Study on the Contribution of Tourism to Local and Regional Development - Evidence from the ESIF 2012-2018

*International Workshop on Tourism as a Catalyst for Regional Development*

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Note on this presentation

This presentation builds upon the preliminary results of the study on the Contribution of Tourism to Local and Regional Development - Evidence from the ESIF 2012-2018. The study is commissioned by the European Commission under COSME programme.

The study will be published at the beginning of 2020 (exact data to be confirmed) and it could be found at the weblink below: https://ec.europa.eu/growth/tools-databases/vto/

Note that the information and views set out in this report are those of the authors and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the European Commission nor any person acting on the Commission’s behalf may be held responsible for the use which may be made of the information contained therein.
Presentation plan

I. Study scope and methodology

II. Relevance of ESIF support to tourism

III. Potentials of tourism as local booster

IV. Looking ahead: strategic role of tourism
I. Study scope and methodology
Tourism sector contribution at a glance

Direct role (2018):
- 2.3 million companies (mostly Small and Medium Enterprises)
- About 3.9% to EU GDP
- 5.1% of the total labour force

Indirect role (2018):
- “Visitor economy” – multiplying effects across sectors
- Linked to other economic sectors that together represent 10% of GDP and 12% of the total labour force

Aim of the study

Mapping purpose

- *Filling in the existing information gap* by mapping tourism projects at transnational, interregional, cross-border, national, regional/local levels

Insights on the relevance of funding

- *Provision of empirical evidence to highlight the value of investing* in tourism activity through assessment of tourism-based interventions.
- *Identification and analysis of best-practice projects supported* that pursued smart and sustainable investments in tourism thus illustrating the effective use of the funds.

Recommendations for future development

- *Provision of practical information and advice to relevant stakeholders* to carry smart and sustainable tourism-led investment in regions and cities
Scope of the study

Geographical scope:

European Structural and Investment Funds (ESIF)
- European Regional Development Fund (ERDF) (incl. INTERREG);
- European Social Fund (ESF);
- Cohesion Fund (CF);
- European Agricultural Fund for Rural Development (EAFRD); and
- European Maritime and Fisheries Fund (EMFF).

Timeframe

2007-2013  2014-2020  Future
Collection and organisation of data

Data caveat

- Identification of projects was done based on info available
- Review of relevant dataset and additional web-scraping
- Good practices based on existing datasets of EU funds
- Overview of the expected tourism-related financing by ESIF
- Investment in cultural assets is not necessarily tourism-related
- Analysis limited to publicly available data (not always the case)
- It was not always possible to collect data for all Member States
II. Relevance of ESIF support to tourism
ESIF support to tourism (direct/indirect)

2014-2020:
- Close to EUR 10 billion earmarked
- The majority of resources were earmarked for cultural and heritage assets and thus for indirect tourism support rather than direct

<table>
<thead>
<tr>
<th>Effect</th>
<th>Category of intervention related to tourism: development and promotion of …</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>92. Public tourism assets</td>
</tr>
<tr>
<td></td>
<td>1 billion</td>
</tr>
<tr>
<td></td>
<td>91. Tourism potential of natural areas</td>
</tr>
<tr>
<td></td>
<td>1 billion</td>
</tr>
<tr>
<td></td>
<td>79. Access to public information (e-Culture, e-Content, e-Tourism)</td>
</tr>
<tr>
<td></td>
<td>970 million</td>
</tr>
<tr>
<td></td>
<td>75. Tourism services in or for SMEs</td>
</tr>
<tr>
<td></td>
<td>754 million</td>
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<tr>
<td></td>
<td>74. Tourism assets in SMEs</td>
</tr>
<tr>
<td></td>
<td>421 million</td>
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<tr>
<td></td>
<td>93. Public tourism services</td>
</tr>
<tr>
<td></td>
<td>358 million</td>
</tr>
<tr>
<td>Indirect</td>
<td>94. Public cultural and heritage assets</td>
</tr>
<tr>
<td></td>
<td>4.3 billion</td>
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<tr>
<td></td>
<td>95. Public cultural and heritage services</td>
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<tr>
<td></td>
<td>435 million</td>
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<tr>
<td></td>
<td>76. Cultural and creative assets in SMEs</td>
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<tr>
<td></td>
<td>236 million</td>
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<tr>
<td></td>
<td>77. Cultural and creative services in or for SMEs</td>
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<td></td>
<td>235 million</td>
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2021-2027:
- Financial support for new programming period under negotiation

Source: ESIF viewer
ESIF role: Thematic Objectives (TOs)

Tourism projects have a clearly cross-cutting character (across TOs)

1. Research, tech. development and innovation
2. Information and communication technologies (ICT)
3. Small and medium-sized enterprises (SMEs)
4. Low-carbon economy in all sectors
5. Climate change adaptation, prevention, management
6. Environment and promoting resource efficiency
7. Sustainable transport and key network infrastructures
8. Employment and labour mobility
9. Social inclusion, combating poverty/discrimination
10. Education, training and vocational training
11. Institutional capacity and efficient administration

As emerging from the ESIF viewer

Source: ESIF viewer
Tourism support by ESIF: key messages

- A sizeable demand for tourism-related projects and ESIF financing (across categories and thematic objectives)

- ERDF has the highest number of tourism related projects
  - In some countries (e.g. Germany and France) there is a balance between ESF and ERDF in terms of numbers.

- Funding does not necessarily match the contribution of tourism to the EU economy
  - Transversal nature of tourism makes it very difficult to identify all projects, which contribute to tourism objectives
  - GDP growth and employment are not the only considerations in programming EU funds and should be balanced with other objectives

- Difficulties finding publicly available information on the number/volume/relation to tourism of ESIF projects
III. Potentials of tourism as local booster
Main effects illustrated by case studies

Considering the various activities and types of beneficiaries, the impacts of tourism activities are equally diverse. Examples:

<table>
<thead>
<tr>
<th>Economic effects</th>
<th>Environmental effects</th>
<th>Social effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Local and regional economic development (GDP)</td>
<td>• Sustainable transport</td>
<td>• Urban revitalisation and community building</td>
</tr>
<tr>
<td>• Direct/indirect employment</td>
<td>• Increased energy efficiency</td>
<td>• Increased social engagement and inclusion</td>
</tr>
<tr>
<td>• Development of a broader skill set and supporting labour mobility</td>
<td>• Increased awareness about nature and environmental protection</td>
<td>• Improved governance and administrative capacity</td>
</tr>
<tr>
<td>• Enhanced competitiveness of local SMEs</td>
<td></td>
<td>• Fostering of a common identity and ETC</td>
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<td>• Increased visibility of regions, brands and investment possibilities</td>
<td></td>
<td>• Positive health effects</td>
</tr>
<tr>
<td>• Diversification of the economic sectors of local communities, e.g. providing a link between the fisheries industry and tourism</td>
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</table>
Looking at tourism as “strategic booster”

- Tourism is (can be) a ‘booster’ for other sectors and activities – thus tourism projects can be viewed as a vehicle to achieve economic, environmental, and/or social effects

- An emerging tourism development model, grounded on the ability to build on strong local innovation and entrepreneurship capabilities
A range of emerging options in this regard

- Reflect on the strategic potential of tourism-related activities of multiple regions can provide an **effective framework for developing strategic cooperation within/across territories**

- **Including tourism in the Smart Specialisation Strategy (S3)** is an important way to promote tourism-related projects and to promote innovation, influence change, facilitate access to funding

- **And yet the approach foreseen depends on local history, capacity, opportunities** – some authorities chose to support tourism as a stand-alone objective, while others included tourism as a transversal objective, i.e. there is no general rule

- **Work across departments, sectors and stakeholders!**
Adventure tourism enterprise showcasing local rural environment

Presentation by Jonathan O’Meara
WHY MID IRELAND ADVENTURE?

- Identified a gap in the market
  - Growing demand for adventure sport activities in rural locations

- Strong natural and heritage landscapes to base activities
  - River Shannon, Grand Canal, Offaly Way, Slieve Bloom Mountains, Kinnitty Castle

- Personal skills base
A NUMBER OF INGREDIENTS SUPPORTING DEVELOPMENT & SUCCESS

- Local landscapes and cultural heritage
- LEADER grant support – Investment in essential equipment
- Skills and training – Cycling Ireland Academy of Surfing Instructors
- Enhanced experiences – information on nature and culture
- Reputation - High safety standards
- Supportive local business network - promote each others services
- Growing demand rural sports – ‘Weekend warrior’
WIDER RURAL REGENERATION

Enhanced Vibrancy:
Increased visitor numbers in the area

Spillover benefits supporting rural renewal

Economic spillover:
Visitors use local retail, hospitality & accommodation

Midlands as a destination for activity tourism

Pride of place:
Inspire greater appreciation of the Offaly environment.
IV. Looking ahead: strategic role of tourism
Recommendations: strategic role of tourism

Consider tourism’s transversal nature

Support strategic role of tourism:
- Regional development strategies
- Smart Specialisation Strategy (S3)
- Community Led Local Development
- Operational Programmes (OPs)

Seek interlinkages with culture and ensure capacity for new tourism business models

Consider all types of effects of tourism related projects:
- Economic (incl. direct and indirect employment)
- Environmental
- Social

Link to other horizontal priorities:
- Sustainability and the circular economy
- Digitalisation
- INTERREG activities

Keep options under all ESIF

Provide analytical and data backing
- Analyse tourism and S3s
- Ensure proper databases
Design interventions to maximise contribution!

• **Increase local returns** through innovative business models;

• Integrated approach to **multi-stakeholders strategic cooperation**;

• Set-up **frameworks for long-term sustainable investments**;

• Sustainability and environmental **issues in the design** of initiatives.
THANK YOU!

Contact details

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