specified	14.10%
Poor awareness	8.12%
Incompetence	5.56%
Dirty beach and water	4.27%
No investments	3.85%
Pollution	3.42%
Could be better	2.99%
Don't know	2.56%
Illegal construction	2.56%
Many mistakes and problems	1.28%
Lack of green areas	0.43%
Low safety	0.43%
Total	100.00%

Interviewed tourists that in most cases believe that environmental protection **is not** on a satisfactory level in Montenegro are those visiting Ulcinj (47.3%), coming from Montenegro (29.2%), retired (61.7%) and tourists that stated annual income over 60,000 EUR (45.5%).

Nature-friendly tourism

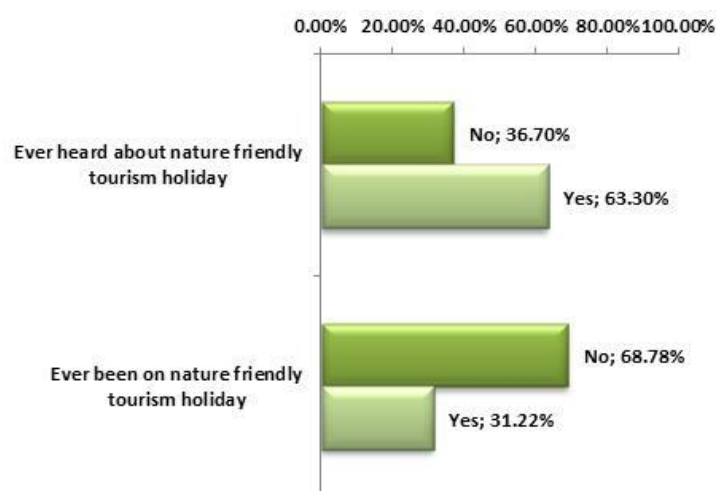
- **To what degree tourists behave on environmentally conscious way** – Vast majority of interviewed tourists in Montenegro believe that behave on environmentally conscious way very much or quite a lot (23.39% and 46.84%, respectively). Most of interviewed tourists visiting Ulcinj (43.9%) stated that behave on environmentally conscious way very much, as well as most of those coming from Albania (35.7%), most of retired (55.3%) and most of those that stated annual income over 60,000 EUR (60.0%).

Graph 25: To what degree tourists behave on environmentally conscious way



- **If tourists ever heard about and ever been on nature-friendly tourism holiday** – Around two thirds of interviewed tourists stated that have heard (63.30%) about, but only one third (31.22%) have ever been on nature-friendly tourism holiday. Most of interviewed tourists visiting Kotor (86.8%) heard about nature-friendly tourism, as well as most of those coming from the Region (68.4%), most of retired (76.6%) and most of those that stated annual income from 50,000 EUR to 60,000 EUR (87.5%).

Graph 26: Ever heard about and been on nature friendly tourism holiday

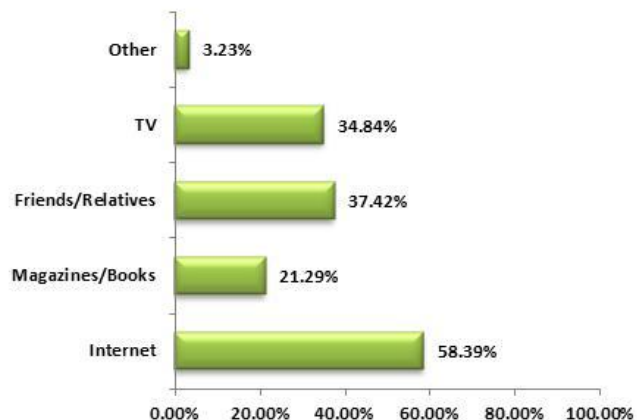


Additionally, most of tourists visiting Cetinje (65.6%) have been on nature-friendly tourism holiday, most of tourists coming from other European countries (42.8%), most of retired (44.7%) and most of those that stated annual income from 50,000 EUR to 60,000 EUR (66.7%).

Tourists that have been on nature friendly tourism holiday (31.22% of tourists or 310 respondents) responded questions about their experiences and habits during nature friendly tourism holiday.

- **How tourists firstly heard about nature friendly tourism holidays** – There was a possibility to provide multiple answers. Most interviewed tourists that have been on nature friendly tourism holiday stated that firstly heard about that kind of tourism holiday from the Internet (58.39%), but also from friends/relatives (37.42%) or TV (34.84%).

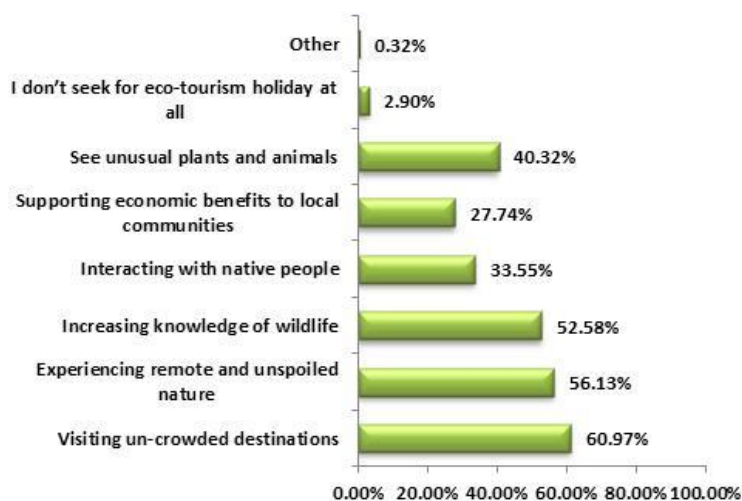
Graph 27: How firstly heard about nature friendly tourism holidays



Most of tourists that firstly heard about nature friendly tourism holidays from Internet are visiting Herceg Novi (28.7%), coming from Montenegro (44.8%), are employed full-time (69.4%) and stated annual income less than 10,000 EUR (46.8%).

Graph 28: What tourists are seeking the most when on nature friendly tourism holiday

- **What tourists are seeking the most when on nature friendly tourism holiday** – There was a possibility to provide multiple answers. Interviewed tourists that have been on nature friendly tourism holiday stated most of offered activities and experiences, while were the least interested in supporting economic benefits to local communities (27.74%).



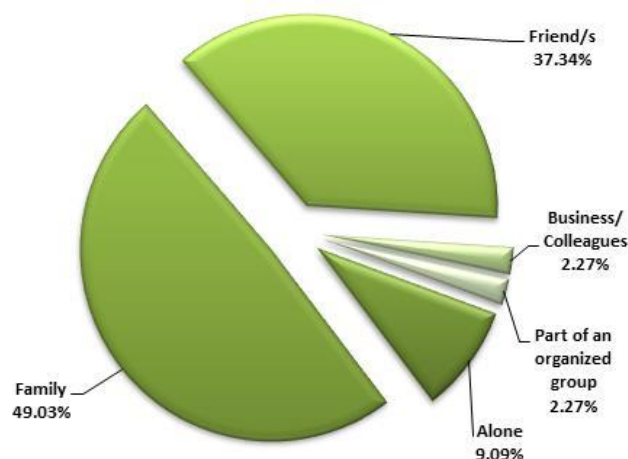
Visiting un-crowded destination is the most attractive for tourists from Herceg Novi (39.7%), coming from Montenegro (39.7%), employed full-time (68.8%) and those that stated annual income up to 10,000 EUR (50.8%).

- **Who tourists are usually traveled with on nature friendly tourism holiday, how are their nature-friendly tourism holidays organized and how much spend on nature friendly tourism holiday approximately** – Interviewed tourists that have been on nature-friendly tourism holiday stated that mostly traveled on such holiday with family (49.03%), the travel was independently organized (60.71%) and they approximately spend on such traveling less than 500 EUR (51.47%).

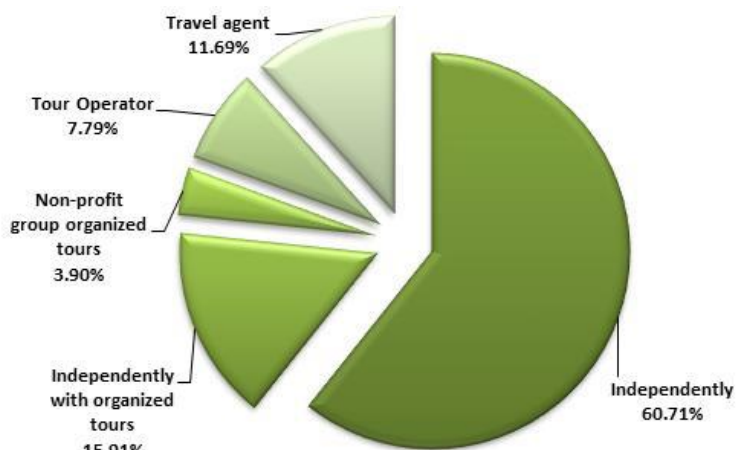
Tour-operators organized nature-friendly tourism holiday for 7.79% interviewed tourists that have been on such tourism holiday. Tour-operators organized nature-friendly tourism holiday for 15.9% tourists that have been on nature-friendly tourism and visited Budva, 25.0% of those coming from the rest of the world, 10.2% of employed full-time and 28.6% of those that stated annual income over 60,000 EUR.

28.1% of interviewed tourists that have been on nature-friendly tourism holiday and that visited Ulcinj spend more than 2,000 EUR on their nature-friendly tourism holiday, as well as 26.2% of those coming from other European countries and 57.1% of those that stated annual income over 60,000 EUR.

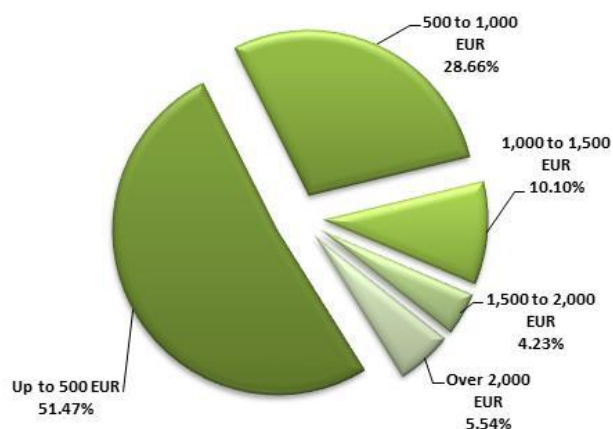
Graph 29: Who tourists are usually travelling with on nature friendly tourism holiday



Graph 30: How is tourists' nature friendly tourism holidays organized



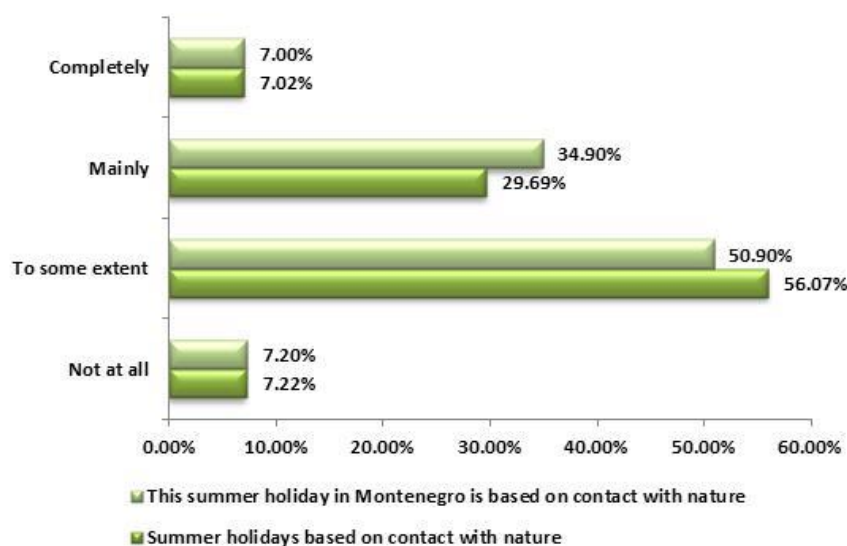
Graph 31: How much tourists spend on nature friendly tourism holiday



The following questions under this Questionnaire section on nature-friendly tourism, responded all tourists.

- **Degree to what summer holidays are based on contact with nature** – Summer holidays in general are to some extent based on contact with nature for over half of interviewed tourists (56.07%). This is the case for most tourists visiting Tivat (83.0%), coming from Albania (64.3%), for students (65.9%) and for most of tourists that stated annual income over 60,000 EUR (72.7%).
- **Degree to what this summer holiday in Montenegro is based on contact with nature** – this summer holiday in Montenegro is to some extent based on contact with nature for over half of interviewed tourists (50.90%). This is the case for most tourists visiting Tivat (78.7%), coming from Albania (85.7%), for students (68.2%) and for most of tourists that stated annual income over 60,000 EUR (63.6%).

Graph 32: Summer holidays and this summer holiday in Montenegro based on contact with nature in average

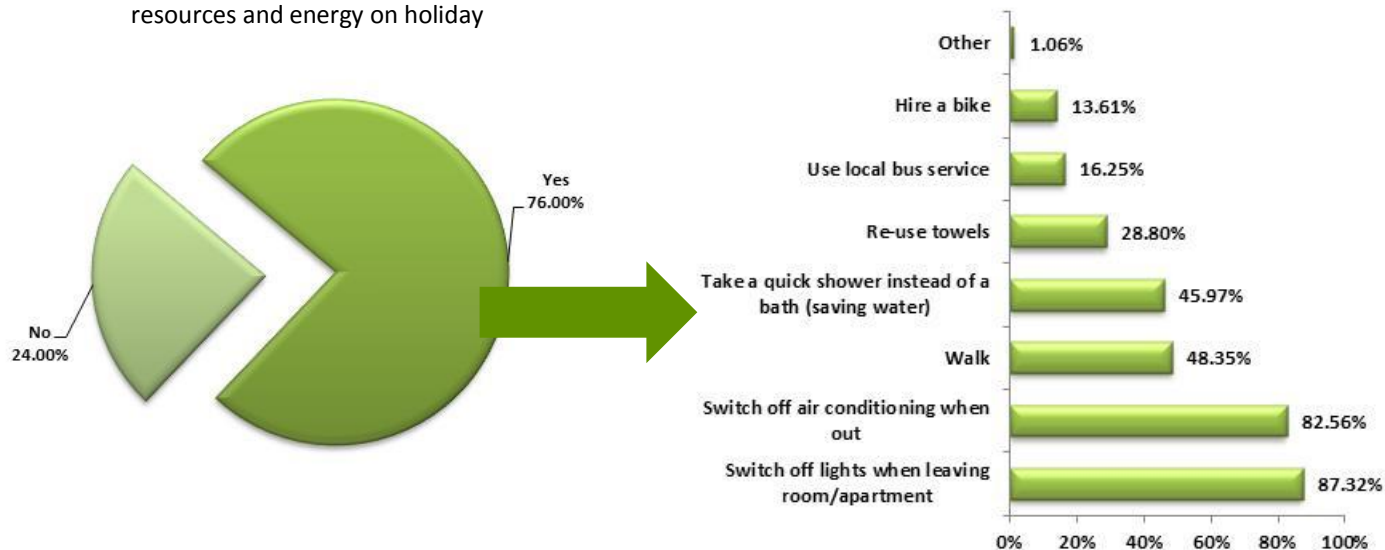


- **Tourists well informed about the nature friendly tourism in Montenegro** – Less than one third of interviewed tourists (32.23%) are well informed about the nature friendly tourism in Montenegro. Among them are in most cases tourists visiting Kotor (65.8%), coming from the rest of the world (47.6%), employed full-time (36.4%) and tourists that stated annual income from 10,000 EUR to 20,000 EUR (43.3%).

- **Activities to reduce the use of natural resources and energy on your holiday** – More than two thirds (76.00%) of interviewed tourists **do** some of the activities in order to reduce the use of natural resources and energy on holiday. There was a possibility to provide multiple answers on activities that tourists do in order to reduce use of natural resources while in Montenegro. Activities are mainly related to energy saving – switch off lights and air conditioning when out and water/fuel saving – taking a quick shower and walking.

Graph 34: Activities tourists do in order to reduce use of natural resources while in Montenegro

Graph 33: Do tourists do things to reduce the use of natural resources and energy on holiday



Interviewed tourists that in most cases **do** some of the activities in order to reduce the use of natural resources and energy on holiday were visiting Bar (99.0%), coming from Russia (81.9%), are retired (91.5%) and stated annual income from 50,000 EUR to 60,0000 EUR.

Table 3: Activities aiming to reduce the use of natural resources and energy on holiday by tourists' country of origin

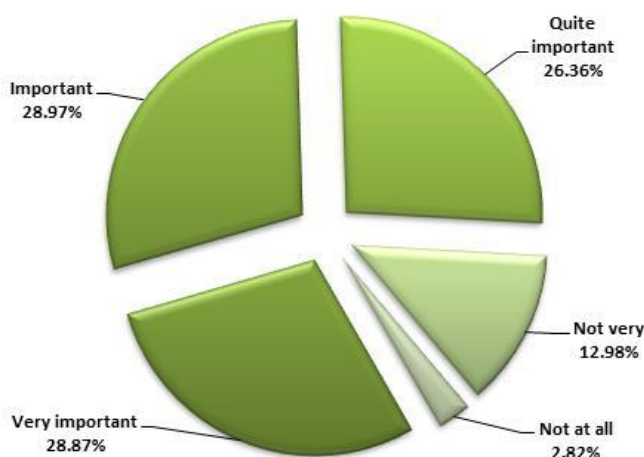
Activities in order to reduce the use of natural resources and energy on holiday		Take a quick shower instead of a bath (saving water)	Re-use towels	Switch off lights when leaving room/apartment	Switch off air conditioning when out	Use local bus service	Hire a bike	Walk	Other
Tourists' country of origin	Montenegro	48.0%	37.6%	51.4%	50.1%	47.2%	40.8%	53.3%	75.0%
	Region	21.6%	29.8%	21.9%	22.2%	20.3%	21.4%	22.1%	25.0%
	Russia	9.8%	9.6%	10.3%	9.8%	7.3%	15.5%	10.4%	
	Albania	1.7%	1.8%	0.8%	0.8%				
	Other European Countries	17.0%	19.7%	13.5%	14.7%	17.1%	18.4%	12.8%	
	The rest of the world	2.0%	1.4%	2.1%	2.4%	8.1%	3.9%	1.4%	

- **Tourists planning to visit Montenegro again within the next five years** – Vast majority (95.77%) of interviewed tourists stated that plans to visit Montenegro again within the next five years.

Tourists that stated that do not plan to visit Montenegro again within the next five years in most cases were visiting Cetinje (10.3%), coming from other European countries (13.9%), employed part-time (9.4%) and those that stated annual income over 60,000 EUR (18.2%).

- **Tourists' opinion on how important nature-friendly tourism is likely to be for the future** – Interviewed tourists in quite close number estimated importance of nature-friendly tourism in the future.

Graph 35: How important nature-friendly tourism is likely to be for the future

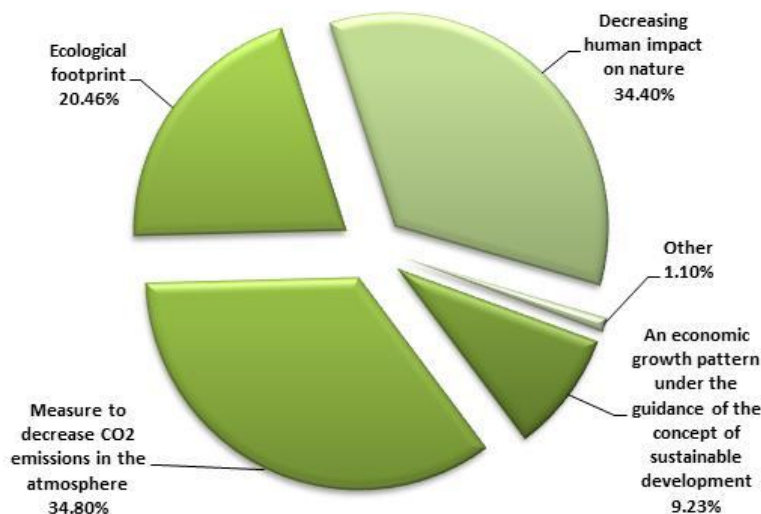


Interviewed tourists that in most cases stated that nature-friendly tourism is likely to be very important for the future are visiting Cetinje (56.3%), coming from other European countries (36.4%), stated employment as “other” (most of them are dependents) (50.0%) and most of those tourists that stated annual income over 60,000 EUR (81.8%).

Low-carbon tourism

- **Statements that best describes what low carbon tourism** – Interviewed tourists decided for some the offered statements that best describes what low carbon tourism as follows:

Graph 36: The statements that best describes what low carbon tourism is



- **If tourists interested to decrease own impact on nature through the low carbon tourism** – Majority (70.17%) of interviewed tourists are interested to decrease own impact on nature through the low carbon tourism. Most of interviewed tourists in Cetinje (86.7%), coming from Russia (71.2%), retired (84.4%) and most tourists that stated annual income over 60,000 EUR (90.9%) are interested to decrease own impact on nature through the low carbon tourism.
- **Tourists to define what carbon footprint is** – More than a half of interviewed tourists (51.60%) stated that don't know definition of carbon footprint, while others decided for some the offered definitions of carbon footprint as follows:

Table 4: Definition of carbon footprint

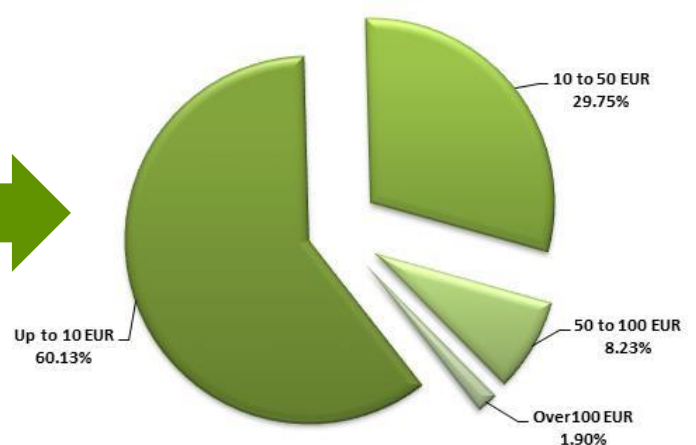
Decreasing CO2 emissions in land transport	2.8%
Decreasing CO2 emissions in air transport	6.2%
Decreasing CO2 emissions in water transport	1.9%
The total sets of greenhouse gas emissions caused by an organization, event, product or person	23.3%
Decreasing CO2 emissions in accommodation	6.0%
Decreasing CO2 emissions in tourism activities	8.2%
Don't know	51.6%

- **If tourists ever calculated their carbon footprint** – Only 2.20% of interviewed tourists have calculated carbon footprint. Among them are 3.7% of tourists visiting Budva, 4,8% of tourists coming from the rest of the world, 2.9% of employed full-time and 9.8% of tourists that stated annual income from 30,000 EUR to 40,000 EUR.
- **If tourists interested in calculating their carbon footprint and how much they are willing to pay for that on annual basis** – Half of interviewed tourists (49.29%) are interested in calculating carbon footprint and to pay up to 10 EUR on annual basis for calculating carbon footprint.

Graph 37: Tourists interested in calculating carbon footprint



Graph 38: How much tourists are willing to pay for calculating carbon footprint on annual basis



More tourists visiting Tivat (63.0%) are interested in calculating carbon footprint, as well as most of those coming from the rest of the world (61.9%), tourists retired (61.7%) and tourists that stated annual income from 50,000 EUR to 60,000 EUR (75.0%).

Out of tourists that stated interest in calculating carbon footprint, 62.1% of tourists in Budva are willing to pay for that up to 10 EUR annually, as well as 62.1% of tourists from Montenegro, all of those that stated “other” as employment status (in most cases dependents) and 77.3% of tourists that stated annual income up to 10,000 EUR.

- **If tourists are willing to pay more for their vacation if it would fund low carbon projects in Montenegro** – Somewhat less than half of interviewed tourists (48.84%) would pay more for vacation if it will fund low carbon projects in Montenegro. More tourists visiting Herceg Novi (61.8%) are willing to pay more for their vacation if it would fund low carbon projects in Montenegro, as well as more tourists coming from Russia (58.7%), more retired (55.3%) and almost all (90.9%) tourists with annual income over 60,000 EUR.

Key Conclusions

On bases of research among 1,000 visiting tourists in Montenegro by statistical analysis, it reached to the following results, as per July 2015:

- ✓ This Survey among tourists/visitors in Montenegro on Low-Carbon Tourism was conducted in 6 coastal municipalities and Old Royal Capital of Cetinje. Sample was structured as previously defined. According to the sample structure by the country of tourists' origin, a half of interviewed tourists were from Montenegro. Most tourists were interviewed in Budva as statistical data shows that Budva hosts most of tourists in Montenegro.
- ✓ Sample almost equally included both man and women with also almost equalized structure in terms of respondents' age, marital status and education –almost equal number of those in “mid age” with completed high school and university and quite less of those much older or younger and those with primary school or with higher degree than university. As expected, most tourists live on own salary but its level is at lowest offered level.
- ✓ Majority of interviewed tourists behave on holiday in expected ways – most of them go on holiday one or two times (78.74%), every year (76.9%) for approximately 2 weeks, choose location asking friends and relatives or the Internet and organize holiday independently.
- ✓ The most important aspect, out of 18 offered, with average highest given grade when choosing a holiday destination for tourists is “general sense of safety”, while the least important is “availability of sports facilities”.
- ✓ One third of tourists coming from abroad visited Montenegro for the first time, as well as over half of tourists coming from the rest of the world.
- ✓ Almost all (95.77%) tourists do plan to visit Montenegro again within the next five years.
- ✓ Half of tourists coming from abroad arrived in Montenegro by plane, while more than two thirds (67.64%) of all interviewed tourists arrived by road vehicle – own car, rent-a-car, motorbike or bus.
- ✓ Most of tourists stay in hotels and hotel-apartments (41.34%) as well as in private accommodation (renting rooms) (34.33%).
- ✓ Tourists usually spend 10 to 30 EUR per person per day for accommodation (45.05%) and for food and drinks (33.23%).
- ✓ Tourists usually use own car (44.80%) or a bus (30.70%) when travel around Montenegro and usually came on holiday with family and/or relatives and with spouse/partner. Almost all tourists visiting Montenegro during summer holiday are planning swimming and sunbathing.
- ✓ More than three quarters (76.32%) of interviewed tourists stated that environmental protection is on a satisfactory level in Montenegro.

- ✓ Tourists generally chose Montenegro because of its pure nature (50.60%) and good prices (40%). One quarter of tourists that have chosen Montenegro as a destination for holiday because of pure nature think that environmental protection is not on a satisfactory level in Montenegro.
- ✓ Tourists visiting Montenegro generally believe that they behave in an environmentally conscious way (76.23%), have heard of nature friendly tourism (63.30%), but only less than one third (31.22%) of tourists have ever been on nature friendly tourism holiday.
- ✓ Tourists that have been on nature-friendly tourism holiday, usually heard about that from the Internet (58.39%) and at these destinations were looking for various experiences and activities.
- ✓ Tourists usually traveled on nature-friendly tourism holiday with family, the travel was independently organized and they approximately spend on such traveling less than 500 EUR.
- ✓ Summer holidays in general (56.07%) and this summer holiday in Montenegro (50.90%) are, to some extent, based on contact with nature for most of tourists.
- ✓ Less than one third (32.23%) of tourists are well informed about the nature friendly tourism in Montenegro.
- ✓ Activities that tourists do in order to reduce use of natural resources while in Montenegro are mainly related to energy saving – switch off lights and air conditioning when out and water/fuel saving – taking a quick shower and walking.
- ✓ Interviewed tourists were generally guessing what the low-carbon tourism is. However, majority (70.17%) of interviewed tourists are interested to decrease own impact on nature through the low carbon tourism and somewhat less than half (48.84%) of tourists would pay more for vacation if it would fund low-carbon projects in Montenegro.
- ✓ Most tourists do not know what carbon footprint is – more than a half (51.60%) stated that don't know definition of carbon footprint. Only 2.20% of interviewed tourists have calculated carbon footprint. Still, most tourists (49.29%) are interested to calculate their carbon footprint for less than 10 EUR per year.

LEGAL ENTITIES IN TOURISM SECTOR

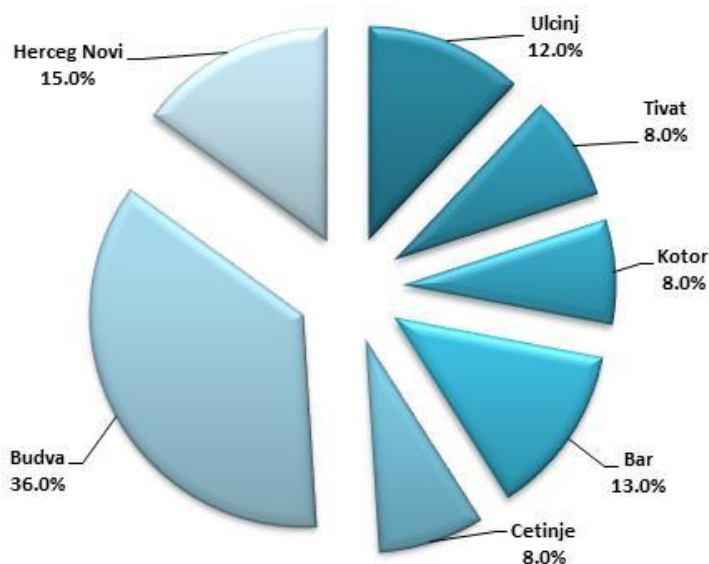
Introduction

Carbon Neutral Tourism project (TCNT) represent a new direction in the tourism development, creating a new business opportunity and a challenge to tourism developers. The environmental movement has boosted awareness of the importance of natural resources and reducing GHG emissions for tourism development and business. In this context, Montenegro's tourism sector have potential to develop nature based tourism forms in order to create a sustainable business model by promoting country's transition towards a carbon neutral travel & tourism, minimizing energy use in transport and accommodation sectors.

For the purposes of the survey, E3 Consulting in coordination with UNDP prepared a sample, based on a database of the companies registered basically in the Central Company Registry as well as databases from the Montenegrin Chamber of Commerce and Employers' Federation and National Tourism Organization of Montenegro.

Sample was created as a representative three stage stratified sample of national companies. Survey was conducted among 100 companies operating in the tourism and travel sector, **hereinafter referred to as tourism business entities**, within seven targeted municipalities (Budva, Kotor, Tivat, Ulcinj, Herceg Novi, Bar and Cetinje) from Montenegro.

Graph 39: Municipalities



Random sampling method is implemented in case of sample unit selection of rent-a-car agencies, restaurants and tourism agencies with the same probability of selection. Sample units for individual accommodation are based on the random sampling method according to the category of the accommodation facility (number of stars). Data for the municipality of Ulcinj were not available and for the targeted municipality it was taken an average of all other categories

(2.25) which is leading to the random sampling selection in case of individual accommodation in Ulcinj. Every targeted category of legal entities has its additional sample units (replacements) in case if surveyors cannot proceed with the survey in the primary unit. In the case that the initially selected unit could not be found and that there is no replacement within the units of the same category, additional units from the data base can be applied by respecting the principle of the same category and municipalities replaced the sampling unit.

Table 5: Sample by municipality / Main service in tourism

Main service in tourism	Municipality						
	Ulcinj	Tivat	Kotor	Bar	Cetinje	Budva	Herceg Novi
Hotel	10.5%	5.3%		15.8%	5.3%	47.4%	15.8%
Apartment/Hotel			20%	60 %		20%	
Pansion					100%		
Tourist settlement						100%	
Tourist apartment	14.3%	9.5%	9.5%			38.1%	28.6%
Private households (renting rooms)	12.5%			12.5%		68.8%	6.2%
Transportation	12.5%	12.5%	12.5%	12.5%	18.8%	18.8%	12.5%
Restaurants	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%
Tourist agency / Tour-operator	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%

Project supervisors conducted training for surveyors and introduced them the survey methodology that was prepared and printed in Manuals specially designed for surveyors in the separate document. The Manual also included detail explanations on specific terms and phrases, such as “eco-tourism”, low-carbon tourism, carbon footprint, etc. The training of surveyors included:

- Detailed explanation of the objectives of the survey
- Sampling design

After the training each interviewer received fieldwork pack. Fieldwork pack was consisted of:

- Interviewers manual
- Letter of introduction / company authorization issued by E3 Consulting
- A sufficient number of questionnaires to complete both in Montenegrin language.

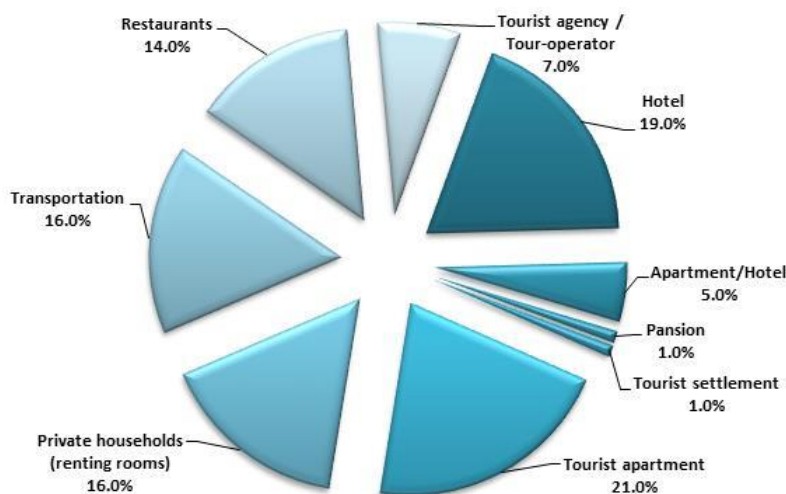
After completion of the fieldwork and data control project team conducted a data entry process in created data bases in MS Office (Excel). For the purposes of data processing data bases were created in SPSS statistical program. Data processing included SPSS outputs such as key frequencies, descriptive statistics, cross tabulations and graphs. Project analysts have prepared deliverables according to the client requirements in the form of statistical annex.

Survey Results

General information about the legal entity

- **Year of establishing tourism business entities** – According to the sample, the largest number of tourism business entities (62.9%) was established in a period between 2000 and 2010; 14.4% in a period 1990 to 2000; 9.3% after 2010; 7.2% before 1980; and 6.2% tourism business entities was established in a period 1980 to 1990.
- **Part of tourism industry sector** – Out of total number of tourism business entities, 43% of them represent individual accommodation, 20% of them represent collective accommodation, 16% of them represent transportation sector, 14% represent restaurants and 7% of them represent tourist agency.

Graph 40: Part of tourism industry sector



- **Capacity of tourism facilities by type of service**

Note: Transportation and tourist agencies are excluded

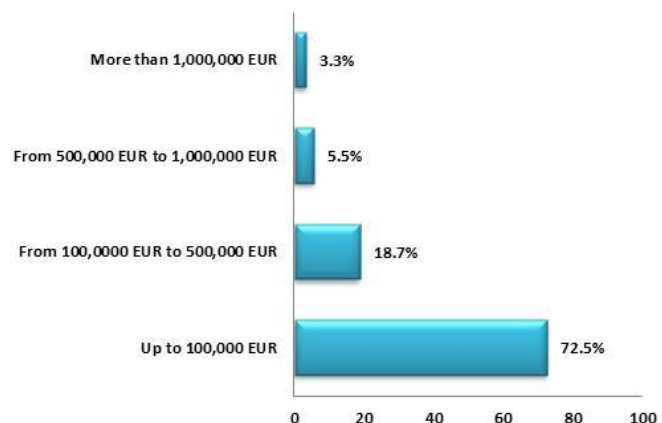
Table 6: Capacity of tourism facilities by type of service

Type of service in tourism	Main business activity	Mean	
		Capacity of tourism facilities	Annual occupancy rate
Hotel	19%	186.8	51.9
Apartment/Hotel	5%	19.6	46
Pansion	1%	4	50
Tourist settlement	1%	1.985	40
Tourist apartment	21%	18.8	43.8
Private households (renting rooms)	16%	12.1	30.6
Restaurants	14%	101.1	44.5

- **Respondents' position** – In most cases (51%) tourism business entities were represented by business owners who responded to this Survey, 15% tourism business entities represented managers and 12% by directors, 10% by employees, 8% by employed in the administration and 4% by employees in management.
- **Number of full time employees** – The average number of full-time employees in enterprises was 9.8. More than three quarters (78.5%) of tourism business entities employed up to 10 employees, while 20.3% of tourism business entities employed from 10 to 50 employees and only 1.3% of them employed between 50 and 250 full-time employees.
- **Number of part-time/seasonal employees** – When it comes to the question about seasonal employees, the average number of seasonal employees in the tourism business entities was 18.8, so that during the tourist season, the majority of tourism business entities (74.6%) were employing up to 10 seasonal workers, 19.7% from 10 to 50, 1.4% from 50 to 100 and from 100 to 150 workers and only 2.8% employ more than 150 workers.

Graph 41: Annual turnover of the tourism sector (in 2014)

- **Annual turnover in the tourism sector (in 2014)** – The greatest number of tourism business entities (72.5%) in 2014 recorded a turnover in amount of up to 100,000 EUR, while on the other hand only 3.3% of tourism business entities recorded turnover of more than 1,000,000 EUR.



Marketing tools used to promote tourism company – When it comes to a marketing tools which tourism business entities used to promote their tourist offer, they had the opportunity to rank marketing tools with 1- Most frequent and 5- Least frequent. According to that, 65.4% of tourism business entities most frequently used tour operators to promote their tourist offer, while on the other hand the majority of tourism business entities (52.6%) the least frequently used online booking as well as including into other accommodation sector offers to promote their offer. Regarding the main activity of tourism business entities, individual accommodation representatives most frequently used travel advice like Booking, Trip advisor... (45.7%) to promote their tourist offer. On the other hand, collective accommodation mostly (37.8%) used inclusion into other accommodation sector offers as marketing tool, while transportation and tourist agency mostly used Brochures to promote their tourist offer (25% and 10.4%, respectively).

Table 7: Marketing tools used to promote tourist offer

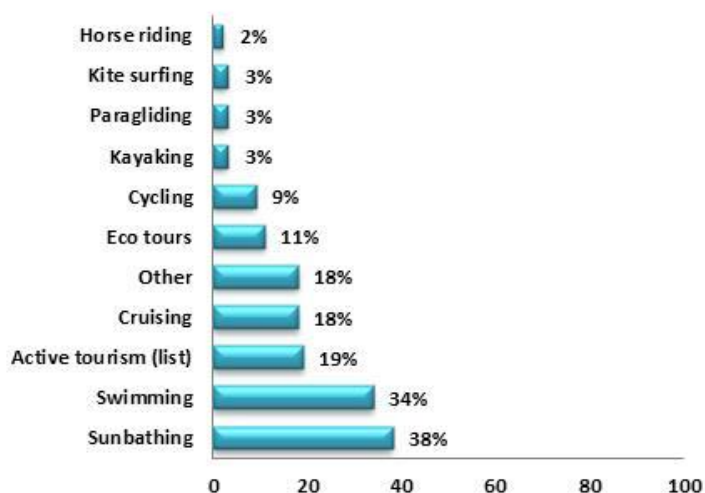
	1-Most frequent	5-Least frequent
Website	51.2%	48.8%
Brochures	53.3%	46.7%
Online booking	47.4%	52.6%
Tour operators	65.4%	34.6%
Travel advice	56.8%	43.2%
Included into other accommodation sector offers	47.4%	52.6%

- **Where guests/clients come from** – Tourist business entities had the opportunity to rank countries from which tourists come from with 1-Most frequent and 5-Least frequent. According to that, vast majority (83.3%) of tourist business entities hosted tourists from the Region, while the least frequent guests are from South America for 98.7% of tourist business entities.

Table 8: Where guests/clients come from

	1-Most frequent	5-Least frequent
Domestic market (Montenegro)	53.8%	46.2%
Western Balkan countries/Region	81.9%	18.1%
From EU	83.3%	16.7%
From Asia	21.8%	78.2%
From Africa	3.6%	96.4%
From North America	11%	89%
From South America	1.3%	98.7%
From Australia	13%	87%

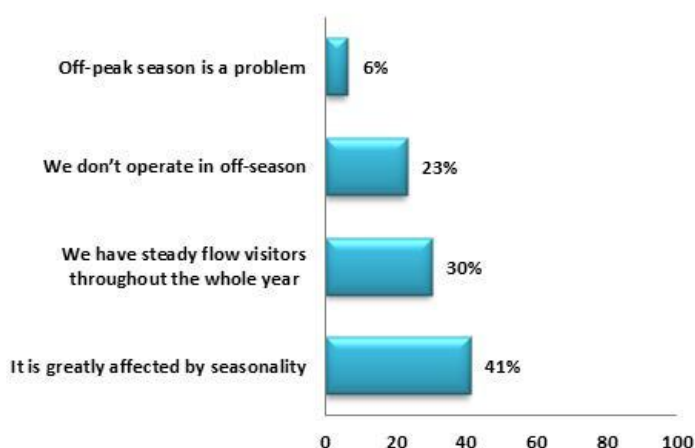
- **Activities offered to clients/guests** – There was a possibility to provide multiple answers. In terms of additional activities which the tourist business entities are offering, most of them offer sunbathing and swimming (38% and 34%, respectively). From the tourists business entities that offer “other” services (18%), most (33.3%) of them offer tourist arrangements and 5.6% of them health and spa. In comparison to the average number of tourism business entities that offer additional activities like active tourism, 52.6% of them operate in Budva, followed by 26.3% of them that operate in Bar, while the entities that provide eco-tours mostly operate in Kotor (27.3%) as well as in Budva (27.3%).

Graph 42: Activities offered to clients/guests

➤ **To what extent is business affected by seasonality –**

Most (41%) of tourist business entities are greatly dependent by the season, while for 6% of them work during off-peak season represent a major problem. From the total average of 41% of those which business is greatly dependent on the season, 76.9% of them are from Bar and 71.4% represent tourist agency. At the same time, from the total average of 23% those who don't operate in off-season, 60% of them are from Herceg Novi.

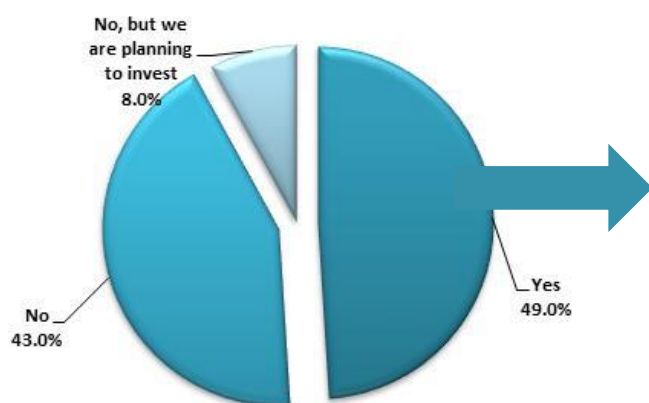
Graph 43: To what extent is business affected by seasonality



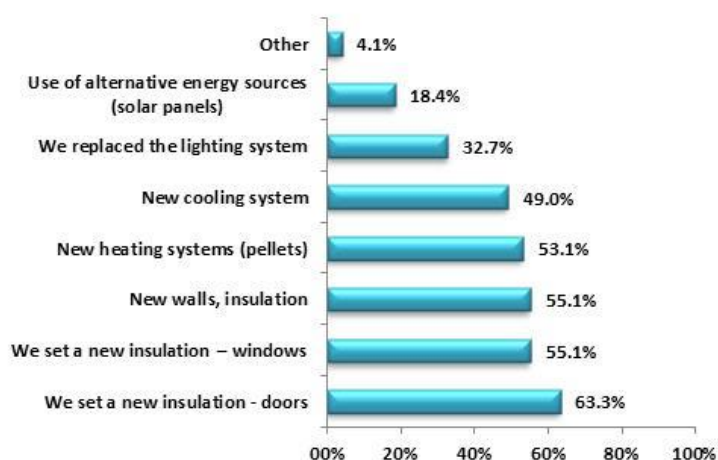
- **Is your company investing in energy efficiency –** In relation to the total number of tourist business entities, 49% of them are investing in energy efficiency, while 8% of them don't but planning to investing in energy efficiency. On the other hand, 43% of tourist business entities do not invest and has no plans to invest in the near future in the energy efficiency of its facilities. From the total average of 49% of those investing in energy efficiency, 66.7% are from Herceg Novi and 70% represent collective accommodations. At the same time, from the total average of 46.2% of those who are investing in the energy efficiency, vast majority (88.2%) recorded annual turnover in amount of 100,000 EUR to 500,000 EUR.

There was a possibility to provide multiple answers on modes of investments in energy efficiency for tourist business entities that invested in energy efficiency.

Graph 44: If company invests in energy efficiency



Graph 45: Modes of investment in energy efficiency



Most of tourism business entities that invested in energy efficiency by investing in new insulations of walls, doors and windows (74.1%, 67.7% and 66.7%, respectively) invested up to 10,000 EUR, while most of those that invested in solar panels invested from 50,000 to 100,000 EUR (30%), as well as more than 500,000EUR (30%).

Table 9: Modes of investment in energy efficiency / main activity of business entities

	Collective accommodation	Individual accommodation	Transportation	Restaurant	Tourist agency
New insulation - doors	32.3%	48.4%	3.2%	9.7%	6.5%
New insulation – windows	33.3%	48.1%	3.7%	11.1%	3.7%
New heating systems (pellets)	48.1%	25.9%	3.7%	18.5%	3.7%
New cooling system	48.0%	24.0%	0.0%	28.0%	0.0%
Replacing the lighting system	47.1%	29.4%	0.0%	11.8%	11.8%
New walls. insulation	25.9%	40.7%	3.7%	22.2%	7.4%
Use of alternative energy sources (solar panels)	70.0%	20.0%	0.0%	10.0%	0.0%
Other	50.0%	0.0%	50.0%	0.0%	0.0%

Graph 46: Amount of investments in energy efficiency

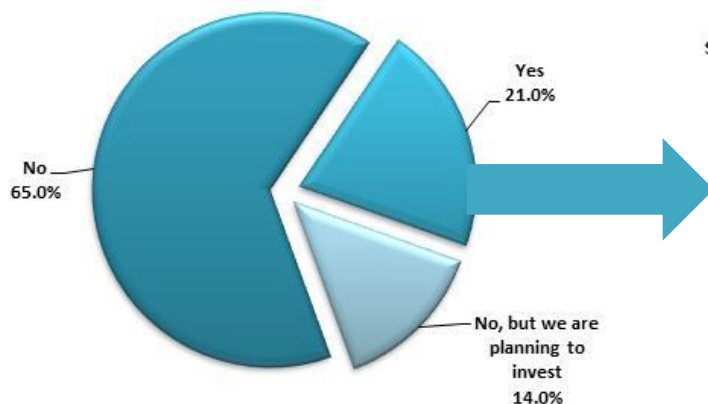
➤ **Amount of investments in energy efficiency** – In relation to the number of tourist business entities that invested in energy efficiency, most of them (61.2%) invested up to 10,000 EUR. On the other hand, 6.1% of tourist business entities invested amount of 100,000 EUR to 500,000 EUR as well as more than 500,000 EUR.



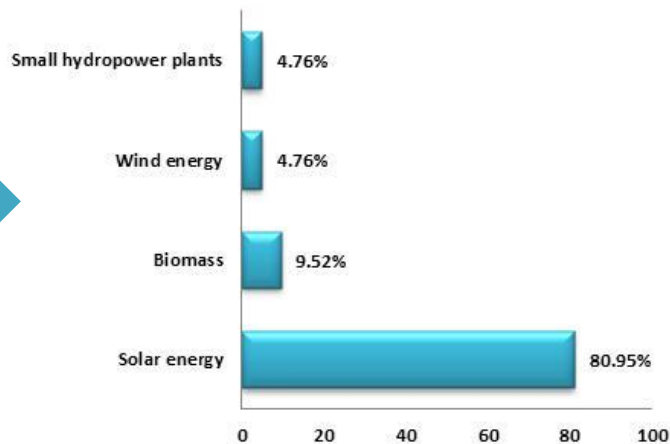
➤ **Ever invested in renewable energy sources** – Almost two thirds (65%) of interviewed tourist business entities had never invested, while 14% of them had never invested but are planning to invest in renewable energy sources. Only 21% of tourist business entities made some investments in renewable energy sources. From the total average of 21% of those that invested in renewable energy efficiency, the greatest number of them are from Budva (38.9%) and 45% of them represent the collective accommodation. At the same time, from the total average of 16.5% of those that invested in the renewable energy efficiency, 20% stated annual turnover in amount of 100,000 EUR to 500,000 EUR, as well as more than one million EUR (100%). On the other hand, from the total average of 14% of those who had never invested but are planning to invest, 25% of them are from Tivat and 23.3% represent individual accommodation.

- **In which renewable energy sources was invested** – There was a possibility to provide multiple answers for tourist business entities that invested in renewable energy sources. Vast majority of those that invested in renewable energy sources (80.95%) invested in solar energy, while the least number of entities 4.76% invested in small hydropower plants and in wind energy. In comparison to the average number of tourism business entities that invested in solar energy, 61.1% are from Budva, 44.4% of them represent collective accommodation and 50% of them stated annual turnover up to 100,000 EUR.

Graph 47: Ever invested in renewable energy sources



Graph 48: In which renewable energy sources was invested



- **Support for community-based waste collection business** – Almost all tourist business entities (98%) are willing to support waste collection in their community. On the other hand, from the total average of 2% those entities who wouldn't support waste collection in their community, most are from Budva (5.6%), 5% represent collective accommodations, 33% stated annual turnover more than 1,000,000 EUR and 6.2% engage from 10 to 50 full time employees.
- **Use of water from Public Water Supply Company** – Out of all interviewed tourist business entities, 96% of them use water from Public Water Supply Company, while only 4% have their own source of water or using rainwater.
- **Use of some water saving mechanisms** – Only 21% of tourist business entities are using water saving mechanisms, mostly wells (19%) and diffusers on the taps (14.3%). Additionally, only 3% of them do not use but plan to use some water saving mechanisms with 33.3% of them with plan to use alternative sources.

➤ **Monthly average overhead costs**

Table 10: Monthly average overhead costs by municipality

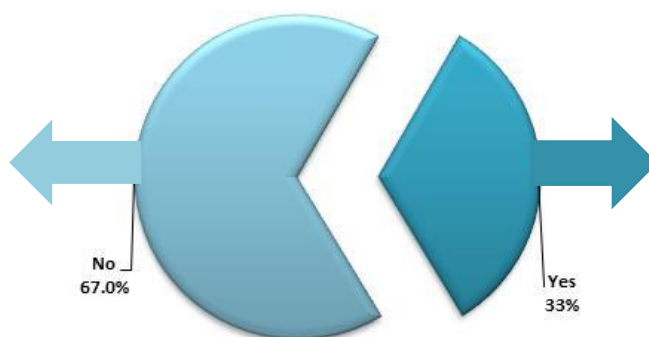
Monthly average costs (EUR)		Mean (EUR)			
		Electricity bill	Fuel	Water supply	Waste disposal
Municipality	Ulcinj	486.36	200.00	261.00	66.30
	Tivat	888.57	1,362.50	301.43	190.50
	Kotor	852.86	5,100.00	182.86	70.71
	Bar	671.67	398.18	250.00	142.00
	Cetinje	507.14	700.00	107.14	94.33
	Budva	1,231.94	1,525.00	1,121.50	553.42
	Herceg Novi	568.18	283.33	246.00	40.11
	Total	855.70	958.60	552.47	257.26

- **Does municipality has enough financial resources for financing “green” projects** – Two thirds (67%) of tourist business entities believe that municipality does not have enough financial resources for financing “green” projects.

Graph 49: Municipality has enough financial resources for financing “green” projects

Municipality does not have enough financial resources for financing “green” projects due to:

- economic crisis (30.8%)
- other priorities (15.4%).



Municipality does have enough financial resources for financing “green” projects due to:

- The budget,
 - high taxes, fees and
 - other income
- (68.8% in total).

➤ **Companies consider fuel pollution as important**

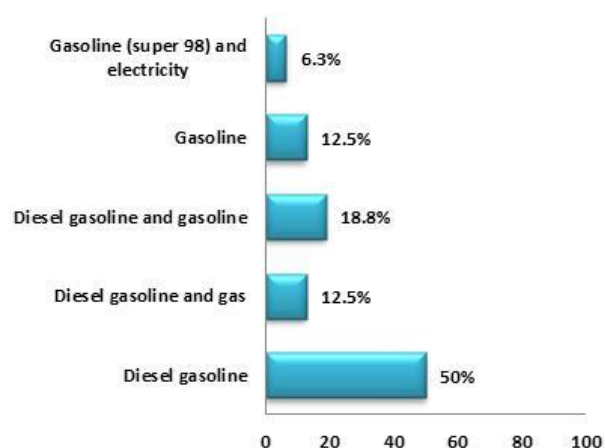
- Majority (86.7%) of interviewed companies believes that environmental pollution with fuel is particularly important. From the total average of 13.3% of those entities who do not consider environmental impacts of fuel as significant, most are from Ulcinj (26.3%), followed by 19.4% from Budva, by 12.5% from Bar and Kotor and 6.7% from Herceg Novi.

Graph 50: Companies consider fuel pollution as important



- **If tourists should consider choice of fuel type in transportation when choosing their destination** – More than a half (56.4%) of interviewed companies believe that the choice of fuel is not important in the choice of destinations for tourists, and 43.6% of them think opposite.

Graph 51: Kind of fuel used in the transport of passengers/tourists



- **Kind of fuel that company used in the transport of passengers/tourists** – There was a possibility to provide multiple answers for interviewed tourist business entities whose main activity is transportation. Half (50%) of them used only diesel gasoline, while the lowest number (6.3%) of them used combined gasoline (super 98) and electricity.
- **Readiness to invest further in vehicles to switch on ecological and alternative fuels in order to attract more passengers or certain category of tourists** – More than half (56%) of tourist business entities that provide transportation services as the main activity are willing to invest in their vehicles to switch on ecological and alternative fuels and they are willing to invest in average 1,528.9 EUR annually.

Eco-Tourism

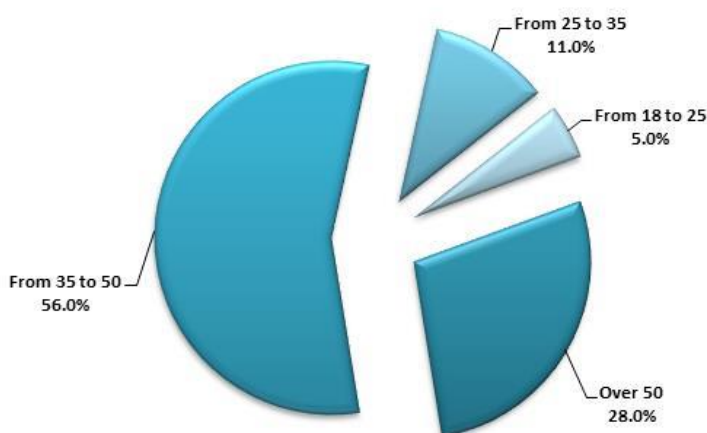
- **To what extent agree with the statements about climate change and eco-tourism** – Vast majority (89%) of tourists business entities strongly agree and agree that “Eco-tourism will be important in the future” and also 81% of tourists business entities strongly agree and agree that “Climate change has a great impact on the tourism sector development”.

Table 11: To what extent agree with the statements about climate change and eco-tourism

	Strongly agree	Agree	Somewhat agree	Somewhat disagree	Disagree	Strongly disagree
Climate change has a great impact on the tourism sector development	41.0%	40.0%	14.0%	3.0%	1.0%	1.0%
I understand the concept on eco-tourism	37.0%	48.0%	13.0%	1.0%	1.0%	
Eco-tourism represents a significant part of the overall tourism industry	36.4%	40.4%	17.2%	5.1%	1.0%	
Eco-tourism capitalizes natural and cultural heritage	40.4%	39.4%	18.2%	1.0%	1.0%	
Eco-tourism is a long-term concept of sustainable development	36.0%	38.0%	22.0%	3.0%	1.0%	
Large scale nature-based resorts and investment developments violate the concept of eco-tourism	24.2%	26.3%	22.2%	9.1%	16.2%	2.0%
Eco-tourism has a great impact on tourism development in our municipality	20.0%	29.0%	26.0%	7.0%	14.0%	4.0%
Eco-tourism will be important in the future	50.0%	39.0%	10.0%	1.0%		

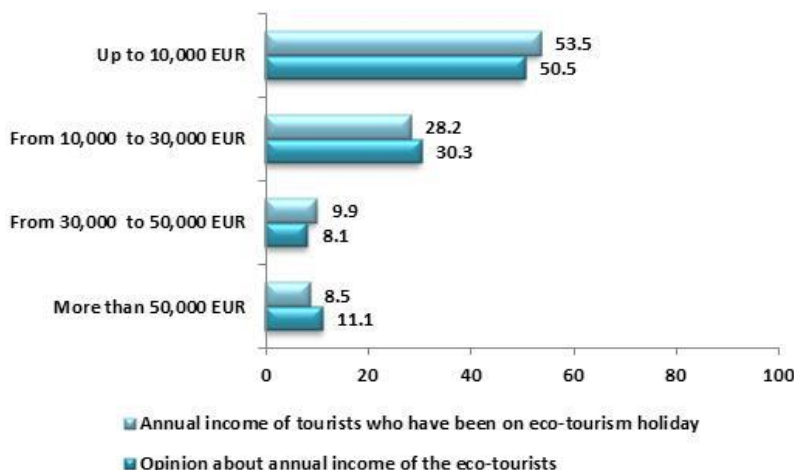
- **To which age group eco-tourists belong to** – More than half (56%) of total number of tourist business entities believe that eco-tourists are in age between 35 and 50 years and the greatest number of them (68.8%) are from Cetinje and the same percentage of them provides transportation services. On the other hand, the lowest number (5%) of tourist business entities believes that eco-tourists are 18 to 25 years old.

Graph 52: Which is age group you think that eco-tourists belong to



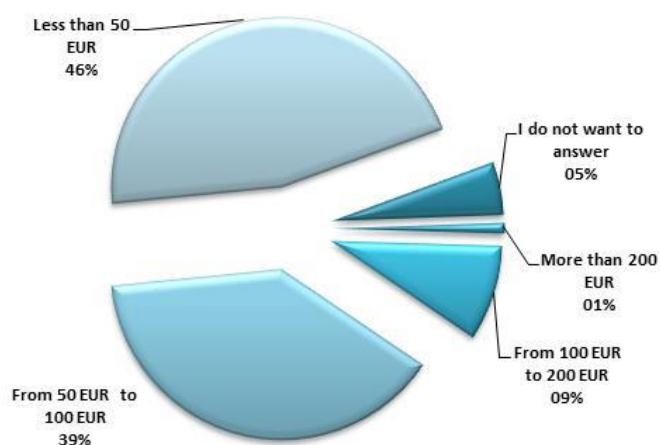
- **What is the annual income of eco-tourists** – Somewhat more than half (50.5%) of tourist business entities believe that the annual income of eco-tourists is up to 10,000 EUR, which is in line with the information that was obtained from survey among tourists, from which 47% of tourists who have been on eco-tourism holiday stated annual income up to 10,000 EUR. On the other hand, 8.1% of tourist business entities believe that the annual income of eco-tourists is from 30,000 to 50,000 EUR, which is also in line with the stated annual income of tourists who have been on eco holiday.

Graph 53: Opinion about annual income of the eco-tourists / Annual income of tourists who have been on eco-tourism holiday



- **How much eco-tourists spend during their visit to Montenegro (per person)** – Most (46%) of tourist business entities believe that eco-tourists spend on average less than 50 EUR per day, while 1% of them believe that eco-tourists spend on average more than 200 EUR per day. From the total average of 46% those entities who believe that eco-tourists spend on average less than 50 EUR per day, most are from Bar (69.2%), followed by 62.5% from Kotor and 78.6% of them represent restaurants.

Graph 54: How much do you think that eco-tourists spend during their visit to Montenegro (per person)



➤ **Enough informed about the eco-tourism in Montenegro**

Graph 55: Enough informed about the eco-tourism in Montenegro

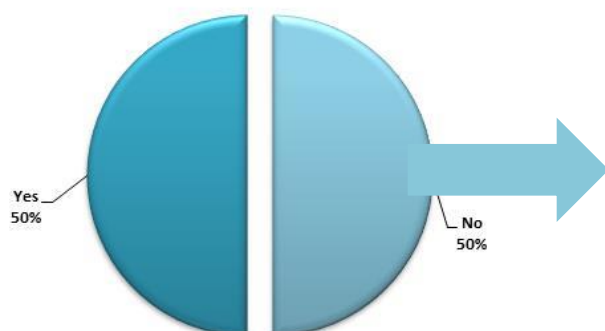


Table 12: Why not informed enough about the eco-tourism in Montenegro

Poor media / advertising coverage	42.9%
Lack of available information	40.8%
I'm not interested	10.2%
No response	2%
Because eco-tourism is not sufficiently developed	2%
Poor organization	2%

- **If environmental protection is on a satisfactory level in Montenegro** – Considering the level of environmental protection in Montenegro, opinion of tourists is very different from opinion of tourist business entities. Only 23.7% of tourists, on the contrary of 62% of business entities believe that environmental protection **is not** on the satisfactory level. However they agree that “Lack of care and will” and “Dirtiness, waste and waste water” are the main reasons why environmental protection is not on a satisfactory level. From the total average of 38% of business entities who believe that environmental protection in Montenegro is on a satisfactory level, the greatest number are from Bar (83.3%), than from Ulcinj (75%) and most of them represent restaurants (71.4%).
- On the contrary from the total average of 62% those entities who believes that environmental protection in Montenegro is not on the satisfactory level, 100% are from Tivat, than from Kotor (75%) and mostly of them represent collective accommodations (75%).

Graph 56: If environmental protection is on a satisfactory level in Montenegro

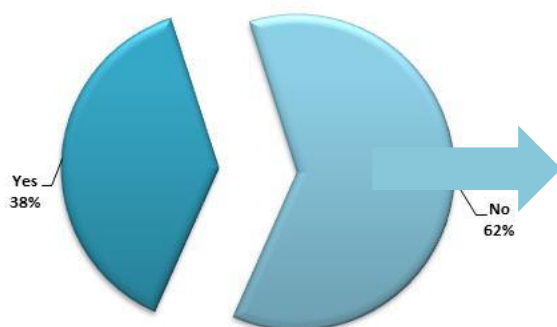


Table 13: Why environmental protection is not on a satisfactory level in Montenegro

Lack of care and will	39.3%
Dirtiness (solid waste. waste water...)	19.7%
No investment	13.1%
Poor management and government	11.5%
No response	6.6%
Uncontrolled construction	4.9%
Disregard of legislation	3.3%
I don't know	1.6%

- **If services and facilities are on a satisfactory level in Montenegro** – From the total average of 57.1% of those tourist business entities who believes that services and facilities are on a satisfactory level in Montenegro, most of them (83.3%) are from Bar, than from Ulcinj (75%). At the same time, from the total average of 59.6% of those entities who believe that services and facilities are on a satisfactory level, 70.6% stated annual turnover from 100,000 to 500,000 EUR. However, from 42.9% of entities who believes that services and facilities are not on a satisfactory level, 40.5% of them stated “Insufficient capacities (human investments)” as the main reason for that.

Graph 57: If services and facilities are on a satisfactory level in Montenegro

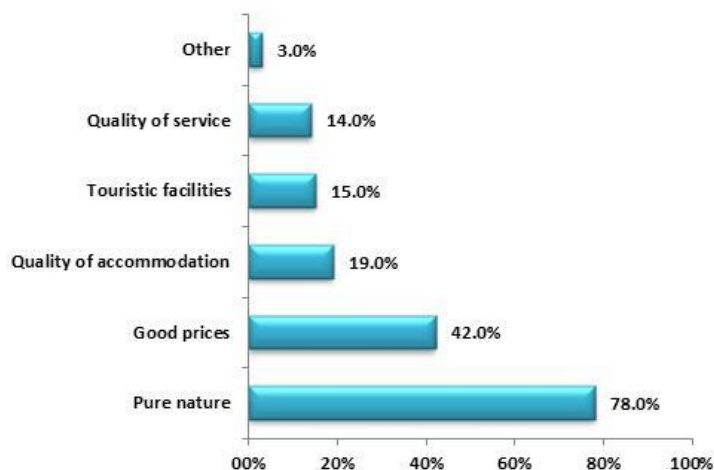


Table 14: Why services and facilities are not on a satisfactory level in Montenegro

Insufficient capacities (human investments...)	40.5%
No response	23.8%
Lack of care	11.9%
Dirtiness (waste pollution)	7.1%
Poor management and government	4.8%
Unprofessionalism	4.8%
Could be better	2.4%
For many reasons	2.4%
No regulated parking service	2.4%

- **Why should tourists choose Montenegro as a destination for eco-tourism** – There was a possibility to provide multiple answers. More than three quarters (78%) of tourist business entities believe that the “pure nature” is the main reason for tourists to choose Montenegro as an eco-destination.

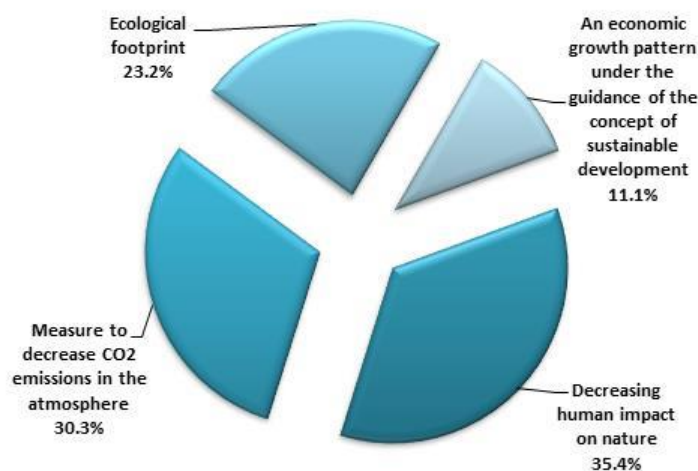
Graph 58: Why should tourists choose Montenegro as a destination for eco-tourism



Low-carbon tourism

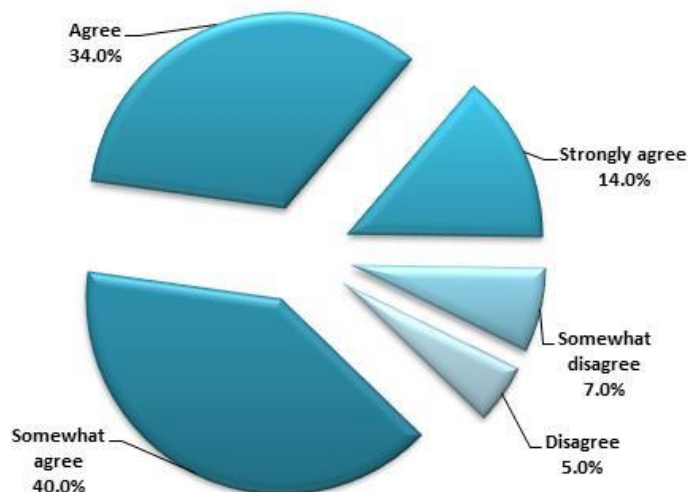
- **The statements that best describes what low-carbon tourism is** – More than one third (35.4%) of tourist business entities of stated that low-carbon tourism is “Decreasing human impact on nature”, and all interviewed tourist business entities stated as follows:

Graph 59: The statements that best describes what low-carbon tourism is



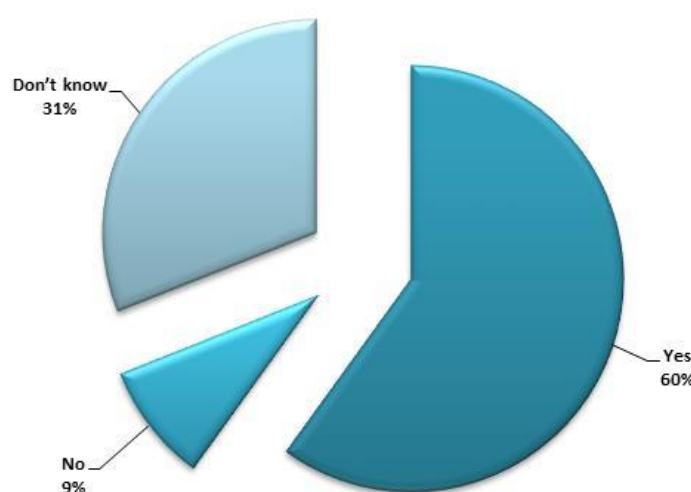
- **Investments in development of low-carbon/carbon neutral tourism services and products will attract specific tourism markets and generate income in long term** – Almost half (48%) of tourists business entities strongly agree and agree that “Investments in development of low-carbon / carbon neutral tourism services and products will attract specific tourism markets and generate income in the long term”, while 40% of them somewhat agree with the above statement. From the total average of 12% of those tourists business entities who disagree and somewhat disagree, 50% of them are from Ulcinj and 28.5% of them represent restaurants.

Graph 60: Investments in development of low-carbon/carbon neutral tourism services and products will attract specific tourism markets and generate income in long term



- **Should National tourism fund be established for financing projects in area of CO₂ reduction** – More than half (60%) of tourist business entities agree that the National Tourism Fund should be established for financing projects in the area of CO₂ reduction. On the other hand, 9% of them disagree with the establishing of such a fund and 31% have no opinion on this issue. From the total average of 60% those tourist business entities who agree that the National Tourism Fund should be established, 75% of those from Tivat, as well as from Kotor and Cetinje and 71.4% of those that represent tourist agency. On the contrary from the total average of 9% of those tourist business entities who disagree with establishing the National Tourism Fund, 50% of them are from Ulcinj and also the greatest number of them (28.6%) represent tourist agency.

Graph 61: Should National tourism fund be established for financing projects in area of CO₂ reduction



- **Preference to be additionally informed on climate change and tourism in the future** – Three quarters (75%) of tourist business entities prefer to be further informed about climate change and tourism in the future, while the rest one quarter of them (25%) stated that do not need more information on climate change and tourism in the future. From the total average of 75% of those tourist business entities who would like to be further informed about climate change and tourism in the future, 100% are from Kotor and 85.7% of them represent restaurants, followed by 85% who represent collective accommodations. At the same time, almost all (92.9%) entities established between 1990 and 2000 year want to be further informed.

Carbon footprint

- **What carbon footprint is** – Only 16% of tourist business entities know what the carbon footprint is, 56% of them do not know what the carbon footprint is, while 28% of tourist business entities don't know but are interested to find out what carbon footprint is. Most (37.5%) of tourist business entities from Tivat and 37.5% of them from Kotor, most of those established after 2010 year (55.6%) and those that represent restaurants (42.9%) don't know but are interested to find out what carbon footprint is.

Graph 62: What carbon footprint is



- **Definition of carbon footprint** – Interviewed tourist business entities defined carbon footprint as follows:

Table 15: Define of carbon footprint

Decreasing CO2 emissions in land transport	27.3%
Decreasing CO2 emissions in air transport	19.2%
Decreasing CO2 emissions in water transport	1.0%
Decreasing CO2 emissions in accommodation	10.1%
Decreasing CO2 emissions in tourism activities	12.1%
The amount of gas emissions of greenhouse gases and CO2 as a result of an activity for a given period	29.3%
I do not know	1.0%

- **Ever calculated carbon footprint** – Vast majority (84%) of tourist business entities had never calculate own carbon footprint, while only 2% of them had calculate own carbon footprint. From the total average of 28% of tourist business entities who have never, but are interested to calculate own carbon footprint, most of them are from Tivat (25%) and Kotor (25%), and 21.4% of them represent restaurants.
- **Interested to attend the training program on calculation of carbon footprint** – From the total average of 24% those tourists business entities who are interested to participate on training program for the calculation of carbon

footprint, the greatest number (41.7%) are from Bar, 46.2% were established between 1990 and 2000, and 35.7% represent restaurants. On the other hand, from the total average of 76% of those entities who are not interested in training program, 100% of them are from Ulcinj and 100% are tourist agency.

- **Willing to allocate funds on a voluntary basis in order to know the way of calculating the carbon footprint** – Only one quarter (25%) of tourist business entities willing to allocate funds on a voluntary basis in order to know the way of calculating the carbon footprint. From the total average of 25% those entities willing to voluntarily allocate funds, the greatest number (42.9%) of them are from Cetinje, and 80% of them recorded annual turnover from 500,000 to 1,000,000 EUR. More than half (54.2%) of tourist business entities willing to allocate funds on a voluntary basis in order to know the way of calculating the carbon footprint would pay for that up to 10 EUR on annual basis.

Graph 63: Willing to allocate funds on a voluntary basis in order to know the way of calculating the carbon footprint

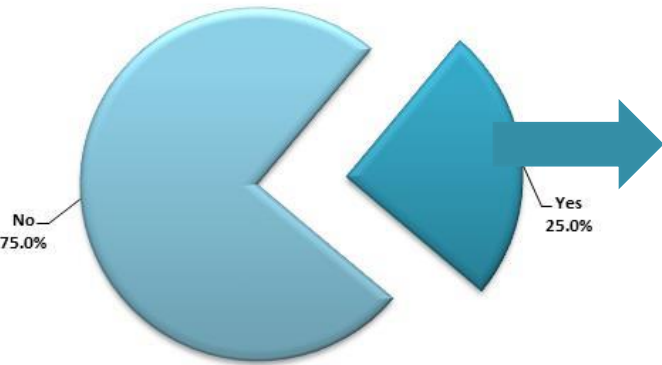


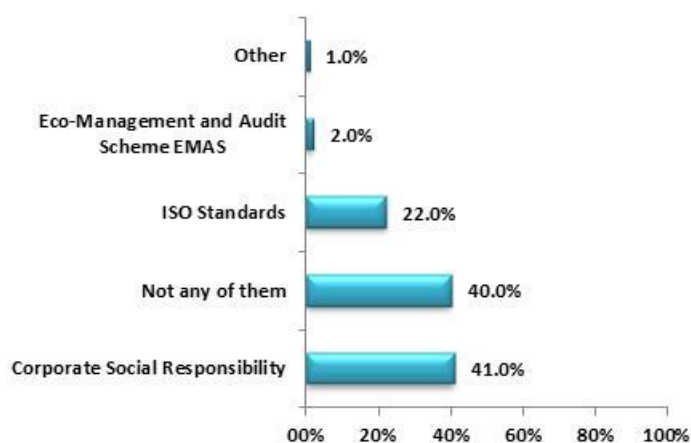
Table 16: How much willing to pay for that on annual basis

Up to 10 EUR	54.2%
From 10 to 50 EUR	37.5%
From 50 to 100 EUR	4.2%
More than 100 EUR	4.2%

Eco certification

- **Innovative practices applying in company** – There was a possibility to provide multiple answers. The greatest number (41%) of tourist business entities applies Corporate Social Responsibility as innovative practices in their company, while only 1% of them apply other practice as energy saving light bulbs.

Graph 64: Which innovative practices are you applying in your company



- **Applying any environmental standardization scheme or a certified business segment** – There was a possibility to provide multiple answers. More than two thirds (68.7%) of tourist business entities does not apply any environmental standardization scheme or does not have a certified business segment, while 14.1% does not, but is planning. Remaining 17.2% of tourist business entities is applying some of the environmental standardization scheme or has a certified business segment.

Table 17: What environmental standardization scheme or certification applied; Why not applied any environmental standardization scheme or certification; What environmental standardization scheme or certification are planned to be applied

"YES"		"NO"		"NO but we are planning"	
ECO LABEL	5.9%	No responded	17.6%	As soon as we educate on it, we will choose	7.1%
Electricity Attest	5.9%	Don't know why	5.9%	HACCAP	7.1%
HACCAP	17.6%	Don't need it	29.4%	I do not know, we will get information	7.1%
HACCAP for cleaning wastewater	5.9%	No funds for it	17.6%	ISO	21.4%
ISO	5.9%	No standards in this sector	1.5%	No matter which	35.7%
ISO, GREEN GLOBE	5.9%	Not informed	17.6%	Not informed	7.1%
MESAP	5.9%	Not interested	8.8%	Recycling	7.1%
One star	5.9%	Not offered to us	1.5%	We are exploring	7.1%
Three stars	29.4%				
Three stars and security certificates	5.9%				
Two stars	5.9%				

- **Willing to pay for Eco certification on voluntary or mandatory basis** - From the total average of 23% those tourists business entities willing to pay for eco-certification on voluntary basis, 37.5% of them are from Cetinje, represent collective accommodations (30%) and reported annual turnover of more than 1,000,000 EUR (66.7%). On the other hand, from the total average of 35% those tourists business entities are willing to pay for eco-certification on mandatory basis, 61.5% of them are from Bar, represent restaurants (57.1%) and reported annual turnover in amount of 500,000 to 1,000,000 EUR (40%).

Graph 65: Are companies willing to pay for Eco certification on voluntary or mandatory basis

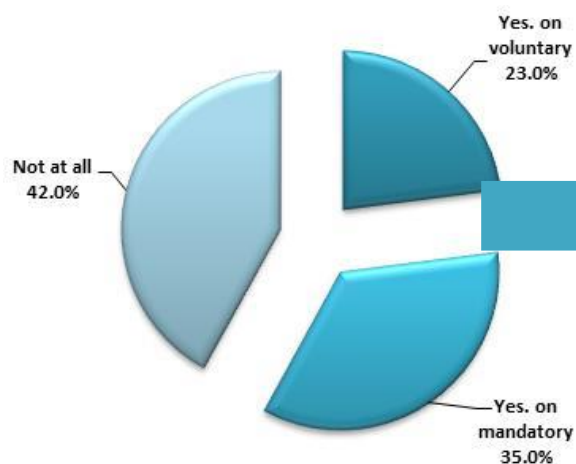


Table 18: How much willing to pay for eco-certification standards on annual basis

Up to 100 EUR	92.7%
From 100 to 300 EUR	7.3%

- **Interested to find out more about eco-certification in Montenegro** – From the total average of 66% of tourist business entities interested to learn more about eco-certification in Montenegro, 76.9% of them are from Bar, represent collective accommodations (75%), established after 2010 (77.8%) and reported annual turnover in amount of 500,000 to 1,000,000 EUR (100%).

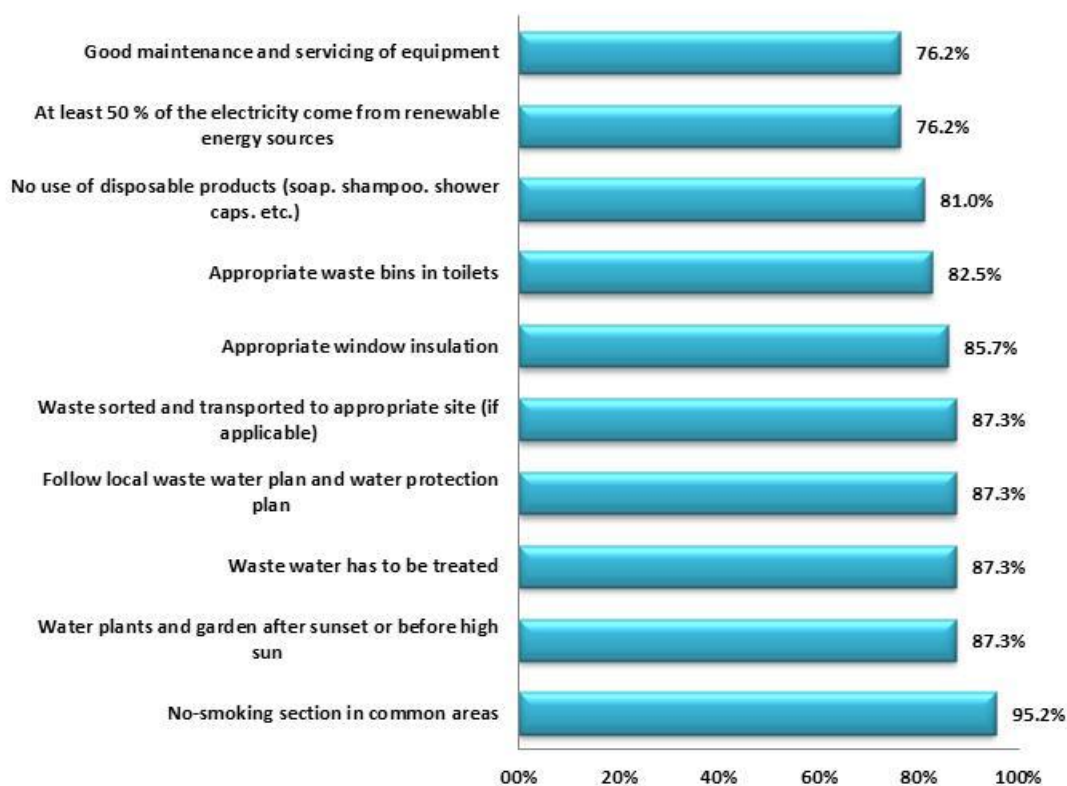
EU ecolabel for tourist accommodation

Table 19: EU eco-label

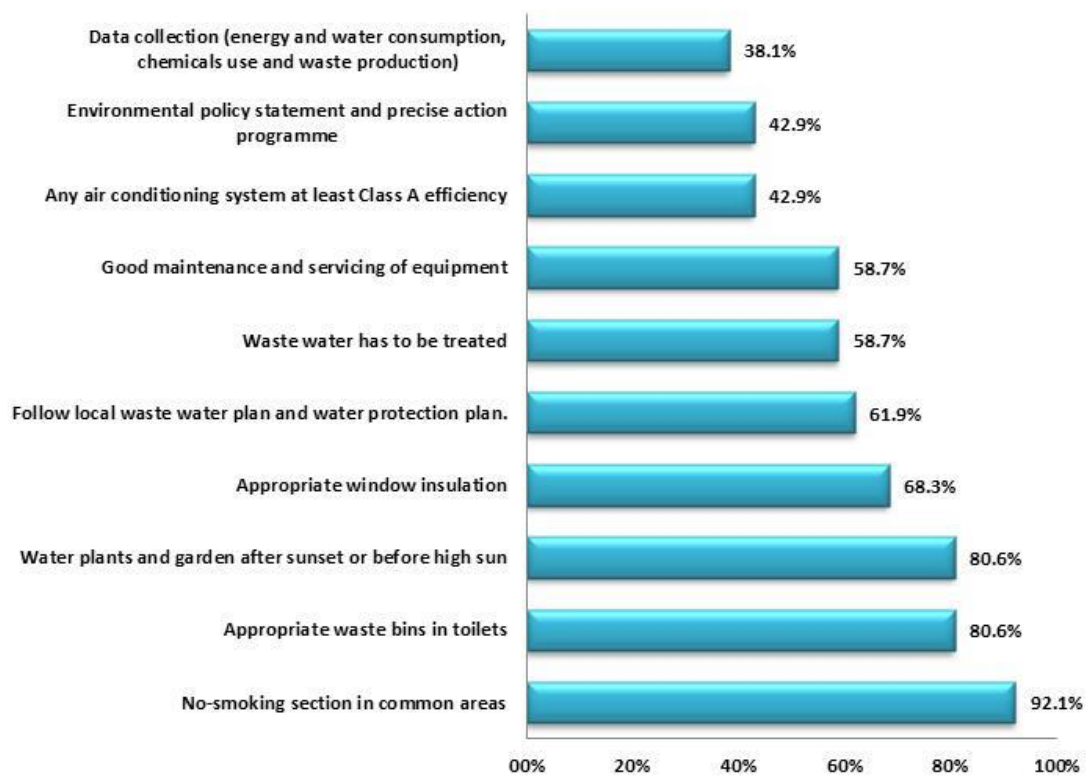
EU ecolabel criteria:		Have you heard of		Does your facility apply		Are you planning to introduce	
		YES	NO	YES	NO	YES	NO
		Percent					
Energy	At least 50 % of the electricity used for all purposes shall come from renewable energy sources	76.2	23.8	15.9	84.1	46	54
	No oil with S content > 0.1% and no coal as an energy source. Coal for decorative fireplaces is allowed	46	54	1.6	98.4	30.2	69.8
	If new heat generating capacity is installed within the duration of the Ecolabel award. it shall be a high efficiency cogeneration unit. a heat pump or an efficient boiler	66.7	33.3	17.5	82.5	44.4	55.6
	Efficiency of boilers shall be measured according to Directive 92/42/EC.	30.2	69.8	6.3	93.7	28.6	71.4
	Existing cogeneration units shall comply with the definition of high efficiency in Directive 2004/8/EC.	34.9	65.1	3.2	96.8	33.3	66.7
	Boiler efficiency > 88% as measured according to Directive 92/42/EEC.	41.9	58.1	8.1	91.9	27.4	72.6
	Any air conditioning system bought within the duration of the Eco-label award shall have at least Class A efficiency according to Directive 2002/31/EC.	74.6	25.4	42.9	57.1	40.3	59.7
	Appropriate window insulation. At least 80% of all light bulbs and 100% of light bulbs that are situated where they are likely to be turned on for more than 5 hours a day shall have an energy efficiency of class A as defined in Directive 98/11/EC.	85.7	14.3	68.3	31.7	48.4	51.6
	Compliance to national legislation and local building codes related to energy efficiency and energy performance of buildings	61.9	38.1	36.5	63.5	40.3	59.7
	Only use of appliances powered with renewable energy sources to heat outside areas.	69.8	30.2	22.2	77.8	47.6	52.4
Water saving	Water flow from tap and shower < 9L/minute.	73	27	34.9	65.1	50.8	49.2
	Appropriate waste bins in toilets.	82.5	17.5	80.6	19.4	41.9	58.1
	Appropriate systems to avoid continuous flushing in urinals.	69.8	30.2	33.3	66.7	38.1	61.9
	Water plants and garden after sunset or before high sun.	87.3	12.7	80.6	19.4	41.3	58.7
	Waste water has to be treated.	87.3	12.7	58.7	41.3	50.8	49.2
	Follow local waste water plan and water protection plan.	87.3	12.7	61.9	38.1	46	54
General management	No-smoking section in common areas.	95.2	4.8	92.1	7.9	46	54
	Good maintenance and servicing of equipment. Including yearly maintenance of boilers.	76.2	23.8	58.7	41.3	42.9	57.1
	Environmental policy statement and precise action program.	71.4	28.6	42.9	57.1	46	54
	Staff training for application of environmental measures (including daily checking for leaks) and awareness raising.	65.1	34.95	31.7	68.3	39.7	60.3
	Data collection (energy and water consumption. chemicals use and waste production).	71.4	28.6	38.1	61.9	39.7	60.3
Waste reduction	Facilitate waste separation by guests.	77.8	22.2	11.1	88.9	54	46
	Staff sorts hazardous waste as defined in Decision 2000/532/EC.	58.7	41.3	19	81	49.2	50.8
	Waste sorted and transported to appropriate site (if applicable).	87.3	12.7	34.9	65.1	58.7	41.3

	No use of disposable products (soap. shampoo. shower caps. etc.).	81	19	28.6	71.4	39.7	60.3
	Except where required by law. no single dose packages shall be used for food service. with the exception of certain spreadable products.	69.8	30.2	23.8	76.2	44.4	55.6
Information for guests	Active information to guests on environmental policy. Objectives and actions.	82.5	17.5	36.5	63.5	47.6	52.4
	Switch off air conditioning/heating when windows are open (when no automatic switch off is in place).	96.8	3.2	77.8	22.2	47.6	52.4
	Switch off lights when leaving the room (when no automatic switch off is in place).	96.8	3.2	84.1	15.9	46	54
	Invitation to use waste bin for appropriate waste instead of toilets.	96.8	3.2	93.5	6.5	45.2	54.8
	Invitation to inform staff of any leaks.	95.2	4.8	87.3	12.7	52.4	47.6
	Information about the local public transport.	93.7	6.3	79.4	20.6	46	54
Information on the EU Eco label	The following text shall appear: - "This tourist accommodation is actively taking measures to use renewable energy sources, save energy and water, to reduce waste, to improve the local environment."	73	27	14.3	85.7	52.4	47.6

Graph 66: Heard of Eco label criteria (10 the most frequent answers for those respondents that are aware on eco-label)



Graph 67: Facility applying eco-label criteria (10 the most frequent answers)



Key Conclusions

On bases of research among representatives of tourism industry by statistical analysis it reached to the following results, as per July 2015:

- ✓ Tourist business entities (49%) are investing in energy efficiency and most of them (63.3%) are invested in new insulation - doors, while 18.4% of them are invested in alternative energy sources (solar panels) and only 4.1% of them are investing in other energy sources, such as hybrid cars and smart room. At the same time, most of tourist business entities (61.2%) invested up to 10,000 EUR in energy efficiency. Only 21% of tourist business entities invested in renewable energy sources and 80.95% of them invested in solar energy.
- ✓ Involvement of local communities in development of low-carbon tourism is of crucial importance since vast majority of tourist business entities (98%) are willing to support waste collection in their community.
- ✓ Two thirds of tourist business entities (67%) believe that municipality does not have enough financial resources for financing “green” projects and as a reason for that most stated the economic crisis (30.8%) and other priorities (15.4%). On the contrary, 33% of companies believe that municipality has enough financial resources for financing “green” projects primarily because of the budget, high taxes, fees and other income (68.8%).
- ✓ More than a half (56%) legal entities that provide transportation as the main activity are willing to invest in their vehicles to switch on ecological and alternative fuels and they are willing to invest on average 1,528.9 EUR annually, and the use of ecological and alternative fuels should be promoted through various incentives.
- ✓ Most tourist business entities (89%) strongly agree and agree with the statement “Eco-tourism will be important in the future” as well as 81% of them are strongly agree and agree with the statement “Climate change has a great impact on the tourism sector development”.
- ✓ When it comes to the question about level of environmental protection in Montenegro opinion of tourist is very different from tourist business entities. Namely, somewhat more than one fifth (23.7%) of tourists believe that environmental protection is not on the satisfactory level versus 62% of legal entities with the same opinion. However, they agree that “Lack of care and will” and “Dirtiness, waste and waste water” are the main reasons why environmental protection is not on a satisfactory level.
- ✓ Almost half (48%) of tourist business entities strongly agree and agree with the statement "Investments in development of low-carbon / carbon neutral tourism services and products will attract specific tourism markets and generate income in the long-term", while 40% of them somewhat agree with the above statement.
- ✓ Majority (60%) of tourist business entities agree that the National Tourism Fund should be established for financing projects in the area of CO2 reduction.
- ✓ In relation to the total number of tourist business entities, only one quarter (25%) are willing to allocate funds and more than half of them (54.2%) are willing to allocate more than 10 EUR in order to know the way of calculating the carbon footprint.

- ✓ More than two thirds (68.7%) of tourist business entities, do not apply any environmental standardization scheme or have a certified business segment.
- ✓ More than half (58%) tourist business entities are willing to pay for Eco Certification – 23% on voluntary basis and 35% on mandatory basis.
- ✓ Two thirds of tourist business entities (66%) are interested to learn more about Eco Certification in Montenegro as well as to be further informed about climate change and tourism in the future (75%).

IN-DEPTH INTERVIEWS

Introduction

Data on levels of awareness and general attitudes and knowledge about low carbon services and ecotourism as well as to explore possibilities and capacities of relevant central & local authorities in the area of tourism and environmental protection were gathered using in-depth interviews.

The most important step in the preparation of this survey was selection of respondents. The “Survey on Low-Carbon Tourism in Montenegro” gathered three groups of (relevant) respondents:

- 1) Representatives of relevant institutions at national level;
 - a. Representatives of the Departments in the Ministry of Sustainable Development and Tourism and Ministry of Transport and Maritime Affairs,
 - b. Representatives of the faculty in the field of tourism,
- 2) Representatives of local governments from Herceg Novi, Tivat, Kotor, Budva, Ulcinj and Cetinje and representative of the Port of Kotor;
- 3) Representatives of the National Tourism Organization and Local Tourism Organizations in Herceg Novi, Tivat, Kotor, Budva, Bar, Ulcinj and Cetinje.

Survey Results

Analysis of the level of awareness and general knowledge and preferences on specific issues

The impact of climate change, emissions of carbon dioxide and other harmful gases to tourism in Montenegro

Representatives of relevant institutions at the national level consider that Montenegro is recognized as a "clean tourist destination", but this is not the most important reason for choosing a holiday destination because of the low level of tourists' ecological awareness. The main recognized environmental issues in Montenegrin tourism are related to solid waste, illegal dump sites as well as waste water issues.

The Directorate of Environment and Climate Change indicated that Montenegro is a small country with a very small number of industrial plants, and therefore does not have significant GHG emissions problem. In particular on the topic of tourism, the main risk is seasonality: the population in a short period during the summer tourist season increases by several times.

*„The impact of climate changes on tourism in Montenegro, as well as the impact of tourism on climate changes - is two-sided".
(Directorate of Tourism Development and Standards)*

The coastal areas need to have preventive measures in order to minimize the impact of climate change such as: tropical heat waves, forest fires caused by extreme temperatures and similar. Therefore, institutions (for example, the Public Health Institute) conduct awareness campaigns about the possible consequences of climate change. On the other hand, winter tourism in Montenegro faced slowdown due to the lack of snow, which is a direct consequence of climate changes.

They agree that traffic and exhaust fumes creates the largest and most obvious impact, but also the negative impact of transport on the environment due to "inadequate infrastructure and lack of public transport offer – city transport, suburban transport and intercity transport, as well as the lack of intercity maritime line transportation" (Directorate of Road Transport).

About the impact of climate change on accommodation facilities, as well as their impact on the environment, the focus is on the use of alternative energy sources and energy efficiency. The Directorate for Tourism Development and Standards emphasized that use of alternative energy sources is encouraged by the awarding of additional "star" for accommodation facilities that are using this form of energy.

Representatives of the local governments consider that the Montenegrin coast is generally not polluted by exhaust

„A negative impact of transport on the environment is not significant as it is increased only in some short intervals during the peak of summer tourist season, a period of less than two months." (Municipality of Budva)

gases and that exhaust gases and climate changes do not have significant implication on tourism. Data from air pollution measurements (Annual report on State of Environment in Montenegro (with proposed measures for improvement of the environmental situation and the Action Plan)) seem to support this standpoint.

Road traffic is seen as the main emitters of carbon dioxide with negative environmental impact - especially in the municipality of Ulcinj, but also **aircraft pollution** and **cruise ship traffic** in the area of the Bay of Kotor.

Apart from enormous increase in traffic frequencies during the summer tourist season, the environment is threatened by **greatly increased and inefficient use of electricity**. The negative impact of excessive use of electricity is reflected in the emissions of harmful gases from the electric devices, but also through the damages to infrastructure, (considering bad facades, windows and doors of the objects, etc.).

However, representatives of local governments consider that this insignificantly negative impacts of climate change on tourism can be used in an efficient manner and at the same time increase and supplement the tourist offer - offer bicycles, trains, boats or cable car (Cetinje - Kotor) on electric power, as well as with incentives for entrepreneurs who offer ecotourism services.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO) agree that visible and evident pollution is caused by climate changes in general. Tourists that come by road transport, and use air conditioners contribute to pollution, especially given the significant increased electric power consumption. They point out that it is still a great advantage that there is no significant industrial pollution in Montenegro. In all tourist locations the problem of infrastructure is highlighted, which prevents the use of alternative energy sources in transport (electric cars, bicycles), lack of bicycle paths, while public transport is not developed.

„With regard to the fact that we are tourist-oriented and ecologically committed country, we should certainly take care about emission of harmful gases, not only for tourists, but also for the citizens. Most of harmful gases is caused by traffic."(NTO)

Representatives of the Faculty of Tourism considered that the polluters in Montenegro are not significant because there is no developed industry and the negative impact of traffic is negligible.

A representative of the Port of Kotor² has pointed out that cruise ships are not that significant polluters of the environment in the Bay of Kotor. On the other hand, **significant problem are smaller ships**, which do not have such

² The views of representatives of the Port of Kotor are related to cruise tourism, given the institution that is representing and provides an overview of the impact that

strict standards, and keep extensive range of mobility in the Bay and do not have closed systems like cruise ships. The toilet waste waters are dumped to the sea, while solid waste is collected and handed to relevant institution for waste collection in ports. Also, bearing in mind that in the Bay of Kotor and generally in Montenegro industry is not well developed, it is believed that carbon dioxide emissions are not significant. A special emphasis should still be given to the reduction of carbon dioxide emissions in the road transport.

Preconditions for the inclusion of the concept of eco-tourism in the strategic and regulatory system of Montenegro³

Representatives of the relevant institutions at the national level agree that there are significant preconditions in the strategic and regulatory system of Montenegro to integrate and apply the concept of eco-tourism. However, it is necessary to further improve and rapidly adapt the whole system with EU standards and requirements. So far, the most achievements have been made in the field of energy efficiency and smart building, but still is not the case in the field of renewable energy.

„The state is working on the creation of a legislative and policy framework. However, the implementation will be long-term or at least medium-term.“ (Directorate of Road Transport)

It is important to emphasize that the **existing legal framework is not an obstacle, but also does not give special incentives for the development of ecotourism. Most important incentives for entrepreneurs would be financial incentives, directly or indirectly by reducing taxes and subsidies.** Even though there are defined clear guidelines for development of planning documents for construction, waste treatment and waste water treatment, these guidelines are binding only to spatial planning.

Regardless of the need for further regulation and alignment of the strategic and legal framework and mechanisms for implementation of the adopted decisions in order to fully apply the concept of eco-tourism in Montenegro, all representatives of the institutions at the national level agree that the introduction of fines or other penalty measures may to certain extent influence for this concept to be applicable, but these are not sustainable solutions, especially considering the available budgets and the revenues from tourism. Additional fines and taxes would represent barriers for entrepreneurs in tourism, since their revenues are not so high, and since they are struggling in order to provide quality offer to tourists.

Representatives of local governments believe that, in general, lots of efforts have been done regarding the legal framework in the field of environmental protection since 2005 in Montenegro, but the problem is the implementation.

cruise ships may have on the environment in the Bay of Kotor.

³ It refers to the concept of eco-tourism, which primarily involves the reduction of harmful gases emissions and the present possibilities of our legislation impact to implement this concept (at national and local level through, for example the fees for environment pollution).

An additional problem in the implementation of defined regulations, besides lack of understanding, is **lack of knowledge and competence**.

Most local governments took advantage of their competences and provided certain incentives for investors who incorporate alternative energy sources and meet some other environmental criteria in their tourist industry (Budva) or introduced lower taxes for the more luxurious hotels for those of higher category (Cetinje). In addition, the strategic commitment of the Municipality of Tivat is sustainable development and eco-tourism, and introduced a number of normative acts and implemented activities that contribute to the development of eco-tourism – green areas, pedestrian zones, bikes, urban planning, etc. In addition to incentives, local governments implemented also penalties, as well as regular tax collection. Although regular taxes and fees present their only regular cash inflow, they all agree that the introduction of additional charges for businesses and citizens would have a negative effect.

"A decentralization of the system and giving autonomy to local governments in certain segments is needed" (Local government Kotor)

* * * * *

"It is desirable to enhance the communication and cooperation between municipalities." (Local government Budva)

Representatives of all target local governments agreed that **local governments have limited jurisdiction in many areas**, and directly affecting the development of tourism and economy in general. It was particularly stressed that the local government are disabled since they are expected to provide conditions for tourism development, urban infrastructure and the overall supply while having very limited

resources and competence in return.

A good example of having all required preconditions for eco-tourism inclusion in the strategic and legal framework, but a lack of full implementation, can be presented in the case of the Law on Regional Development, which provides establishment of regional development agencies, based on cooperation among local governments that would enable everybody to successfully carry out their activities and have benefits at the local/regional level.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO) mainly emphasize that the legal and strategic framework in Montenegro is sufficient, and provides full implementation of eco-tourism possibilities, but the problem is implementation in terms of inspection control and incentive measures.

„There are important natural resources for the development of the concept of eco-tourism, but there are no strategic guidelines for the entire coast." (LTO Ulcinj)

However, LTO Budva emphasized that "existing legislation that refers specifically to the process of getting permits, is quite confusing and disorganized, which represents a business barrier. One of the major problems is the existence of

“gray economy” and it occurs because of the complicated and costly procedures, as well as the inability to get adequate information.”

Representatives of the Faculties of Tourism consider that legislation applied in Montenegro in the field of eco-tourism is generally compliant with EU directives, but the problem is its implementation. They also added that the scope and criteria for achieving the level of ecotourism should be defined.

A representative of the Port of Kotor has pointed out that there are no special “ecological” legal arrangements and requirements for cruise tourism defined in our country, because there is at first place a fear of declining the number of ships and tourists due to introduction of some new, stricter standards.

The establishment of the National Climate Fund in tourism or other funding mechanism, reducing emissions of greenhouse gases in the tourism sector

Representatives of the relevant institutions at the national level agree that establishing a National Climate Fund in tourism would be of significance although they are generally very skeptical about the way the fund would be established and how to function –how to make funds and how to allocate funds.

Particularly, there is the question of investing in the fund, with the observation that even in 2008 a similar initiative was not adopted because of the system of cash flow. Now it is initiated again the establishment of such a fund, and its establishment and operation will be defined in the new Law.

All representatives of relevant institutions at the national level agree it is necessary to ensure the transparency of the National Climate Fund.

Each of the representatives of the institutions at the national level, every person in own area of operation, gave suggestions of possible ways for investment in the Fund, but also the allocation of the funds. All potential investors would have to be highly motivated by certain incentives, while the allocation of funds should be as transparent. It also stated that the financial situation in the economy is not favorable for the establishment of fund.

Representatives of the local governments stated that there would be a number of potential benefits from the establishment of the National Climate Fund, but in order to provide a full multiplying effect on the tourism sector, and in order to provide adequate fund allocation collected from polluters - “cost-benefit analysis must be previously conducted” (Municipality of Cetinje).

Representatives of municipality of Herceg Novi pointed out that investors or entrepreneurs in the tourism sector would not be interested to voluntarily invest in this fund, while in municipality of Tivat believe that businesses are too burdened with taxes and charges that should be reduced in the future.

"The problem with the establishment of the fund would be due to distrust of citizens and companies in the institutions.. "
(Municipality of Ulcinj)

"It would be better and more useful to establish a local fund of this type because then right purpose spending is secured and would be well known who invests in the fund and where these funds are used if everything was at the local level."
(Municipality of Budva)

All representatives of local governments stand that such a fund should be established on the local level. In this way, fund should create significantly greater benefits for the tourism sector and the development of eco-tourism. Creation of local fund would provide possibilities to the local governments to impose taxes which should be collected for the fund, and later used as incentives for local

businesses.

The establishment of the Fund at national level would have more negative sides, primarily due to the spillover and inadequate allocations of funds, and that also would not be as significant incentives for entrepreneurs, donors and other investors to finance projects that could be implemented outside of their communities. One of the negative examples of this type of national level initiative was introduction of national ecological tax for the vehicles. Namely, funds of this tax were not used to fund ecological projects, and what is more important, were not used and distributed proportionally to the local communities where those taxes were collected.

Representatives of local tourism organizations (LTO) agreed that establishment of such Fund would be highly desirable, even necessary (LTO Herceg Novi). All representatives of the LTOs also highlighted the need for significant resources for the establishment of such a fund while the assets in the foreseeable future will not be possible to collect, as well as the need for education of all who would manage and dispose of these funds.

Representatives of the Faculties of Tourism believe that the establishment of a National Climate Fund would be highly desirable, but pointed out that there could be problems in the implementation of this idea. It is proposed to have primarily defined ways of making decisions on projects to be funded in the above area and defined priorities in order to provide smooth implementation of these ideas.

A representative of the Port of Kotor believes that the establishment of the National Climate Fund is a very good idea, but it is necessary to prepare a cost-benefit analysis prior the process of establishment.

The potential benefits of voluntary / compensatory schemes and their inclusion in the booking system the area of tourism in Montenegro

Representatives of the relevant institutions at the national level agree that significant benefits from the voluntary/compensatory schemes for pollutants would be realized. It is proposed to enforce the application of such schemes as an obligation by Law and it is estimated that there would be no opponents during its implementation, especially if a system of incentives and penalties is created, as it is not desirable to introduce only a penalty policy without incentive measures.

„The Montenegrin economy and its impact on pollution is not of big significance. In Montenegro is in operation the Law on liability for damages and that relates to this area and so far has proven to be applicable the system - pollutant pays“. (Directorate of Environment and Climate Change)

With a well-designed scheme, "pollutants" could be able to assess whether there are more benefits from incentives for additional environmental investments or from payment of fines for damaging the environment.

Formally in Montenegro such schemes are not operational right now. Only the national airline Joint-stock company Montenegro Airlines is by obligation included in the so-called "gases trade" that implements in the European Union. It is planned to introduce a similar program in Montenegro for several companies that are recognized as the biggest environment polluters: Power plant Pljevlja, Niksic Steelworks, Aluminum Plant Podgorica and eventually Brewery Niksic.

Representatives of local governments have different views about the possibilities of implementation of compensation schemes as well as the effect that such practice would reflect on tourists. The only point all the representatives of local governments agree is that imposing of compensatory scheme for polluters would be beneficial for the community in long term period.

Most representatives of local government consider it necessary to impose the implementation of compensation

„The plan of the communal services anticipates that any destroying or wood cutting should be compensated with new one. Otherwise, the preventive and penalty measures would be applied.“ (Municipality of Tivat)

schemes over the decision on the level of the local parliament and local government (Cetinje, Budva, Tivat and Kotor), while some of them believe that "this is very difficult to realize as investors and entrepreneurs from the state and local government expect incentives" (Herceg Novi).

When speaking about tourists, representatives of most municipalities believe that the inclusion of compensation schemes in booking would attract significant number of tourists. From the local government of Kotor particularly

emphasize that the guests and tour operators visiting Kotor are highly ecologically aware, while in the local government Ulcinj believe that "tourists choose a destination for the holiday according to prices" and they are not sufficiently ecologically aware.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO) consider it would be very significant to apply compensation schemes in booking system for accommodation and transportation in tourism in Montenegro. However, they expressed skepticism about the implementation of the compensation schemes for several reasons: investors and entrepreneurs would accept compensation schemes only if they are obligatory, it is believed that the tourists who visit Montenegro generally are not significantly ecologically aware and that it is necessary to provide a strong willingness to compensatory scheme apply in a transparent manner.

Representatives of the Faculty of Tourism believe that the implementation of the compensation schemes would have brought a great benefit, particularly bearing in mind that the tourists who visit Montenegro are more and more ecologically aware.

Ecological certification and standardization; promote wider standardization in daily activities

Representatives of the relevant institutions at the national level consider that the state should impose standardization and certification of ecological businesses as in this way certain processes are best implemented. It is needed to harmonize standardization and certification with the EU in order to attract more tourists, especially from the Western European market.

ISO standards and its implementation are mostly present in Montenegro in all branches of economic activity. The tourism established standardization for preparation of beaches and accommodation - "Blue Flag" and categorization of accommodation. "Blue Flag" is issued by the Coastal zone management agency of Montenegro, while the categorization of accommodation performs the

responsible ministry. It was suggested that the local self-governments should propose incentive measures for the accommodation providers that will raise level of service to a higher level in exchange for including their facilities as offer of the entire municipality or similar. Standardization and certification are desirable in the field of transport, which should additionally motivate entrepreneurs to operate in accordance with ecological principles, but it would require additional financial resources from the state budget.

*„There are positive examples of the introduction of standards and certification of businesses, but this area has not been completely regulated in Montenegro.“
(Directorate of Environment and Climate Change)*

All representatives of local governments believe that the introduction of certification and standardization is very important and desirable form of improving the tourism offer – primarily to attract tourists and as a reward for tourism entrepreneur who implement new standards as well.

„Eco-certification and standardization are desirable, under condition that it does not represent a barrier to business.“ (Local government Cetinje)

Representatives of local governments agree that the introduction of standards in tourism is insufficiently presented and utilized in relation to the opportunities and needs, but it is something that we must go for.

Criteria of certification and standardization must be transparent, defined at the national level and under legislative pressure and/or market demand because the practice shows that voluntary certification and standardization does not provide expected results.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO) believe that it is necessary and desirable to introduce standardization and certification in tourism in general, especially in the field of eco-tourism. However, they emphasize it is needed to create certain preconditions in order to adequately implement standardization and certification. It is necessary to provide incentives for entrepreneurs that are investing in environmental protection, to promote ecological offer, to define clear and transparent guidelines for obtaining and issuing ecological certificates. As one of the first efforts to provide a greater number of certified facilities and to improve standardization in the wider field of tourism offer, local tourism organization of municipality of Bar together with the NTO and other relevant institutions (through the EU funded project) and in cooperation with the Austrian auditor started the EU Eco-label standardization process. During this project, three tourism buildings have been certified.

Representatives of the Faculty of Tourism consider that the ecological standardization is pretty much needed, in different sub-sectors (accommodation, food, transport) but it is very important for the state to define the criteria of standardization and to provide information in order to introduce the benefits of the process.

Availability of low/no carbon tourist products and services in Montenegro

Representatives of the relevant institutions at the national level agree that there are great opportunities, capacities and resources to offer products and services without the influence of GHG emissions in Montenegrin tourism. It is especially important to emphasize the possibility through cross-sectorial projects, and their liaison with tourism, environmental protection, agriculture, but also the strategic cooperation of institutions and the introduction of incentives.

„Examples of ecotourism products and services as an offer are existing, but they are not organized and systematized.“ (Directorate for Tourism Development and Standards)

It also stated that there are significant natural and social resources to offer ecological products and services in tourism, but government representatives at the state level should encourage such activities, primarily through media campaigns.

All representatives of local governments believe that there are great opportunities regarding the offer of ecological products and services in tourism in Montenegro. However, regardless of the available resources and available funds, due to short-term profit and short tourist season, there is no interest in the introduction of ecological principles in business.

Beside the lack of motivation for tourist entrepreneurs, the reasons for the insufficient level of ecological offer in tourism are the lack of adequate supporting infrastructure, especially energy and water use. It is pointed out the need for a strong promotional campaign that will relate to the existing offer of ecological products and services in tourism.

Representatives of the National Tourism Organization (NTO) pointed out that there are significant opportunities for ecological products and services, because what is offered to tourists actually is offer of products and services prepared in the old fashioned way, but not with the use of ecological standards in the preparation/ production. Sellers do not offer system-defined ecological goods or services, but unskillfully define them. It is very small number of those who systematically pay attention to delivering products or services that are ecological.

"There are great opportunities for offering ecological products and services in tourism and branding should be done in the area of national parks, historical centers, the Skadar Lake, the confluence of Bojana River, and so on. Make a link between these destinations and the people who come on cruisers in the Port of Kotor." (Port of Kotor)

Only recently, some entrepreneurs started to use clear guidelines when forming their offer of ecological products or services, and these guidelines do exist.

Representatives of local tourism organizations (LTO) agree that although there are natural potentials and resources, there is a very modest offer of ecological products and services in tourism. It was pointed out that we do not have adequate (hotel) accommodation facilities for adequate ecotourism offer (LTO Tivat), and that even the state-level institutions cannot meet the requirements of entrepreneurs of how and under what conditions should offer their ecological products/services (LTO Budva) .

Representatives of the Faculty of Tourism agreed that there are significant opportunities to supply products and services without the influence of GHG emissions in Montenegrin tourism, especially in the north of Montenegro, and in the vicinity of the coastline. However, the possibilities of ecological offer and services in tourism on the coast is very limited due to uncontrolled construction processes created without precisely defined standards, but should work on the development of tourism, which will slowly approach the level of GHG-free eco-tourism, and it will be a long process.

Incentives for industry 'champions' to promote climate change in tourism

Representatives of the relevant institutions at the national level consider that in any case the state institutions should take the initiative and provide incentives for promoters of good practices, but also system of penalties for pollutants.

The Directorate of Environment and Climate Change is recommending the implementation of precise guidelines, defining the level and type of initial investments and similar, but currently it is not possible to implement due to the lack of financial resources/ limited budget. Besides that, the Directorate of Road and Transport finds more applicable a "polluter pays" concept, although not affected completely, but also that in Montenegro there is no company that is, on its own initiative, sufficiently and in the right way demonstrating Corporate Social Responsible and ecologically aware business practices.

All representatives of local governments believe that sectoral "champions" certainly can and should motivate the wider business community to implement programs to adapt to climate change. In some municipalities sectoral "champions" conduct promotional campaigns for environmental programs (municipality of Tivat). It is also stated that the promotion and education programs are not sufficient, but it is preferable for large companies through their example to show good practice, through precise actions and activities. (large hotels such as Montenegro stars group, Porto Montenegro, Portonovi, Luštica bay, etc.).

Regardless of the corporate social responsibility it is necessary to define the limits of how far each entrepreneur is allowed to have negative influence on the environment through its economic activities and when penalty measures have to be applied.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO) pointed out that it would be an incentive that sectoral "champions" show example of good practice in the field of eco-tourism, but also that state/local government should motivate sectorial "champions" to be examples of corporate social responsibility. The only representative of the LTO Tivat said that "sectorial champions" already promote their environmental projects in this municipality, while in the LTO Budva pointed out that should be applied "carrot and stick approach" - a combination of penalty and reward, considering the fact that "pollutant pays" principle does not work in practice.

Representatives of the Faculty of Tourism consider that incentives to sectoral "champions" and good practices may present a very good motivation for other entrepreneurs in tourism in Montenegro.

Awareness of the institution staff on the concept of sustainable and eco-tourism

There is an evident connection between tourism and environmental protection, which is particularly reflected in the fact that these two areas are within jurisdiction of one ministry in Montenegro. The Ministry of Sustainable Development and Tourism also gather other departments of common goals and activities, organizing educational and promotional projects, and actively participate in projects at home and abroad.

Representatives of the relevant institutions at the national level consider that, apart from available capacities, there is a need for additional technical and staff/ cadre capacities, especially in the field of development and implementation of projects, obtaining donations, as well as for the introduction of innovations in the legal framework (Directorate for Tourism Development and Standards).

Additional training is always needed, especially in the development and use of new technologies and exchange of experience, stated all representatives of the relevant institutions at the national level.

Bearing in mind that local governments are in charge and governing local tourism organizations through which they carry out activities directed towards tourists, representatives of local governments consider that employees in local governments do not need to be thoroughly familiar with the concept of sustainable and eco-tourism, but mostly they are sufficiently informed according to the tasks and duties they perform. In some cities, there are within the local government environmental programs implemented by all employees and are not directly related to tourism, but such activities generally contribute to raising environmental awareness.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO) have pointed out that all employees in the LTO are familiar and informed about eco-tourism and the concept of sustainable development and that they are ecologically aware, and they organize and carry out many educational and promotional activities and also "motivate all citizens "(LTO Tivat). From NTO they emphasized that so far they take part in a number of educational programs at the international level.

Representatives of the Faculty of Tourism consider that the obligation of the faculty as the highest educational institution to be familiar with the concept of eco-tourism. However, at the basic study programs there is no separate subject-ecotourism on both faculties (on master studies on faculty in Bar there is a subject Ecotourism), even though through many subjects that concept is managed at both the basic and specialized studies. General conclusion is that the education on ecotourism in all segments of society is very much needed, especially through the cooperation of all stakeholders in society, primarily state and local authorities, state and private universities, the business sector and civil society.

Possibility and capacities for implementation of low carbon tourism

Decision making processes and response mechanisms to the tourism sector demands⁴

National policy in the tourism sector is primarily related to stimulation and promoting of eco-tourism projects. Representatives of the relevant institutions at the national level consider that decisions and guidelines have to be made both, at the state and local level.

Representatives of the Directorate of Environment and Climate Change, the Directorate for Tourism Development and Standards as well as the Directorate of Road and Transport think that it would not be difficult to meet the demands of a significant number of tourists for the functioning of eco-tourism. This is supported by the fact that the strategic framework for the implementation of eco-tourism exists at the national level, and through the relevant institutions at the national level this could motivate tourism entrepreneurs to adapt.

Representatives of the relevant institutions at the national level consider that local authorities have sufficient competence to make independent decisions that will meet the demands of the tourist market, as well as to regulate utility services that are fully in their jurisdiction.

On the other hand, representatives of the Directorate of Spatial Planning believe that decision-making mechanisms corresponding to the market demands currently are not sufficiently developed. All present spatial plans contain all the elements in accordance with sustainable development, but problems arise with the implementation of plans.

Representatives of local governments generally are not informed whether the decision-making mechanisms are adequate and comply with the requirements of tourism demand. Just because of this reason, they are unable to respond directly to the demands of tourists, and consider that is needed decentralization of the system in order to appropriately respond to market demands in many aspects.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO), as well as representatives of the Faculty of Tourism are not informed whether the decision-making mechanisms are adequate and comply with the requirements of tourism demand.

⁴ The example is given if a significant number of tourists require the adoption and development of the concept of eco-tourism.

The extent to which legal frameworks are sympathetically interpreted or simply applied

Representatives of the relevant institutions at the national level agree that the legal framework is clearly defined in the field of eco-tourism; however, the appliance of defined legal solutions is a challenge. Additionally, the Directorate of Road Transport stated that there's a lack of promotional campaigns for the implementation of eco-tourism.

On the other hand, from the Directorate of Environment and Climate Change is given example of the construction works in the coastal municipalities where there is a belief that certain areas and urban settlements are urban unsystematic and too crowded. However, after comparative quantitative analysis is made, it was concluded that the coastal locality is not over constructed and therefore, actually legally and strategically it can be said that there are ecological elements in the tourism offer.

Representatives of local governments consider that the legal framework and regulations generally meet the needs of citizens, tourists, administration, entrepreneurs, but the implementation is problematic in terms of interpretation, the required staff that needs to carry out the whole process and the jurisdiction of institutions. Local government of Budva it is pointed out that in some legal and strategic solutions the problem lies in fact that these solutions are "taken" from the other systems and seems to be very efficient in the implementation of that system. For these reasons, it was stressed that it would be very difficult or impossible to implement in our context.

The legal framework should be followed with changes in technological developments and other changes in markets. Laws and regulations at the local level are very clearly defined for the implementation, but the appliance of ecological business activities or operations in accordance with sustainable development are not significantly and clearly defined.

Representatives of the National Tourism Organization (NTO) have pointed out that the Ministry of Sustainable Development and Tourism defined the guidelines for ecological products and services and it is responsible to implement and control these guidelines, while the role of NTO and LTO to indicate interested parties these guidelines and in cooperation with GIZ have prepared guide to some segments of eco-tourism.

Representatives of local tourism organizations (LTO) are to certain extent familiar with the legal framework and

„There is no adequate cooperation between institutions or between local governments.“ (Local Tourism Organization Herceg Novi)

guidelines for the implementation of eco-tourism, but everyone agrees that given legal framework and guidelines are clearly and adequately defined, but are not implemented or partially implemented.

Representatives of the Faculty of Tourism were not able to assess whether legislation is appropriate for the implementation of eco-tourism, but believe that the legislation is harmonized with the EU directives, where its implementation can be a problem.

Systems of monitoring and enforcing existing laws aimed at greening the tourism industry

Representatives of the relevant institutions at the national level agree that the biggest problem with the control system that the inspectorate operates by responding to complaints, and there is an insufficient number of environmental inspectors. Furthermore, the monitoring system of implementation of "environmental" laws is not efficient as after the damage caused not much can be done in some cases, due to the fact that the inspector may impose a fine only if he was at the spot in time when damage has been made.

As for the complaints of tourists, most of the complaints are related to the noise (mostly loud music, partly construction process noise) produced by business entities during the tourism season. However, it is not a constant noise that endangers human health or wildlife, and noise control is under jurisdiction of the Communal police.

From the Directorate of Tourism Development and Standards believe that the control system would be most effective if in accomplishing activities or obtaining necessary documentation every following step would be influenced by the previous step, while the Directorate of Road and Transport believe that inspections should use a preventive, proactive approach, and not act by received complaints, but should continuously supervise in all areas and act preventively.

On the other hand, the Directorate of Spatial Planning considers that it would be necessary to bring back the institute of plans revision and personal responsibility consequence - that the individual is responsible by its license, as well as that individuals and departments at the local governments level that issue construction licenses are trained in the same way as individuals and departments at the national level in order to possess the same knowledge, the same control, the same mechanisms of decision-making and similar.

All representatives of local governments consider that the control system is not adequate, as well as the penalty system. Apart from the insufficient number of inspectors, the problem presents the lack of ecological awareness of people in order to adequately supervise and implement regulations.

„The system of inspections is the weakest point in each area.“ (Local government Tivat)

From the local governments propose decentralization of one part of competences towards local governments in order to increase the efficiency of control measures.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO) agree that despite of acceptable legal framework, monitoring of the implementation of "ecological" laws is at poor level. From NTO they pointed out that the problem is in the fact that ecological inspectors operate by received complaints, and no one act preventively, and not even after received complaints they proceed to the end with the implementation of penalties.

Representatives of the Faculty of Tourism consider that the implementation of existing legal solutions in the field of ecology and tourism is very problematic.

The functioning of the system of financial penalties and the use of funds collected for the "green" sector

Representatives of the relevant institutions at the national level are generally not familiar with the system of functioning of penalties and the methods of allocation of these funds. However, they agree that penalties for violating the "environment protection" laws certainly would have the most effect if that money is actually used for "green" investments in the sector. In this way the fine are visible to everyone, for the one who paid fine and the others, as a warning and as a mechanism for raising awareness of environmental issues.

"When something is transparent, then everyone feel the benefits of the activity (so-called „glass pocket“)." - Directorate of Tourism Development and Standards.

All representatives of local governments agree that an ecological penalty or fee cannot be imposed and charged at the local level. Possibly certain by-laws could be introduced locally that could allow it, but the question is how it would actually correspond to this and other laws (Law on Environmental Protection, Law on Local Governments, Law on the Inspection Affairs...). It was pointed out that the Communal Police is the only local supervisory authority, but ecological

issues are not under their jurisdiction. Therefore, it is proposed with decentralization that part of the jurisdiction of control should be delegated to the local governments, especially since 2008, the part of jurisdiction in this area that municipalities had was transferred to the national level.

„Very poor functioning system of application and collection of financial penalties.“ (Local government Ulcinj)

It was pointed out that the funds collected through payment of ecological taxes a few years ago at the state level for every tourist at the border crossing should be distributed to municipalities in proportion to the number of foreign tourists who visited the municipality. However, these funds are distributed in some other way and municipalities and communities where these tourists actually came did not get anything.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTO) said they do not have the information if the funds collected through the payment of penalties are used for dedicated purposes, but they generally agree that the system of penalties functions poorly and believe that this money is not used to "green" the

sector. The LTO Budva pointed out that in this sense, education and ecological awareness of all stakeholders in the tourism sector is needed.

Representatives of the Faculty of Tourism considered that the system of penalties for the "polluters" is in a great sense dysfunctional, as well as the implementation of the law.

Role of Institutions in low carbon tourism development

The role of institutions at national level concerning the development of eco-tourism is to define the legal and strategic framework, as well as the proposal of incentive measures in order to realize the strategic goals.

- Directorate of Spatial Planning sets the basis for development of eco-tourism through planning documents and its adequate and consistent implementation.
- Directorate of Tourism Development and Standards creates laws for the grant of licenses, permits, guidelines and categorizing of the tourism offer.
- Directorate of Environment and Climate Change through strategic, planning and other documents provides promotion and incentives for the development of ecological concept, both in tourism and in other areas.
- Directorate of Road Transport proposes to renew vehicle fleet, incentives through lower taxes for registration of new vehicles, proposing the introduction of eco-zones in cities where would be paid taxes entering with the vehicle, proposing incentives for diverting road traffic onto rail.

All representatives of local governments have pointed out that they already implement incentives for development of ecotourism. Therefore, in municipality of Budva they encourage ecological projects, promotion, education and plans regarding the construction of facilities, adequate waste disposal, financial incentives and exemptions. In municipality of Cetinje, they implement many projects related to environmental protection - energy efficiency, the benefits for tourism

„Is necessary to coordinate and combine all the knowledge and competence of all institutions in order to evenly and appropriately develop this area.“ (Local government Ulcinj)

facilities, as well as in municipalities of Kotor and Tivat. The examples of those type of projects are project Beautiful Cetinje (energy project), Opening of Lipska cave in Cetinje (introduction of speleology tourism offer) provision of presses for cardboard and paper disposal for part of hotels in Budva, creation of children park in Budva (Stratex group

project), installation of underground waste containers with separation of waste in the municipality of Tivat, creation of bicycle trails and stations for manual and electric bikes in the center of the municipality of Tivat and creation of bicycle and pedestrian zones in the city centre, creation of pedestrian and bicycle zone in Perast and several projects of companies such as Porto Montenegro and Luštica bay.

Representatives of the National Tourism Organization (NTO) have stated that this institution is fully oriented towards the promotion and advocacy of all kinds of tourism, but especially eco-tourism. They also give efforts to unite offer from various regions (north and south).

Representatives of local tourism organizations (LTO) are mainly engaged in promoting eco-tourism, individual projects, but also work on connecting individual entrepreneurs and their education in order to represent the unique offer of their city or community.

Representatives of the Faculty of Tourism pointed out that they have a significant long-term cooperation with all institutions operating in the field of tourism in Montenegro, primarily through obligatory practice of students during their studies, and through joint projects. From the Faculty of Tourism and Hotel Industry, Bar it was emphasized they carried out numerous educational and research projects and plan to continue the implementation of various projects, primarily through funds from different donors, while one part of the activities of those projects will refer to the concept of eco-tourism.

Awareness on end-users'/tourists' needs and requirements regarding implementation of the low carbon tourism in Montenegro

Representatives of the relevant institutions at the national level are generally informed of the needs and demands of tourists for the implementation of sustainable and eco-tourism in Montenegro. However, only the Directorate of Tourism Development and Standards is notified ex officio and indirectly by the National Tourism Organization.

Representatives of some institutions stated that the number of environmentally aware tourists in Montenegro is growing, as indicated by the fact that a significant increase in visits is recorded in the National Parks. Therefore, they pointed out that it is necessary to pay special attention to the promotion and development of eco-tourism, in particular through the implementation of a strategy of balanced regional development, and to include the marketing strategy for the entire tourism offer of Montenegro, which for now is still not effective.

Representatives of local governments do not receive direct information about the needs and demands of their tourists. However, within each local government there is a local tourist organization that, among other things, deals with the collection of information on the needs of tourists. Therefore, in Tivat, Bar and Kotor local tourism organizations conduct regular surveys of tourists and present research results to local government and local parliament.

Information obtained from the tourists are used for the purposes of decision-making at the local level according to the interests and needs of tourists, but also in accordance with possibilities of local government to meet the expectations of tourists.

Representatives of the National Tourism Organization (NTO) and local tourism organizations (LTOs) conduct annual surveys on tourists' satisfaction in their town. The results of these studies are presented in local parliaments and the Ministry of Sustainable Development and Tourism, in particular with the aim to improve next season. Only in LTO Ulcinj they do not practice research because they are recently established and realization of similar activities in the field is planned.

Representatives of the Faculty of Tourism and representative of the Port of Kotor are not familiar with the needs and demands of tourists for the implementation of sustainable and eco-tourism in Montenegro.

Key Conclusions

By analyzing the responses of the interviewed representatives of relevant institutions, the following key conclusions were made:

- ✓ Representatives of all relevant institutions are generally familiar with the concept of eco-tourism, but not sufficiently with the low-carbon tourism definition.
- ✓ Overall, institutions believe that Montenegro is a "clear" tourist destination in terms of its impact on climate change and regarding the level of harmful GHG emissions. However, a global awareness on climate change is developing and future tourism development should be in accordance with these challenges.
- ✓ When it comes to environmental protection in general, particularly in the tourism sector, institutions usually addressed three problems: (1) municipal solid waste, (2) "illegal dumps" and (3) waste water, while rarely considered air pollution as a significant problem. It is important to emphasize that it is recognized that institutions as well as citizens and tourists that are dealing with inadequate treatment of waste and wastewaters and equally contribute to those problems. In addition to waste, all interviewees noted significant concerns about the poor infrastructure - transport, electricity and water supply, which continues to negatively impact not only on tourism, but also on the quality of life in Montenegro.
- ✓ Although the legal and strategic documents were adopted at the national level, representatives of the national and local institutions believe that there are preconditions for the inclusion of the eco-tourism concept, which implies the reduction of GHG, in a strategic and regulatory system of Montenegro. It was pointed out that there are already some legal and strategic guidance as a precondition for the application of the concept of eco-tourism.
- ✓ When it comes to the application of defined legal and policy provisions and guidelines, all respondents agree that they are not satisfied with the application of laws and regulations in the field of environmental protection, as well as with the system for monitoring of implementation of laws and regulations and a system of penalties for violators of laws and regulations in the area of environmental protection.
- ✓ In addition to the obvious barriers to adequate supervision of application of laws and regulations, such as the small number of environmental inspectors and defined procedures by which they work, they mentioned the lack of transparency and consistency in the work of the competent authorities.
- ✓ Significant disagreement regarding the jurisdiction in making and implementing decisions, regulations and supervision was noticed between representatives of institutions at national level and representatives of the institutions at the local level. Institutions at the national level are more for the idea of further centralization, while local institutions believe that decentralization would lead to simplified system of adoption and implementation of regulations and the whole system would be significantly more efficient. In addition,

representatives of all relevant institutions pointed out the lack of cooperation among the institutions and municipalities.

- ✓ All the institutions agree that the establishment of a National Climate Fund would be desirable, but there are some preconditions that should be fulfilled in order to make it fully operational needed to make this function adequate, such as cost-benefit analysis, transparency, models for financing the fund, the ways of resource allocation.
- ✓ Institutions in general are not familiar with voluntary/ compensatory scheme for polluters, but believe that more it would be more efficient to apply any compulsory compensatory schemes and the provision of certain incentives for businesses.
- ✓ Institutions believe that the introduction of eco-certification and standardization is necessary, but with transparent criteria and significant incentives for businesses so that this would not be an additional barrier to business.
- ✓ Representatives of relevant institutions at the local and national level mostly stated that employees in all institutions have sufficient knowledge and skills in accordance with the tasks performed, but are regularly further educated and informed and are interested in expanding their knowledge.
- ✓ The institutions that have direct contact with tourists and businesses in the tourism sector are familiar with the requirements of tourists through regular surveys and communication, and following the trends in tourism at the international level. The results of their findings and information from tourists are transferred to the decision makers in order to improve the tourist offer.