

ALBERGHI DIFFUSI MODEL IN ALBANIA



A UNIQUE DEVELOPMENT APPROACH TO SUSTAINABLE TOURISM

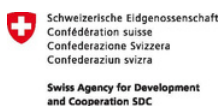
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ALBERGHI DIFFUSI CONCEPT

INTRODUCTION

The *Albergo Diffuso* (AD) is an innovative concept aimed at transforming abandoned villages with untapped tourism potential into authentic tourist destinations. First introduced in Italy in the early 1980s, this concept was developed and implemented by the Alberghi Diffusi Association (ADI).

AD was conceived to promote tourism in small hamlets and historic town centers while preserving their unique character. It ensures that tourism development occurs in harmony with local communities, without compromising the lifestyle, natural beauty, and attractions of these areas.

A distinctive feature of *Albergo Diffuso*—or "*Scattered Hospitality*"—is that its accommodations are integrated within residential areas. Guests stay in houses scattered throughout the village, allowing them to immerse themselves in the local culture and experience life as a temporary resident, rather than merely as tourists.

BUSINESS MODEL

The AD model is defined by specific characteristics and prerequisites that must be met, forming the essential components of its unique hospitality services. While these requirements are fully established and implemented in Italy, the corresponding legal framework for AD in Albania is still under development.

One Management: The accommodation operates under a single business model, ensuring unified management.

Hotel Services: Rooms or housing units are spread across separate, existing buildings within an old town center, while offering all the services of a traditional hotel.

Common Areas: Spaces such as reception areas, communal halls, bars, and restaurants are designated for guest use, providing shared facilities.

Proximity of Buildings: The maximum distance between housing units and the main hospitality service building (where key services are provided) should not exceed 200 meters.

Lively Community: The hamlet or old town center must be inhabited, ensuring a vibrant and active local environment.

Authentic Environment: The accommodation integrates seamlessly with the local community and culture, offering guests an authentic experience.

Recognizable Identity: The structure maintains a clear and cohesive identity, ensuring consistent services across all units.

Sustainable Tourism: The management approach aligns with the local territory and its cultural values. *Albergo Diffuso* represents a unique hospitality model, blending tourism with the local environment, culture, and community.

BENEFITS

The *Albergo Diffuso* (AD) model offers numerous benefits, presenting a unique hospitality concept that stands apart from traditional hotel and resort models. Created to promote tourism in hamlets and historic town centers, AD preserves the authentic character of these areas without requiring new construction, instead focusing on organizing and utilizing existing structures.

As a model for territorial tourism development, the *Scattered Hotel* functions as a network, bringing together local houses and activities. It offers services by reorganizing and enhancing existing ones, while also introducing new amenities. This innovative approach fosters collaboration within the community and boosts the local economy.

The AD model is part of a broader theory of tourism development, rooted in a hospitality philosophy that contrasts with conventional practices. Key concepts like "guest," "sustainability," "lively community," "hamlet lifestyle," "temporary resident," "authenticity," and "territory" are not only essential but carry special significance within the AD model. These ideas redefine the approach to tourism, emphasizing an immersive and authentic local experience.

AD addresses the growing demand for authentic travel experiences, encouraging the organization of local offerings and revitalizing interest in traditional food, recipes, crafts, cultural events, and historical and environmental resources. By reconnecting visitors with local heritage, AD revitalizes communities while preserving their essence.

An AD brings multiple benefits to the hamlets it serves. By utilizing uninhabited houses, AD encourages the recovery and rejuvenation of these areas, as tourists breathe life into streets and spaces. It also helps residents view their daily lives from a fresh perspective, increasing their appreciation for local culture and traditions.

Additionally, many guests who fall in love with the hamlet and its way of life often purchase holiday homes or extend their stays. Media coverage frequently highlights the positive impact AD has on the image and exposure of the hamlets that host it, further contributing to their revitalization.

SUCCESS STORIES

2004: The first national convention in Campobasso, Italy.

2009: Representation of the National ADA in Mase.

2010: AD's International acknowledgement at World Travel Market in London.

2011: Contribution to the Croatian AD legislation.

2012: Launching of the 1-st Spanish test, Salamanca

2018: Launching of AD in Germany.

2018: Launching of AD in Japan.

Requests to open ADs in: Ireland, Albania, France, Slovakia, Serbia, San Marino, Georgia and China

ALBERGHI DIFFUSI IN ALBANIA

CURRENT IMPLEMENTATION

In May 2023, Albania officially launched its first *Albergo Diffuso* in Kruja, known as **Kruja Albergo Diffuso**.

In 2022, a team of experts from the *Alberghi Diffusi Association* and *AD Balkan* conducted an assessment of Albanian villages under the 100 Villages Strategy, evaluating the feasibility of implementing the AD model across the country. Led by Prof. Giancarlo Dall'Ara, President of the Association, the team visited several villages in **Gjirokastra, Korça, Kukës, and Dibra**.

The assessment unfolded in multiple phases, starting with a Pre-Assessment of ten villages in Albania, followed by a deeper evaluation of five selected villages in the next phase. Among the villages assessed for potential AD models were **Rabdisht and Bellovë** in Dibër, **Qytezë** in Korçë, **Leus** in Përmet, **Roshnik** and **Berat Castle** in Berat, and **Dhoksat, Mingul**, and the **Gjirokastra Bazaar** in Gjirokastrë.

After the initial visit, Prof. Dall'Ara highlighted the promising potential for developing the AD model in Albania, noting that local businesses expressed strong interest in exploring the concept and a willingness to collaborate.

The AD model is particularly well-suited to the needs of the "third-generation tourist"—a traveler not only seeking to visit a destination but also to fully experience and live within it. These tourists aim to forge new relationships, not just with fellow guests but primarily with local residents. AD offers a sustainable development approach that minimizes negative environmental impacts while fostering deeper connections with the community.

GOVERNMENT AND COMMUNITY SUPPORT

Albania has legally recognized the innovative Alberghi Diffusi business model as an accommodation structure category within its Law No.30/2024 "For some changes and additions in the Law No.93/2015 'On tourism' (amended)". RisiAlbania and Albergo Diffuso Balkan have played a pivotal role in this landmark development, working diligently to introduce innovation to small towns in Albania, revitalize communities, and create sustainable job opportunities for young people.

The Ministry of Tourism and Environment (MTE) is implementing changes that will formally embrace and regulate this unique hospitality model. The decision to include AD in Albania's tourism offerings marks a significant milestone for the country's developing tourism sector. This move is expected to establish a comprehensive regulatory framework, defining clear standards and guidelines for the operation of AD accommodations, which will ensure compliance with industry best practices and meet the expectations of both tourists and local communities.

One of the most impactful outcomes of this recognition is the potential inclusion of AD in public funding schemes and other incentive programs. With a solid regulatory framework, these distinctive accommodations will gain access to financial support, encouraging their growth and fostering further investment in sustainable tourism. This could lead to a significant boost in Albania's tourism sector, attracting visitors who seek unique, culturally immersive experiences.

As Albania advances its tourism legislation, the integration of Alberghi Diffusi highlights the country's commitment to innovative and sustainable tourism models. The future looks promising for AD in Albania, as it moves closer to the full legal recognition and widespread adoption within the national tourism landscape.



Despite the strong interest and willingness to develop the AD model in the selected locations, the team encountered several challenges that need to be addressed for successful implementation in Albania. Key challenges include:

- **Structural and Physical Limitations:** Many of the existing buildings (guesthouses) require significant modifications to accommodate all the necessary services and amenities demanded by the AD model.
- **Bureaucratic Hurdles:** Delays in restoration projects and bureaucratic obstacles, particularly with regard to completing required timeframes, have hindered progress.
- **Lack of Managerial Expertise:** There is a noticeable gap in managerial capacity to effectively incorporate and oversee the various functions required by the AD model.

FUTURE OUTLOOK

The pre-assessment and assessment phases of the identified locations, focused on evaluating their suitability for implementing the Albergo Diffuso model, led to the selection of two villages: Rabdisht in Dibër and Qytezë in Korçë.

These destinations have demonstrated the potential to successfully replicate the AD model and will join AD Kruja in offering the unique "Scattered Hotel" experience in Albania.

Other areas and villages in Albania that possess the potential to replicate the AD model, need to be explored.

"We have seen some typical and authentic Albanian villages, which have much in common with the villages in South of Italy where this model was implemented successfully"

Giancarlo Dall'Ara,
President of ADA

"We have already started to provide to our guests a unique experience of living in the traditional village of Dhoksat and we are happy about the exchange we had with the team of Alberghi Diffusi"

Roland Koci, Guesthouse owner in Dhoksat





"Beautifully crafted details and well restored."

Guest, AD Kruja

"Olsi has been building a true gem in the heart of Kruja, in a spectacular setting, with incredible care and vision of what tourism could be: sustainable, respectful of tradition, authentic, and value-adding for the community"

Guest, AD Kruja

"Extraordinary Albergo Diffuso (scattered hotel)."

Guest, AD Kruja



KRUJA A STORYTELLING OF A SUCCESSFUL AD MODEL

THE IMPACT OF AD KRUJA

The launch of Kruja Albergo Diffuso, the first AD in Albania, marks a significant milestone not only for the development of the Albanian tourism sector but also for the entire Balkan region, as it is the first AD model implemented in the Balkans.

AD Kruja offers a unique travel experience, setting a precedent in both Albania and the wider region. This model plays a crucial role in revitalizing local communities and promoting sustainable tourism practices.

Unlike traditional hotels or guesthouses, the AD concept emphasizes the preservation of cultural heritage, sustainable tourism, and support for local economies, all achieved without the need for new construction.

Visitors to AD Kruja can immerse themselves in the city's authentic charm, explore its historic landmarks, and engage with the local community, making their stay a truly enriching experience. AD Kruja is mentioned by the National Geographic as one of the "must visit" type of accommodations for 2024.

LESSONS LEARNED

Key takeaways from AD Kruja implementation:

- **Awareness raising:** At first, local businesses and households didn't fully understand how sustainable tourism models like AD could provide benefit for them. Through education and outreach, they now see the potential to expand their accommodation options and attract higher-paying markets.
- **Skills improvement:** Many locals lacked the business skills needed to succeed. The offering of training and study tours helped them gain the knowledge and experience required to run and manage tourism-related businesses.
- **Cooperation encouragement:** It was challenging to find someone willing to take on the responsibility and risk of starting the AD business. However, through discussions and building trust, the community agreed to let a younger, skilled person manage the business, which led to smoother operations.
- **Funding provision:** The success of the project relied on combining private investments with public funding, such as the "Bonusi i Rijetezimit" from the Ministry of Culture, to ensure financial stability and growth.
- **Property issues addressment:** Legal problems with property ownership were solved by encouraging property owners to collaborate and agree on common goals, making the project run more smoothly.

FOSTERING COLLABORATION

The idea of establishing the Albergo Diffuso model in Albania, specifically in Kruja, emerged in September 2020, following a thorough evaluation and the willingness of stakeholders to participate in the initiative. **Seven local house owners** agreed to collaborate, with three joining during the first year and four more in the second year.

AD Kruja was legally registered as a limited liability company, owned and administered by one of the house owners, selected through a joint agreement with the others.

The establishment of AD Kruja followed several key phases:

- **Restoration of Buildings:** The first step involved the restoration of some of the key structures, including the main house and reception area, as well as the renovation of additional houses. One notable project was the Painter's House, which now offers two bedrooms and an art gallery for guests.
- **Legal Registration and Collaboration:** After AD Kruja was formally registered as a limited liability company, efforts were made to collaborate with relevant government institutions to support its operations and expand the model. This included working with UNOPS and the Ministry of Culture to restore and revitalize two houses and incorporating the Old Hamam as a tourist attraction, in partnership with the Ministry of Culture.
- **Promotional and Awareness Efforts:** In collaboration with other stakeholders in Kruja, promotional activities were organized to discuss the AD model's benefits and challenges, as well as its implementation. These efforts aimed to raise awareness and secure official recognition for the AD model within Albania's legal framework.
- **Official Launch:** On June 21, 2023, AD Kruja was officially launched, marking the first Albergo Diffuso model implemented in Albania. The launch event was attended by notable figures, including the Swiss Ambassador to Albania, H.E. Ruth Huber; Deputy Minister of Tourism and Environment, Ms. Vilma Bello; President of Albergo Diffuso International, Prof. Giancarlo Dall'Ara; and Deputy Mayor of Kruja, Mr. Ilir Loci.

Situated within the historic Kruja Castle, AD Kruja features 13 guest rooms spread across three restored buildings, alongside a reception area and a restaurant. This milestone represents a significant step forward for the tourism and hospitality sectors in Albania.

AD KRUJA PERFORMANCE INDICATORS 2023-2024



AD KRUJA IMPACT IN THE BALKAN REGION



POTENTIAL FOR GROWTH

STEPS TO BECOME AN ALBERGO DIFFUSO

AD Balkan is a consulting company that supports and promotes the creation and dissemination of the AD model, as well as distributes knowledge and competences in Albania and the Balkan region, through seminars, conferences, events, as well as tourism development projects.

The services that AD Balkan performs for businesses and local authorities contribute to the implementation of the AD model, ranging from territorial tourism planning to feasibility analyses, from preliminary market research to the creation of sustainable tourism projects, and training for operators. AD Balkan conducts specific proposals based on the specific needs of the applicant, regarding the verification of the offer standards, planning, training and certification of structures for the "Albergo Diffuso" model.

Phase 1: Expression of Interest

This phase involves collecting expressions of interest from household, guesthouse, or accommodation unit owners who wish to participate in the process and become part of an AD destination.

Phase 2: Pre-assessment

In this phase, information is gathered through desk research, initial inspections, and site visits. Meetings and interviews are conducted with property owners and other stakeholders to assess potential destinations that might meet the criteria for establishing an AD model.

Phase 3: Criteria Assessment / Checklist

A detailed evaluation of the AD model's criteria is conducted, determining the specific requirements needed for a destination to operate as an AD. This includes assessing the properties and estimating the necessary restoration and intervention works.

Phase 4: Selection and Formalization

The AD village(s) are selected, followed by the legal establishment of the entity. Agreements are formalized to define the management and operation structure of the AD destination.

Phase 5: Restoration Works

Restoration and renovation works are implemented on the selected AD properties to ensure they meet the required standards and can accommodate guests.

Phase 6: AD Operation

Once the restoration is complete, the AD destination begins its operations, offering a unique "scattered hotel" experience to guests.

POTENTIAL LOCATIONS AND BENEFITS

Some of the distinctive features of the selected villages that align with the AD model are:



- **Bellovë, Dibër:** Known for its warm hospitality, strong sense of community, and a deep commitment to preserving local traditions and culture.
- **Rabsisht, Dibër:** Offers a wide range of services to guests, featuring widespread hospitality, a dedicated museum space, and a strong focus on management and entrepreneurial spirit.
- **Qytezë, Korçë:** High level of local interest, ongoing efforts toward village regeneration, a commitment to sustainable development, and a rich history as a historic village.
- **Roshnik, Berat:** Strong willingness and interest in developing the AD model, with a focus on sharing the village's rich traditions and history.
- **Caka House, Berat:** Recognized as a cultural monument, this location features traditional houses, offering a strong connection to local heritage.

After further assessment, the villages offering the most potential for replicating and implementing the AD model are Rabsisht in Dibër, noted for its strong spirit of community cooperation, and Qytezë in Korçë, regarded as a charming "small pearl" bordering village, ideal for an AD destination.

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OPPORTUNITY!





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