WHAT IS THE PURPOSE OF THIS GUIDE?

- To allow rural players to evaluate the touristic potential of their territory by taking into account supply, demand, competition and market trends.
- To facilitate the choice of suitable methods throughout the evaluation process.
- To help rural players, if necessary, in the selection and monitoring of external experts used during the process.
- To define the basis for a tourism development strategy stemming from cooperation and dialogue between the population and the various local players concerned.

Evaluating a territory’s touristic potential
This guide is aimed primarily at local action groups, in particular new LEADER II groups and their local partners. Its principal aim is to enable these groups to carry out their own evaluation of touristic potential, taking into account supply, demand, competition and market trends. This will also enable them to decide on the particular territory in which the tourism development project will be implemented. This territory may cover the whole or part of the LEADER area, or even bordering areas. In the latter case, cooperation between local action groups will be essential (*). This does not mean doing without external expertise altogether: this may be necessary when, for example, large-scale market research is to be carried out, which is an operation requiring the more “technical” approach of specialized consultants.

Thus diagnosis, the final phase of the evaluation stage, will have to be carried out collectively between local players and external experts.

What is important is that the tourism strategy which is subsequently chosen stems from cooperation and dialogue between the population, local players and external consultants.

This guide, which is a “vade-mecum” of the evaluation of local touristic potential, takes the form of 21 factsheets, which describe:

> the various stages of the process to be followed (factsheet 1);
> analysis of local touristic supply (factsheet 2);
> analysis of touristic demand (factsheet 3);
> analysis of competition (factsheet 4);
> analysis of market trends (factsheet 5);
> diagnosis of touristic potential (analysis of the strengths and weaknesses of the territory set against opportunities and risks) (factsheet 6);
> a number of methods borrowed mainly from the marketing approach (factsheet 7), a veritable “tool box” for evaluation:
> desk research (factsheet 8),
> field research (factsheet 9),
> coordination of a discussion group (factsheet 10);
> a number of practical tools (“checklists” for the inventory of supply, questionnaires, etc...) making the evaluation easier to carry out (factsheets 13 to 21).

Two case studies complete the set: the evaluations of touristic potential carried out in the West Cork LEADER areas in Ireland (factsheet 11) and Natur- und Lebensraum Rhön in Germany (factsheet 12) will give users of the guide a better understanding of the approach.

(*) The term “territory” is always used in this guide with reference to this relevant level of tourism project implementation.
Tourism can be a lever for the local development of a large number of rural areas. As a sector in full expansion, it boosts traditional economic activities and exploits local cultural specialities to good effect, whilst providing employment opportunities for local young people, thus curbing the rural exodus.

However, tourism is not a panacea for all development problems, and besides, not all rural areas are suited to it. It would be wrong to view this sector as the only possible alternative to agriculture or some other local economic activity in difficulty.

Only a full evaluation, taking account of supply, demand, competition and market trends, can confirm whether a territory really has a tourism development potential which justifies investment.

As well as shedding light on the touristic potential of a territory, this evaluation also makes it possible to overcome considerable handicaps and avoid a number of mistakes. For example:

- miscalculation of local touristic potential can lead to project oversizing, with adverse effects on the environment (pollution, deterioration of natural habitats, etc.), culture (loss or “folklorisation” of local identity, etc.), the territory’s economic activity (dependency, rise in the cost of living, municipal debt, etc.);
- misperception of the characteristics and specific features of a territory makes it hard to develop an original local touristic supply to stand out from that of comparable competing regions;
- failure to appreciate customer characteristics and market trends compromises the development of tourist products suited to demand.

While it cannot provide totally accurate information on the actual development prospects for the sector, precise evaluation of a territory’s touristic potential is an excellent decision-making basis for development bodies, enabling them to minimize the risks of entering into bad investments.
There are two main phases in the evaluation of local touristic potential:

- **Analysis of the current tourism situation**, covering supply, demand, competition and market trends;
- **Diagnosis**, which by comparing the results of the situation analysis, will make it possible to identify a territory’s strengths and weaknesses, determine both potential and risks and, finally, decide upon the expediency of developing tourism in the area.

These two phases involve gathering, processing and using internal and external information. The **marketing approach** provides a whole range of methods for carrying out this work.

**Analysis of the situation**

The first step of evaluation is to produce an “inventory” of the local tourism sector: supply, demand, competition and trends (e.g. consumer expectations).

Analysis of supply should, in particular, take into account:

- organization of touristic activity,
- the marketing of tourism,
- initial and on-going training in the field of tourism,
- existing cooperation and potential partners,
- the support mechanisms available.

It is also very useful to identify certain economic indicators for the territory concerned: the overall turnover of the local tourism sector, the value added created by this activity and the number of jobs linked to tourism.

These quantified parameters, updated each year, also provide those responsible locally with key elements to guide their tourism development strategy.

Although this internal information is already enough to identify a territory’s strengths and weaknesses, it is equally necessary to compile a table of external general conditions: local tourism operators should be able to access information on the market situation as a whole, in particular demand and competition. The foreseeable development of short and medium term trends also affects the development of tourism.

**Diagnosis**

Comparison of the analyses of supply, demand, competition and trends will identify a territory’s strengths and weaknesses.

Through the first stage of the diagnosis, it is possible to determine the opportunities and risks associated with any development of tourism.

The last stage of the diagnosis – comparing the territory’s strengths and weaknesses with the opportunities and risks of its tourism sector on the market – enables a “successful strategic position” to be defined. This concept covers the main assets likely to lead in the long term to superiority over competitors.

Another equally important point is to determine whether the territory has a “unique selling position” (USP), an exceptional selling point (e.g. a unique site) which provides the territory with an absolute comparative advantage recognized by the client.
FACTSHEET 1 - EVALUATION OF LOCAL TOURISTIC POTENTIAL

Analysis of demand (factsheet 3)

Analysis of competition (factsheet 4)

Analysis of supply (factsheet 2)

The situation in the tourist sector

Analysis of strengths/weaknesses (factsheet 6)

Analysis of opportunities/risks (factsheet 6)

Analysis of trends (factsheet 5)

Diagram:

- Analysis of demand (factsheet 3)
- Analysis of competition (factsheet 4)
- Analysis of supply (factsheet 2)
- The situation in the tourist sector
- Analysis of strengths/weaknesses (factsheet 6)
- Analysis of opportunities/risks (factsheet 6)
- Analysis of trends (factsheet 5)

Symbols:

- = internal general conditions
- = external general conditions
- = external general conditions of the macro-environment
- = diagnosis (factsheet 6)
KEY ELEMENTS

Analysis of local touristic supply must first of all include an inventory of the following:

Natural factors:
> geographical situation and size of territory
> geological situation and climate
> water (sea, rivers, lakes, etc.)
> landscapes, fauna and flora

Socio-economic factors:
> economic structure (importance of the various sectors of activity, etc.)
> socio-demographic structure (population pyramid, migratory balance, socio-professional distribution, etc.)
> political and administrative structure

Infrastructure and services available:
> facilities (water, gas, electricity, waste processing, etc.)
> transport (road and railway networks, public transport, etc.)
> services (commercial, health services, etc.)

Cultural factors:
> history
> traditions / local craft products
> layout of sites
> monuments and sites of interest
> places to visit, guided tours
> entertainment, cultural events, etc.

Supply: sport and leisure
> water sports, swimming
> aviation
> horse-riding
> walks and bicycle tourism
> winter sports
> golf, bowls
> other sporting and leisure activities

Supply: health and cures
> balneology, cures, healthcare, keep fit, revitalisation,
> various therapies, etc.

Supply: accommodation
> overall capacity
> breakdown of the supply of beds and accommodation according to size
> breakdown of the supply of beds and accommodation according to type
> local distribution of accommodation
> quality and rates of board
> possibility of farming holidays, rural gîtes
> camp-sites, caravanning
> development of the supply of accommodation

Supply: catering
> overall capacity
> local distribution of restaurants
> quality and prices

Possibilities for organizing conferences and seminars
> conference centres and exhibition halls
> hotels providing rooms for seminars and necessary technical facilities

N.B.

Given the key importance of gathering and using the data necessary for this inventory, it is recommended that “systematic checklists” be used (see factsheets 13 to 18).

However, from the point of view of local development based on tourism, analysis of supply must not only consider these elements but also take into account the following factors:

Local population:
> Is the population aware of tourism?
> What are its expectations?
> How can it contribute to its development?
> Does a tourism development plan already exist?
> Which people could take a lead and get initial projects off the ground?
> What are the opinion “makers” and “multipliers”?
Local tourist organizations
> Which tourist organizations are already active locally?
> What are their competences and fields of activity?
> Who works there? What is their role?
> What is their budget?
> What are the possibilities of working together with these organizations?
> What activities are planned?

Touristic marketing
> What is the policy on supply and prices?
> What distribution channels are used?
> What communication instruments are used (advertising, public relations, sales)?
  What are their qualities and shortcomings?
> What marketing strategies are envisaged?

Training in tourism
> What level of qualification do people working in tourism have?
> What are the deficits as regards training?
> What are the possibilities of vocational, initial and on-going training at local and regional levels?
> What training programmes would be necessary but are not available locally?

Cooperation between local tourism operators
> What cooperation already exists at local level (regular meetings between hotel owners, adaptation of restaurant opening hours, etc)?
> Which potential partners are ready to cooperate in the area concerned?
> What projects already exist? Is there scope for synergy?

Support, aid, competitions
> What kind of support is available for players in the tourist economy?
> Are there any competitions in the field of tourism in which it could be interesting to participate?

METHODS FOR ANALYZING SUPPLY

Analysis of supply requires both desk and field research (consultation of people-resources, site visits, etc.).

Having pinpointed the relevant territory to be studied, information can be gathered for each commune until the essential data for the whole territory is available.

Results will be presented not only in the form of texts or tables but also in the form of graphs so that they can be read more easily.

A map with symbols clearly indicating sites, accommodation and tourist facilities available in a territory will provide a clear picture of that territory’s touristic supply.

In order to analyze supply, cooperation with universities and schools of higher education often proves useful for both parties.

Example:

In Spain, the Sierra de Gata LEADER group and the University of Extremadura gathered the key statistics on touristic supply in Sierra de Gata. This led to the creation of a database containing 2000 keywords.

Contact: Sierra de Gata LEADER,
C/Mayor 3, E-10850 Hoyos.
Tel.: 34 27 51 41 10; Fax: 34 27 51 41 10.

It is also important to monitor the territory’s image – another key supply factor.

For this purpose, certain very simple methods are sufficient: regular consultation of the daily press, specialized reviews, the various media, etc., provides information on the evolution of public opinion and makes it possible to anticipate trends and use the information thus obtained for public relations.
**Factsheet 3 - Analysis of Demand**

**Key Elements**

Analysis of demand should provide answers to certain quantitative questions relating to the current situation: How many clients are there? Which touristic products have they consumed? Where did they stay (establishment/location)? For how long (length of each person’s stay)? When (season)? How much money did they spend locally?

It also is important to gather qualitative information: What types of client (target groups) came? Where did they come from? What were their expectations, motivations, etc.? What did they particularly like? What did they like less?

It should be noted that although it is relatively easy to obtain quantitative data, provided local tourism statistics are available, qualitative information can only be gathered from a field study (with clients).

**Quantitative Analysis**

A distinction needs to be made between “tourists” (customers staying for at least one night) and “daytrippers”.

With regard to the first, both their number (arrivals) and the number of nights is recorded. By dividing these figures, the average length of stay can be calculated:

\[
\text{average length of stay} = \frac{\text{number of nights}}{\text{number of arrivals}}
\]

The distribution of nights and arrivals over the year makes it possible to determine the high and low seasons and to know at what moment supply and marketing need to be improved so that tourist establishments and facilities can be used for as long as possible throughout the year.

These figures should be compared for a longer period to observe the way in which the local tourism sector is developing.

Identifying the geographical distribution of demand in the area is an additional aid and provides information on the most visited places and on those visited only by a few people.

The distribution of nights and arrivals between the various modes of accommodation (hotels, camp-sites, gites, guest rooms, etc) will have to be determined at the same time.

Example:

Each year, the Hindelang commune (Bavaria) in Germany publishes important information on touristic demand. Comparison of this information with the previous year gives a clear picture of the sector’s development. In addition to the number of arrivals and nights, the report also gives an idea of occupancy rates for each mode of accommodation (private, rental, hotels, etc.). Monthly statistics provide information on seasonal fluctuations. Comparative application of these data indicates tourist distribution between the six Hindelang districts. Annual statistics published by the town’s hydropathic administration also provide information on the visitors’ place of origin and age.

Contact: Kurverwaltung Hindelang, Markstraße 9, D-87541 Hindelang Tel.: 49 83 24 89 20; Fax: 49 83 24 80 55.

**Qualitative Analysis**

Qualitative information can only be obtained through direct interviewing of clients (see factsheet 9), which also allows information to be gathered on daytrippers. The latter are more difficult to study since, as they do not spend the night at the location, they are not recorded in their place of lodging.

A questionnaire is drawn up on the basis of the information required. It may, for example, include questions on the following:

> time of year journey made;
> length of journey;
> purpose of journey;
> type of journey (accompanied? unaccompanied?);
> means of transport;
> type of accommodation;
> activities during the holiday;
> motivations, expectations, degree of satisfaction;
> the area’s reputation;
> choice of holiday location;
> holiday expenditure;
> frequency of holidays taken in the past and future holiday intentions;
> statistical data (age, sex, level of education, profession, income, usual place of residence).

The processing of these data facilitates the development of touristic products meeting the expectations of different target groups.

These data are also necessary if an effective promotion campaign is to be launched (targeted strategy, choice of media supports, etc).
METHODS FOR ANALYZING DEMAND

Analysis of local touristic demand requires desk research (in particular the study of existing statistics on overnight stays) and regular field research (in the form of oral, written or telephone surveys of clients). Together this provides the relevant information.

The questionnaire should be drafted and the method chosen with help from experts - at least the first time. Factsheet 19 shows a model questionnaire for customers.

N.B.
In the case of a written survey, it is important that the questionnaire is not too long in order not to put off the person being interviewed, who would be likely to fill it in leaving gaps or incorrectly, or may even not return it. To obtain the largest possible number of responses, the survey can be tied to a competition in which it is possible to win, for example, a free stay in the area.

There are also other smaller-scale possibilities which, however, do not always give sufficiently representative results.

> Customers’ registration forms, available from people offering accommodation, can provide useful information: beside socio-demographic information (where a person comes from, their age, sex, etc.), these forms often also contain a number of qualitative questions (means of transport used, number of people travelling, etc.). Their (computerized) processing provides invaluable data on customer characteristics, on where they come from and on the means of transport used. Factsheet 20 gives an example of a registration form which can be used for analysis.

> It is possible to identify where visitors come from by their vehicle registration plates. This information can be obtained, for example, at restaurant and leisure centre car parks or near to the most frequented sites. At the same time, questions can be put to vehicle occupants (age, sex, number of children, etc.).

Example:

In the West Cork LEADER area (Ireland), all cars registered outside the county were recorded. Their occupants were also interviewed using a short questionnaire.

Contact: West Cork LEADER Cooperative, Shinagh House, Bandon, IRL-Co.Cork. Tel.: +353 23 41 271; Fax: +353 23 41 304.

> The regular organization of round table discussions with participants chosen from among customers can provide certain qualitative information on visitors’ characteristics and expectations (see factsheet 10). However, this method should only be regarded as a complement to other surveys, if subjective and erroneous interpretations are to be avoided.

> Individual surveys of customers can be carried out provided they are not too time-consuming. It should be noted that help can often be obtained with regard to the methodology and realization of this type of survey through cooperation with a university or a higher education establishment.

Example:

In the United Kingdom, the West Cornwall LEADER group (England) instructed a student with the European High School (France) to carry out a survey to determine the direct impact of tourism on the local economy. This involved finding out how visitors spent their money and to what extent local companies managed to retain this wealth. The survey revealed the visitors’ profile, their choice of accommodation and eating, their view of the activities and services available locally, their budget for purchasing souvenirs and gifts, etc. One part of the survey, carried out over two periods of the year (Easter and July 1996), concerned trade in particular. It revealed that since the supply of local products was limited and poorly publicized, only 40% of purchases really benefited the local economy.

Contact: Jim Cooper, West Cornwall LEADER Project, Rosewarne, Camborne, Cornwall TR14 0AB (UK). Tel.: +44 1209 716 674; Fax: +44 1209 612 215.
**KEY ELEMENTS**

Analysis of competition involves gathering and analyzing as much information as possible on existing and potential competing territories. This step, which naturally supposes a detailed knowledge of the territory’s tourist products, aims to answer the following questions:

> Which are the main competing territories?
> What products do they offer on the market?
> What are their weak points and strong points?
> How can information gathered on competition be used effectively?

It is difficult to define competitors, given the diversity and complexity of the products concerned, but in theory, any “holiday destination” can be regarded as a competitor.

The – objective – survey will cover regions offering touristic products similar to those of the territory concerned, as well as bordering or nearby areas, the latter being important competitors insofar as daytrippers are concerned.

Analysis of competition can lead to the following strategies:

> **Strategy 1: “Imitating the competition”**
   A competing product, service or concept is entirely reproduced.

**Example:**

The “Umweltsiegel Tirol” label, an ecological quality label developed for the Tyrol (Austria) and accompanied by a programme of incentives for Tyrolean hotels, was completely reproduced on the other side of the border in the **Vinschgau/Val Venosta** (Trentino Alto Adige, Italy) LEADER area, both for the selection and control criteria of the label and for communication policy.

**Contact:** Tirol Werbung, Bozner Platz 6, A-6020 Innsbruck. Tel.: +43 51 2 53 20 133; Fax: +43 51 2 53 20 150.

> **Strategy 2: “Being inspired by the competition”**
   A competing product, service, concept or idea is imitated, but reproduced in a different form.

**Example:**

In Austria, a “Natur und Leben Bregenzerwald” cooperation was set up between farmers and restaurant owners in the Bregenz forest in order to increase the use of local agricultural products in the preparation of regional culinary specialities by restaurants. This idea was adopted in other Austrian regions, in a somewhat modified form, but with similar objectives and strategy (indication of the source of the products on restaurant menus, for example). This is the case of Eichsfeld, for instance, with its slogan “pure Eichsfeld”.

**Contact:** Regio Bregenzerwald, A-6863 Egg 873. Tel.: +43 55 12 22 16 20; Fax: +43 55 12 22 16 29.

> **Strategy 3: “Standing out from the competition”**
   A product, service, concept or idea that the competition did not develop is prioritized.

**Example:**

The “Rhön Sheep” operation in Hesse (Germany) is the result of this strategy. Since the meat of this sheep is increasingly used by caterers, the future of this old and local race, which was threatened by extinction, has been assured and livestock-farming has once again become profitable. Moreover, since the black-headed Rhön sheep is a veritable “landscape gardener”, the animal has become a touristic symbol, an appealing mascot for the whole territory.

**Contact:** Verein Natur- und Lebensraum Rhön, Georg Meilinger-Str. 3, D-36115 Ehrenberg-Wüstensachsen. Tel.: +49 66 83 96 02 0; Fax: +49 66 83 96 02 21.
Each of these strategies has advantages and disadvantages:

> **strategy 1** makes it possible to avoid innovation costs and reduce the risks of failure, but does not make it possible to stand out from other territories, which means there is no genuine comparative advantage in relation to the competition;

> **strategy 3**, on the other hand, brings real advantages on the market. It creates an exclusiveness which, at the same time, signals the arrival of new products. However, it is clearly an approach which involves high costs and risks of failure;

> **strategy 2** is a compromise displaying certain advantages and disadvantages of the two other approaches.

Analysis of competition does not have to end in rivalry but, on the contrary, should give a clearer picture of market position.

Highlighting the strengths and weaknesses of competing territories makes it possible to evaluate better the risks and the potential of one's own territory. This step may even lead to “cooperation between competitors”, so that several can occupy a more prominent position on the market.

**METHODS FOR ANALYZING COMPETITION**

Desk research is generally sufficient to obtain information for analyzing competition.

Principal sources of information can be competitors’ publications (tourist reports, various brochures). Their advertising inserts in newspapers, specialized reviews etc. make it possible to identify their promotional strategy, for example (concept, message, slogan, chosen advertising supports, etc.).

Contact with the experts and associations of the sector, visits to tourist fairs or even personal contacts are further ways of gathering other data cheaply.
Whatever the case, as far as the general orientation of tourism development policies is concerned, action can generally be expected to be aimed at:

> improving environmental protection;
> the professionalization of or at least better training for tourism operators;
> deseasonalizing the influx of tourists;
> improving transport infrastructure;
> promoting new types of stays;
> improving market research and touristic marketing methods,
> increasing consumer protection (labels, classifying various products, checking prices, etc.);
> generalizing the use of telematic booking systems.

In the same way, local participants within the sector will have to create tourist products combining the comparative advantages of their territory with the present or foreseeable trends in demand:

> over the next 30 years, the number of people over the age of 60 will increase by 50% while the number of people under 20 will fall by 11%. European population ageing is significantly increasing the market of elderly tourists;
> interest taken in matters associated with the environment and health is continually growing;
> the tendency of consumers is to forsake mass tourism in favour of more differentiated products. Those who have been able to identify new openings and react quickly are already reaping the benefits;
> the “average” consumer, defined in accordance with specific socio-demographic characteristics, no longer exists;
> the “new” consumer is expressing apparently contradictory expectations and choices of travel method (fast-food and last-minute departures go hand in hand with haute cuisine and luxury cruises). This is particularly true of single people and young adults;
> urban clients tend to go away for a shorter period of time but more frequently, hence the advantage of destinations which are within reach or are easily accessible;
> the increase in free time and the resulting mobility will probably cause an increase in road traffic, which contradicts tourist expectations;
> the number of holiday-makers in search of peace and quiet in an unspoilt environment will continue to grow.

KEY ELEMENTS

The evaluation of a territory’s touristic potential must take account of the development of the general external conditions, in particular trends affecting consumer behaviour. This involves anticipating the opportunities and risks associated with the new expectations of the various customers in order to be able to create new tourist products adapted to these developments.

For each new trend identified, the following questions need to be asked:

> what is the effect of this trend on the territory?
> how does it affect competitors?
> is demand shifting towards the strong points of local touristic supply?
> how can people benefit from this development?

It is obviously very difficult to predict future trends accurately, especially in a context of increasing interpenetration of cultures and globalization of markets. Nevertheless, in spite of this, certain general trends can be mentioned which, when taken into account, can facilitate the decision-making process.

As regards tourism, each European country experiences trends which are typical of it. These trends can be identified by consulting the various market studies carried out on a national level (see factsheet 8). There is, however, a context common to all countries:

> the liberalization of air transport, which has brought fares down considerably, has prompted a sharp increase in the number of journeys made, but has not made it possible to definitively identify preferences for specific destinations;
> the effects of “fashion” or geopolitical events can have a very important impact on the number of tourists that visit a particular territory;
> within the context of creating international competition and expanding the sector (with the arrival of numerous new operators on the market), an increase in the number of tourist products is evident;
> the total abolition of internal border controls within the European Union and the introduction of the single currency are other factors which should make traveling easier;
> however, if demand were to stagnate, competition would become more fierce throughout Europe.

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> the number of holiday-makers in search of peace and quiet in an unspoilt environment will continue to grow.
METHODS FOR ANALYZING TRENDS

For reasons of cost, it is recommended that use be made primarily of existing studies since it is unlikely that the financial and human resources are locally available to carry out a large-scale study of trends. Most local action groups can, however, produce their own analyses, which are less ambitious but nevertheless very useful.

For example, a debate can be organized bringing together holiday-makers and local people working in tourism as well as a representative sample of the population (see factsheet 10).

At the first meeting, participants are asked to draw up a list of the points they consider most relevant with regard to:

> trends in society (new ways of life, more “individualistic” behaviour, tastes for healthier food, etc.);
> trends as regards tourism (“nature” holidays, “active” holidays, etc.);
> noticeable changes in the area (increase in local product consumption, more visits to a particular site, etc.).

In order to be more effective, the debate can take the form of a group discussion (with about ten participants at most).

The next stage involves gathering and structuring the comments received during the debate and comparing them with those from other sources (external market research, etc.).

Trends are then classified and evaluated according to their general impact and particular importance for the local environment.
Factsheet 6 - Diagnosis of the Local Touristic Potential

Diagnosis, which is the result of evaluating potential, initially involves comparing the analyses of supply, demand, competition and trends, with the aim of discovering the territory’s strengths and weaknesses as well as the opportunities and risks of its market.

The final comparison of these two elements (strengths and weaknesses/opportunities and risks) will then make it possible to determine a “successful strategic position” for the territory.

Diagnosis of Strengths and Weaknesses

This first involves carrying out, both rigorously and objectively, a profile of the strengths and weaknesses of the local tourism sector.

The information obtained from the analysis of supply can be evaluated by comparing it with the analysis of competition. Strengths and weaknesses are analyzed and classified in order of importance. In this context, the weaknesses of local touristic supply must not be evaded, since they are just as important to know for development purposes as the plus points.

This diagnosis of strengths and weaknesses can be carried out in various manners and from different points of view:

**Diagnosis from the customer’s point of view**

It is firstly essential to know how clients perceive the local touristic supply. To obtain this information, a representative survey in which visitors can freely express themselves may, for example, be carried out.

Suggestion boxes placed in various accommodation, tourist offices or any other touristic place can also provide invaluable help: the anonymity of the method means that clients can express their criticisms and suggestions frankly and in writing.

Informal round table talks with clients, run by experienced people, are another means of comparing the perceptions of supply, demand, competition and trends.

**N.B.**

A tourist centre could, for example, invite between six and ten tourists (staying, if possible, in different types of accommodation) to take part in a group discussion every two or three weeks. Customers would thus have the opportunity to express their personal impressions of the area and of the strengths and weaknesses of local tourism and to propose improvements.

Factsheet 10 provides an outline of the functioning of a discussion group.

**Diagnosis from the experts’ point of view**

Both local and external experts should take part in the diagnosis: the former “know the terrain” and are able to compare local indicators from one year to the next (number of visitors, occupancy rates, etc.). The external consultants have the advantage of seeing the terrain through fresh eyes; their knowledge of the market enables them to identify the territory’s strengths and weaknesses more objectively. Furthermore, they are often more credible in the eyes of the public authorities and potential fund-raisers, even local ones, who tend to take their evaluation into account.

**N.B.**

Great care should be taken when choosing an external consultant, and recommendations should be sought. In addition to essential knowledge of the sector, the consultant will need many skills: the ability to listen and coordinate and to write an effective and operational report proposing concrete ideas. The choice of consultant is made after the list of referees is examined. It is also recommended that a call for tenders aimed at a specific target is made and that various proposals are compared. Factsheet 21 is designed to facilitate the choice of consultant.

Both the comparison between the actual results and the forecasts and the comparison of local indicators with indicators from other areas also provide important information for evaluating the territory’s own strengths and weaknesses.
hiking routes, guided routes or those with character;  
information aids;  
luggage transport services;  
accommodation and restaurants;  
guides, commentaries, visits to sites of touristic  
interest;  
special passes;  
combined public transport;  
hiking certificates, etc.;  
sporting and leisure activities.

Through the development of such products, the territory  
may obtain an exceptional sale argument, an absolute  
comparative advantage (“Unique Selling Position”), for a  
particular clientele.

Example:
On a cultural theme linked to the “country” or countryside,  
local operators in Havelland (Brandenburg, Germany)  
created a tourist product based on the life of the writer  
Theodor Fontane (1819-1898). The “Fontane-Havelland”  
combination provides a unique attraction for the territory.  
It was consequently possible to create an image and base  
the tourism marketing strategy around the theme “Discov-  
ering Havelland in Fontane’s footsteps”.

This type of link can be expanded and transferred to  
other segments or categories of supply, each with a  
different content.

### Example of the diagnosis of opportunities and risks  
for the “Mittlere Rezat” territory in Central Franconia (Bavaria, Germany)

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>DIAGNOSIS TOURISTIC MARKETING</th>
<th>DIAGNOSIS NATURAL HERITAGE</th>
<th>DIAGNOSIS TRANSPORT AND COMMUNICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint marketing</td>
<td>Cycling excursions (flat terrain, low rainfall in summer, picturesque small valleys)</td>
<td>Motorway making it possible to pick up a part of the through traffic thanks to targeted notices (signposts leading up to the exits)</td>
<td></td>
</tr>
<tr>
<td>Combined actions/synergy</td>
<td>Good road and railway service roads from Nuremberg-Fürth-Erlangen</td>
<td>The promotion of non polluting public transport</td>
<td></td>
</tr>
<tr>
<td>Optimization of financial resources</td>
<td>Development of the existing supply</td>
<td>Pedestrianized or semi-pedestrianized areas in historical city centres (Heilsbronn, Windsbach)</td>
<td></td>
</tr>
<tr>
<td>Strengthened marketing</td>
<td>Ecological awareness</td>
<td>Harmonized timetables</td>
<td></td>
</tr>
<tr>
<td>Development of the existing supply</td>
<td>Internal marketing</td>
<td>Noise pollution (from the motorway) making it impossible to market “relaxation breaks” in the area</td>
<td></td>
</tr>
<tr>
<td>Support of two communes</td>
<td>Support of two communes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Risks:

- Lack of coherent and defined marketing
- “Two-speed” development and attractiveness of the communes concerned
- Lack of identity (no natural borders)
- Not very competitive natural factors (unspectacular landscapes; motorway, high-voltage power lines, industrial estates)
- Noise pollution (from the motorway) making it impossible to market “relaxation breaks” in the area
Tourism, a sector which is primarily made up of small enterprises, still uses the methods developed by the marketing process insufficiently, in particular market research.

However, competitive conditions are becoming more and more difficult.

The tourism market has been transformed from a market of salesmen into a market of purchasers. On the demand side, consumer behaviour is also changing rapidly. This change in attitude compels people working in tourism to constantly adapt their supply in the short term to meet the expectations of an increasingly segmented clientele (families, “young” retired people, people in search of adventure, etc.). For this purpose, it is important to have access to relevant information.

Market research must be carried out before a product is developed and not once the product is on the market. However, two types of operation are first necessary: desk research (see factsheet 8) and/or field research (see factsheet 9).

The term “desk research” is used when statistical data or information which already exists, but again was originally created for other uses, is used. Sources of information can be either internal or external.

The term “field research” is used when information comes from new surveys (written, by telephone, etc.), carried out with or without the help of a market research company. In the latter case, this may involve market research for either individual clients or “multi-clients”.

N.B.
When only limited financial and human resources are available, which is a common constraint in rural areas, it is preferable to use the desk research method as much as possible, since it is more economical, and to carry out field studies on one’s own, but without completely abandoning cooperation with external experts: certain analyses are much more effective and in particular more objective if they are made using outside help.
The marketing process: outline of the methods which can be used to evaluate the touristic potential

- **Desk research**
  - Internal sources
  - External sources
- **Field research**
  - Institute of market research
  - Personal research
- **Multi-client analyses**
  - Survey
    - Representative sample (quantitative)
    - Non representative sample (qualitative)
  - Ad hoc study (single survey)
- **Observation**
  - e.g. in a travel agency
  - e.g. at the holiday destination
- **Experiment**
  - Laboratory experiment
  - Field experiment (market tested)
- **Individual survey**
  - Written survey (by questionnaire)
  - Personal survey (face-to-face)
  - Telephone survey
    - Interviewer with telephone and questionnaire
    - Computer assisted (CATI)
The advantages of desk research, which uses information that already exists, are evident:

- this method is generally less expensive than a field study;
- the information can be obtained more quickly;
- the examination of existing documentation provides an initial overview of the topic in question;
- the method is a solid base on which to conduct other surveys at a later date;
- desk research can, most of the time, be carried out without having to resort to external experts.

However, this method also has disadvantages:

- the information available risks being no longer up to date;
- comparison of the data is relatively complex;
- the information provided is only partially relevant for the specific problem in question;
- the indicators used in the documentation available are often insufficiently detailed to be appropriate for the particular territory being analyzed.

In addition to sources of internal information (local publications, annual reports, etc.) available to local action groups, external information is a source of important indicators. Furthermore, such information, if it exists, is essential, since pointless and costly work can thus be avoided.

With regard to tourism, the most important sources of information are, inter alia:

- ministries of tourism and agriculture;
- national and regional statistical offices;
- communal archives;
- European studies on consumer behaviour;
- the specialized press;
- the marketing departments of the large press agencies and publishers;
- tourist associations, professional organizations within the sector, trade unions;
- Chambers of Commerce and Industry;
- advertising agencies;
- market research agencies in the field of tourism and leisure;
- European, national and regional associations involved in rural tourism;
- data banks linked to the tourist sector;
- Tourism faculties in universities and institutions of higher education which specialize in tourism.

SOME MARKET RESEARCH IN EUROPE

Until now, each European Union country has gone its own way with regard to European tourism statistics, but it would be advisable to harmonize methods in order to obtain comparable data.

However, this has already been tried: since 1988, the “European Travel Monitor” (ETM) (*) has been continuously analyzing European tourist movement (trips made by adults; breaks of more than one night; independently of the reason for travel).

Every two months, the ETM publishes a report (*) on “consumer behaviour relating to trips abroad” in the following 31 countries: Germany, Austria, Belarus, Belgium, Bulgaria, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Norway, Netherlands, Poland, Portugal, Czech Republic, Romania, United Kingdom, Russia, Sweden, Switzerland, Slovakia, Slovenia and Ukraine.

The report gives a detailed outline of touristic demand in general as well as an overall picture, country by country, of the demand for rural tourism.

Alongside the ETM, numerous other studies exist for each country individually. The table below shows the most important market research carried out in Europe on a regular basis:

(*) Contact:
IPK, Institut für Tourismusmarketing,
Gottfried-Keller-Str. 20,
D-81245 München.
Tel.: +49 89 82 92 37-0;
Fax: +49 89 82 92 37 69.
In many cases, one survey alone is not sufficient: only by regularly interviewing a group of specific people can reliable information be obtained. These “panels” allow a dynamic monitoring of the market since the results are used comparatively.

An “omnibus” or “multi-theme” survey can also be envisaged; this method is frequently used to gauge a product’s reputation. It involves a number of quantitative and in theory representative surveys, where different service providers are jointly able to ask a series of questions. The advantage of this method is that it is less expensive and that this type of standard survey can be monitored quickly and easily by numerous market research companies.

In practice, a whole series of other techniques, which are inexpensive and can be rapidly put into place, are also necessary. Of course, these techniques do not claim to replace systematic market research, especially since they are not sufficiently representative, but do nevertheless provide very usable and relevant information at the qualitative level.

The group discussion (see factsheet 10) is an interesting method which is not particularly expensive and is easy to carry out: an experienced coordinator presents various themes and specific questions to a target group of between six and ten people. Opinions spontaneously expressed give an initial idea of the views, needs, motivations and behaviour of the members of the target group. However, the lack of representativeness of this method, the risk of participants influencing one another and the difficulties associated with using and interpreting the results should all be noted.

Cooperation with universities and other institutions of higher education is also to be envisaged: for example, the “European Campuses of Tourism”, co-financed by the European Union, enable students from different countries to voluntarily cooperate in various projects associated with tourism and the protection of the environment.
Example:

In 1995, six European Campuses of Tourism were held in Greece, Spain and France. For example, they enabled students to analyze the natural and cultural potential of the Pantokratora mountains (Corfu), an area which is still relatively untouched by tourism. This analysis is serving as a basis for setting up a regional park for developing tourism for the discovery of nature.

Contact:
CME (Centre Méditerranéen de l’Environnement),
Polýnikous 2 GR-174 55 Alimos, Athens;
Tel.: +30 1 93 87 630; Fax: +30 1 93 87 565.

> Cooperation with organizations for young retired people like “Senior Experts” (which exists in most European countries) can also prove useful: some of them bring together highly qualified people in various fields, including tourism, and enable them to put their long-acquired experience to good use in return for low remuneration.

> **Interviews with experts** from public organizations or associations, with researchers and other people who specialize in tourism, can also provide very useful information on the local situation of the sector and on the market in general (demand, competition, trends).

> **Cooperation between local action groups** is a particularly interesting method encouraged by LEADER: for example, several LAGs from the same country can link up to jointly carry out market research; LAGs from different countries can join forces to commission a survey of a target group (cyclists, horse-riders, etc.).
INTRODUCTION
Welcome; introduction by coordinator.

Short presentation of participants (age, profession, marital status, experience of the territory concerned or of other holiday destinations).

GENERAL DISCUSSION (45 mins)
Examples of questions to be asked:
1. “What do you like about the area?” “What don’t you like or what bothers you?”
2. “What do you think needs to be changed?” “What could be improved?”
3. “What types of visitor does our area most suit?” “What types of visitor does our area less suit?” “Why?” “What do you think of our area and, in your opinion, what could we change?”

Experience shows that this initial set of questions is the most important phase of the discussion: participants can spontaneously express themselves and react to what others say, thereby offering a number of suggestions. Half the time allocated can be devoted to this open discussion.

INDIVIDUAL POINTS

The remainder of the time could be used to discuss more specific issues such as:
4. Regional planning (including transport, walks and hiking routes, “the environment”, etc.).
5. Local businesses (from chemists to groceries).
6. Services (public services, doctors, etc.).
7. Accommodation and restaurants.
8. Sports and leisure facilities (including swimming pools, thermal baths, etc.).
9. Local culture, folklore, festivals, markets, etc.
10. The possibility of making excursions from the place of stay (including the organizations available for this (travel agencies, coach drivers, taxis, etc.)).
11. The opportunities and facilities available to specific target groups (young people, families with young children, families with older children, adults without children, elderly people, etc.).
12. The usefulness and availability of tourist information on the territory (“Why did you choose our region?” “Was it recommended to you by word of mouth?” “Did you see it advertised?” “Was it suggested by a tourist office or travel agency?” “What do you think can be improved with regard to tourist information?”, etc.).

Source: Seitz/Meyer; 1995; p. 97.
The local action group for the western area of the county of Cork is one of the few LEADER I groups to have evaluated its territory’s touristic potential.

The attraction of West Cork lies primarily in its natural heritage (a very rugged coastline with rare flora and fauna), archaeological sites and historical places of local importance.

Tourism is an important economic sector and already has many ties with other sectors of the local economy (crafts, trade and fishing).

Since the LEADER I programme began in July 1992, the “West Cork LEADER Cooperative” has commissioned a consultant’s firm to draw up a plan for the development of tourism in West Cork.

An intermediate report was submitted in October 1992 and the final report entitled “Tourism in West Cork - a Strategy for Growth” was published in January 1993.

The report includes a detailed analysis of the territory’s tourist situation and a series of important recommendations for the future of the sector.

The following stages were involved in its drafting:

1. An analysis of all documentation available on West Cork:
   > socio-economic data (a list of socio-economic advantages, the number of direct and indirect jobs created and the potential revenue linked to tourism in the area, etc.);
   > data specific to the tourism sector;
   > data concerning infrastructure (identification of the existing and predicted capacities of the local infrastructure, such as the public infrastructure, transport, information and services);
   > European programmes;

2. An inventory of facilities and tourist attractions:
   > places of interest;
   > excursion destinations;
   > accommodation / restaurants;
   > tourist facilities / services;
   > transport;
   > places to bathe / springs;
   > human resources.

3. An analysis of the natural heritage, which led this LAG in particular to choose the fuchsia as a symbol of the territory. The increasingly frequent use of the flower in logo-type (on tourist signposts and labels for local products) helps to create a strong image for the territory;

4. A list of participants in the sector.
   After the lack of coordination and cooperation between operators was revealed, a “tourism committee” (the “West Cork Tourism Council”) was created to represent all private and public local tourist organizations;

5. An examination of the competitive position of West Cork with regard to the quality of touristic supply. To this end, similar supplies of competing Irish regions have been carefully studied;

6. A study of forecast trends, which highlighted:
   > the growing interest in “active” holidays;
   > the stricter requirements as regards health and the environment;
   > the importance of the “Woopies” (“well off older people”) target group;

7. Experts’ meetings, bringing together in particular local tourist operators and opinion leaders. These meetings have made it possible to exchange a considerable amount of information which was taken into account in the development of the long-term strategy;

8. An analysis of the strengths and weaknesses of West Cork also gave interesting results. For example:
   **Strengths:**
   > a rich natural heritage (picturesque and diversified coastline);
   > a favourable geographical situation (in the centre of tourist areas and the most important places of interest in Ireland, such as Cork, Blarney, Kinsale and Kerry);
   > a positive image of local food products.

   **Weaknesses:**
   > lack of individual image for the territory;
   > tourist information difficult to access by visitors;
   > insufficient local public transport.

9. An economic survey, covering employment in the tourism sector (breakdown by field of activity for full- or part-time or permanent or temporary employment).

10. An analysis of needs, which detected certain inadequacies between existing supply (both from the qualitative and quantitative point of view) and the current and predicted trends of touristic demand.
11. An analysis of demand (where visitors came from, their reasons for travelling to the destination, means of transport used, identification of new target groups) which revealed in particular that 55% of arrivals were between June and August; for 80% of foreign visitors, holidays were the main reason for travel; 36% of visitors used their own car and 27% rented one; the most popular activities were hiking, climbing, cycling, fishing, golf and horse-riding.

This information led to recommendations being made on action to be taken:

- sign-posting of the N71 as a tourist route (signs at the exits to all locations along the road);
- production of a regional map indicating places of interest, accommodation, services, etc.;
- participation in the national exhibition “Holidays in Cork, Dublin and Belfast” (90,000 visitors);
- creation of an annual tourism forum bringing together all local actors in the sector.

The cost of the operation amounted to ECU 12,571, breaking down as follows:

- advice: 11,000 ECU;
- promotion of the report: 1571 ECU.

Funding was principally assured by sponsors (ECU 6400) and sales of the document (ECU 664), the remainder covered by LEADER (ECU 5507).

The main difficulties encountered were:

- the lack of coordination between the public and private sector;
- a lack of interest by private tourist companies;
- conflicts with other sectors of the local economy (e.g. fishermen, due to the planned construction of yacht marinas).

The plan for the development of tourism determines the projects eligible for LEADER financial support:

- under LEADER I, ECU 839,500 (i.e. 49% of the total budget) was invested in 49 tourism projects;
- with regard to LEADER II, the plan is currently being updated so that it can be implemented and adapted to the new West Cork LEADER area, whose surface area has considerably increased.
Factsheet 12 - Case study n°2
Evaluation of the touristic potential of the Rhön (Germany)

The Rhön massif (185,000 hectares) is located in the centre of Germany, at the point where three Länder meet: Bavaria, Hesse and Thuringia. Only the Bavarian and Hessian areas of the Rhön took part in LEADER I, creating two LEADER areas (122,000 inhabitants, 6 districts and almost 90 communes).

At the beginning of summer 1993, the Hessian local action group, “Verein Natur- und Lebensraum Rhön”, commissioned a Munich consultant’s firm to draw up a plan for the development of tourism. This was the first time since 1945 that an action had been undertaken for the whole of the Rhön massif, including its Thuringian area, which was part of the former GDR.

Designated by UNESCO as a “Biosphere Reserve” (*) in 1991, the Rhön thus took on a special value from the touristic point of view and an exemplary status in Germany. The conservation of a traditional landscape (the territory is known as the “Land of great horizons”) and the boosting of local economic activities were therefore at the heart of the tourism development programme.

A detailed study of the situation was initially carried out by combing six analyses covering supply, demand, competition, trends, the territory’s strengths and weaknesses and its opportunities and risks respectively.

For each of the six analyses, the methodology used was as follows:

1) ANALYSIS OF SUPPLY

This involved the following stages:
> determining the territory to be analyzed;
> sending a questionnaire to all communes concerned;
> analyzing the data already available (documentation from the communes, reports and statistics);
> drawing up “checklists”;
> visiting 42 communes;
> consulting participants from 22 communes;
> drawing up a tourist profile for each commune.

This led to:
> a quantitative analysis carried out commune by commune for each of the three Länder concerned;
> a qualitative analysis for the entire Rhön biosphere reserve;
> an informative map clearly indicating places of interest, accommodation and tourist services available.

Examples of the results of the analysis of supply:
> when the advertising material was analyzed, it was noted that tourist organizations were not using the territory’s “unique selling position”, namely its “reserve of the biosphere” label;
> the analysis of supply clearly showed the differences in the existing level of facilities between the three Länder: a good leisure infrastructure in the Hessian part; slightly less touristic supply in the Bavarian part and virtually nothing in Thuringia.

2) ANALYSIS OF DEMAND

A survey of customers was carried out using two methods: the personal oral interview and the written survey. The oral survey was carried out at the most important tourist sites in the Rhön by students of the Fulda High School and was organized by external experts. In all, 613 interviews were carried out.

The written survey covered 85 hotels, representing all forms of accommodation (from hotels to guest rooms). In order to motivate people interviewed and to maximize the number of responses, participation in the survey was linked to a draw for a free weekend in the Rhön. Despite this, only 182 questionnaires were returned (answer rate: 20%), probably due to the length of the questionnaire.

In total, 335 day-trippers and 460 holiday-makers were interviewed in the two surveys carried out in summer 1993 and winter 1994. The data was processed by computer, checked, corrected and then analyzed and presented in a report.

The cost of preparing, carrying out and processing the results of the survey amounted to ECU 15,000.

Results:
> 75% of visitors were prepared to help pay to protect the environment (an “environmental tax” added per night or to the price of entry to sites and car parks);
> touristic supply was judged to be relatively satisfactory. Only the condition of cycle paths and the efficiency of public transport were criticized;
> a particularly positive evaluation was made with regard to nature and the landscape, the quality of relaxation, the kindness of the population and the tranquility of the accommodation;
> only one third of visitors already knew that the Rhön had been designated a biosphere reserve.

3) ANALYSIS OF TRENDS AND COMPETITION

Desk research was carried out on the data and information already available.

4) DIAGNOSIS

The diagnosis was made by comparing the analysis of the strengths and weaknesses of the territory and the analysis of the opportunities and risks on the market. It took into account:
> the results of the different analyses (supply, demand, competition and trends);
> the frequentation of the tourist sites;
> the opinion of the experts interviewed;
> the opinion of customers interviewed;
> an external consultant’s point of view;
> comparison with other territories;
> the results of the study of trends.

(*) Designated by UNESCO as a “Biosphere Reserve” in 1991, the Rhön thus took on a special value from the touristic point of view and an exemplary status in Germany. The conservation of a traditional landscape (the territory is known as the “Land of great horizons”) and the boosting of local economic activities were therefore at the heart of the tourism development programme.
The step led to a plan for the development of tourism containing not less than 270 measures to be implemented in order to achieve the following objectives:

> to go beyond regional borders (3 Länder), the tourist destination to be marketed being the Rhön territory as a whole;
> to promote an image of “The Rhön, an up-and-coming and innovative territory” (and which is a model of local development in Germany thanks to LEADER I);
> to develop the “Biosphere Reserve” label;
> to deseasonalize frequentation;
> to promote the regional and healthy cuisine of the Rhön;
> to encourage local restaurant owners to include regional dishes on their menu and to buy at least 25% of their food from Rhön farmers;
> to encourage cooperation between the tourist operators and local craftsmen;
> to set up a tourist coach service and to restore and perpetuate a local railway connected to the European railway network;
> to have mobile promotional equipment (stands, etc.) enabling the six local tourist associations to jointly take part in fairs and shows;
> to implement joint advertising campaigns.

(*)The Rhön is one of the 340 “Biosphere reserves”, spread over 75 countries and chosen by UNESCO under its MAB programme (“Man And the Biosphere”). Following the principle “valorize to protect”, MAB aims to encourage the sustainable development of territories worked by man and representative of a particular ecosystem. For example, the Rhön corresponds to a type of medium-sized mountain region particular to Western Europe. A genuine “environmental world observatory”, the MAB Programme does not provide financial aid but technical assistance.

The situation analysis was presented in the form of an intermediate report and synoptic chart, which were both distributed to approximately 120 private individuals and organizations who were asked for their comments and suggestions.

The report was then re-worked within the framework of an “open forum on tourism”, a sort of interdisciplinary round table discussion involving four working parties. This forum made it possible to integrate the point of view of the local population into the “external” analyses (strengths / weaknesses and opportunities / risks).

This served as a basis for the development of a “Tourist Guide to the Rhön”.

The processes of analysis and evaluation both came up against the following problems:

> size of the territory and local differences;
> missing or incomplete information;
> complex politico-administrative structures;
> differences of opinion;
> problems of representativeness;
> the interviewers’ influence;
> the low rate of response to the questionnaires;
> the definition of competition and its analysis.

By evaluating the touristic potential, which was simultaneously carried out “externally” (initial realization by a firm of consultants) and “internally” (follow-up and annual evaluation with local players), it was possible to identify a number of target groups:

> visitors choosing short but more frequent stays;
> relatively elderly but active people, anxious to “remain young”;
> demanding holiday-makers as regards environmental protection;
> tourists in search of nature and peace and quiet;
> people in search of a healthy lifestyle;
> families with children.

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<th>RISKS</th>
</tr>
</thead>
<tbody>
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<td>&gt; Changing behaviour as regards restaurants and accommodation (requirements increased as regards comfort)</td>
</tr>
<tr>
<td></td>
<td>&gt; Diversification of the supply of restaurants: dietary food and vegetarian and regional dishes, in addition to “home” cooking</td>
<td>&gt; Greater quality and professionalism demanded of service providers</td>
</tr>
<tr>
<td></td>
<td>&gt; Greater use of local products</td>
<td>&gt; Many service providers cannot stand alone in the face of competition</td>
</tr>
<tr>
<td></td>
<td>&gt; Introducing cooperation between people involved in tourism</td>
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<td>&gt; Introducing cooperation between people involved in tourism</td>
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## Environment

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
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<tbody>
<tr>
<td>Territory’s surface area (ha)</td>
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</tr>
<tr>
<td><strong>GEOGRAPHICAL SITUATION</strong></td>
<td></td>
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<tr>
<td>Topography / relief</td>
<td></td>
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<tr>
<td>principal mountains (altitude)</td>
<td></td>
</tr>
<tr>
<td>highest summit</td>
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<tr>
<td>average altitude</td>
<td></td>
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<tr>
<td>lowest point</td>
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<tr>
<td><strong>GEOLOGICAL CHARACTERISTICS</strong></td>
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<tr>
<td>Climate</td>
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<td>average temperature (summer)</td>
<td></td>
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<tr>
<td>average temperature (winter)</td>
<td></td>
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<tr>
<td>sunshine (days / year)</td>
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<tr>
<td>precipitation (days / year)</td>
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<tr>
<td>precipitation (mm / year)</td>
<td></td>
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<tr>
<td>average snowfall (cm)</td>
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<tr>
<td><strong>HYDROGRAPHY</strong></td>
<td></td>
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<tr>
<td>waterways</td>
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<td>name</td>
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<tr>
<td>water sports; fishing</td>
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<tr>
<td>bathing</td>
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<tr>
<td>protected aquatic areas</td>
<td></td>
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<tr>
<td>water quality</td>
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<tr>
<td>Stretches of water</td>
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<tr>
<td>(natural and man-made lakes, ponds, etc.)</td>
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<tr>
<td>name</td>
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<tr>
<td>water sports; fishing</td>
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</tr>
<tr>
<td>bathing</td>
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<td>water quality</td>
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<td>FIELD</td>
<td>DESCRIPTION</td>
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<td>--------------------------------------------</td>
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<tr>
<td>LAND USE (% OR HA)</td>
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</tr>
<tr>
<td>industrial / commercial activities</td>
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<tr>
<td>habitation</td>
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<td>leisure facilities</td>
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<td>forests</td>
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<td>landscapes / protected areas</td>
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<td>arable land, including:</td>
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<tr>
<td>- farmland</td>
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</tr>
<tr>
<td>- pasture</td>
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<tr>
<td>- proportion of the land reserved for biological crops (%)</td>
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<tr>
<td>Flora</td>
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<tr>
<td>varieties of rare plants</td>
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<tr>
<td>Fauna</td>
<td></td>
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<tr>
<td>species of rare animals</td>
<td></td>
</tr>
<tr>
<td>Natural sites of particular interest (natural places of interest, waterfalls, peat bogs, old trees, etc.)</td>
<td></td>
</tr>
<tr>
<td>Protected areas</td>
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## Population, Economic Activity, Businesses and Services

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<tr>
<td>number of inhabitants</td>
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<td>Working Population</td>
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<td>total:</td>
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<td>by sector:</td>
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<tr>
<td>employed in agriculture</td>
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</tr>
<tr>
<td>- full-time:</td>
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<td>- part-time:</td>
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<td>employed in industry</td>
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<td>employed in crafts</td>
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<tr>
<td>employed in trade</td>
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<tr>
<td>employed in other services</td>
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<tr>
<td>employed in tourism</td>
<td></td>
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<tr>
<td>- full-time:</td>
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<td>- part-time:</td>
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<td>unemployment rate</td>
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<td>daily migration rate</td>
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<td>FIELD</td>
<td>DESCRIPTION</td>
</tr>
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<tr>
<td><strong>BUSINESSES / SERVICES</strong></td>
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<td>bakeries</td>
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<td>butchers</td>
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<td>cooperatives</td>
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<td>farms involved in direct sale</td>
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<td>car hire</td>
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<td>service stations</td>
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<td>coaches, buses</td>
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<td>bicycle hire / maintenance</td>
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<td>hire / maintenance of sports equipment</td>
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<tr>
<td>post offices</td>
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<td>banking services</td>
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<td>doctors, dentists</td>
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<td>pharmacies</td>
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<td>nursery schools / children’s accommodation</td>
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<td>youth centres</td>
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<td>other businesses and services</td>
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# Factsheet 15 Checklist for the Inventory of Local Touristic Supply

## Access, Transport, Journeys

<table>
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<th>Field</th>
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<td><strong>Road Network</strong></td>
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<tr>
<td>connections with main roads</td>
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<td><strong>Railway Network</strong></td>
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<td>connections with main lines</td>
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<tr>
<td><strong>Local Public Transport</strong></td>
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</tr>
<tr>
<td>stops</td>
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<td>routes</td>
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<td>timetables</td>
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<td>fares</td>
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<td><strong>Cycle Paths</strong></td>
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<td><strong>Pedestrianized Areas</strong></td>
<td></td>
</tr>
<tr>
<td>- areas closed to traffic</td>
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<td>- pedestrianized areas</td>
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<td><strong>Regulated Traffic</strong></td>
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<tr>
<td>- crossing built-up areas</td>
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<td>- skirting routes</td>
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<td>state of the roads</td>
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<td><strong>Signposting</strong></td>
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<tr>
<td>- signposting for public places</td>
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<tr>
<td>- information boards/posts</td>
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<td>- city plans</td>
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<td>- tourist maps</td>
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<td><strong>Parking</strong></td>
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<td>total number of places</td>
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<td>no. of places reserved for cars</td>
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<td>prices</td>
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## Factsheet 16 Checklist for the Inventory of Local Touristic Supply

### Culture, Cultural Activities

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<td><strong>History</strong></td>
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<td>coat of arms</td>
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<td>specific historical events</td>
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<td>famous people</td>
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<tr>
<td><strong>Ties with Abroad</strong></td>
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</tr>
<tr>
<td>historical ties</td>
<td></td>
</tr>
<tr>
<td>individual ties (e.g.: twinings)</td>
<td></td>
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<tr>
<td><strong>Religion (%)</strong></td>
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<tr>
<td><strong>Architecture, Town Planning, Structure</strong></td>
<td></td>
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<tr>
<td>improvements</td>
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<td>participation</td>
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<tr>
<td>views, integration of the structure into the landscape</td>
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<tr>
<td>structure</td>
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<td><strong>“Village Renovation” Programme?</strong></td>
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<td>customs, folklore</td>
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<td>festivals</td>
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<td>local personalities</td>
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<td>legends, proverbs, tales</td>
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<td>FIELD</td>
<td>DESCRIPTION</td>
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<td>music</td>
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<td>conferences</td>
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<td>film shows</td>
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<td>evening gatherings, local meetings</td>
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<td>other</td>
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<td><strong>CULTURAL HERITAGE, PLACES OF INTEREST</strong></td>
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<tr>
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<td>abbeys</td>
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<td>monuments</td>
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<td><strong>MUSEUMS / EXHIBITIONS</strong></td>
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<td>surface area of exhibition</td>
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<td>guided visits</td>
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<td>number of visitors</td>
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<td><strong>ORGANIZED VISITS</strong></td>
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<td>where?</td>
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<tr>
<td>when?</td>
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<tr>
<td>with whom?</td>
<td></td>
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<tr>
<td>duration</td>
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# Factsheet 17A - Checklist for the Inventory of Local Touristic Supply

## Leisure / Sports

<table>
<thead>
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<th>Field</th>
<th>Description</th>
<th>Existing (indicate capacity)</th>
<th>Anticipated</th>
<th>Non Existent</th>
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<tbody>
<tr>
<td>Water Sports</td>
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<tr>
<td>Fishing</td>
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<tr>
<td>Boat mooring facilities</td>
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<tr>
<td>Boat hire</td>
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<tr>
<td>Water-skiing</td>
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<tr>
<td>Canoeing/Kayak</td>
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</tr>
<tr>
<td>Windsurfing</td>
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<tr>
<td>Bathing</td>
<td>Number</td>
<td>area of water in m²</td>
<td>area of beaches in m²</td>
<td>number of visitors</td>
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<td>Natural stretches of water</td>
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<tr>
<td>Open-air swimming pools (unheated)</td>
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<tr>
<td>Open-air swimming pools (heated)</td>
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</tr>
<tr>
<td>Indoor swimming pools</td>
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<tr>
<td>Aquatic centres</td>
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<td>Thermal baths</td>
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<tr>
<td>Air Sports</td>
<td>Existing (number)</td>
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<td>Non Existent</td>
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<tr>
<td>Hang-gliding</td>
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<td>Paragliding</td>
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<td>Ballooning</td>
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<tr>
<td>FIELD</td>
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<td>EQUESTRIAN SPORTS</td>
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<td>Indoor horse-riding</td>
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<td>Stud farms</td>
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<td>Box hiring for visitors’ horses</td>
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<tr>
<td>Riding paths</td>
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<tr>
<td>Hiring of horses</td>
<td></td>
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<tr>
<td>WALKS / CYCLING TRIPS</td>
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<td>Length (km) of walking paths</td>
<td>in the local area</td>
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<tr>
<td>Number of km marked out</td>
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</tr>
<tr>
<td>Route maps</td>
<td></td>
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<td>Guided excursions</td>
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<td>Car parks for ramblers</td>
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<td></td>
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</tr>
<tr>
<td>- number of parking places</td>
<td>- price of parking per car</td>
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<td>Accommodation for hikers</td>
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<td>Funicular railways</td>
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<tr>
<td>Health circuits</td>
<td>Number</td>
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<td>Length (km)</td>
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<td>Information trails (number)</td>
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<td>Length (km) of tracks for cyclists touring the local area</td>
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<td>Number of km marked out</td>
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<td>Cycling route maps</td>
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<td>EXISTING (number)</td>
<td>ANTICIPATED</td>
<td>NON EXISTENT</td>
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<td>OTHER SPORTS AND LEISURE FACILITIES</td>
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<tr>
<td>Golf courses</td>
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<tr>
<td>Skittles, bowling</td>
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</tr>
<tr>
<td>Children’s playgrounds</td>
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<tr>
<td>Climbing walls</td>
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<td>Minigolf</td>
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<tr>
<td>Squash</td>
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<tr>
<td>Open-air tennis courts</td>
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<td>Indoor tennis courts</td>
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<td>Toboggan tracks</td>
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<td>Cross-country skiing tracks (km)</td>
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<tr>
<td>Alpine skiing tracks (km)</td>
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<tr>
<td>Snow guns</td>
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<td>Ski lifts</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Ski schools</td>
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<td></td>
</tr>
<tr>
<td>Skating rinks</td>
<td></td>
<td></td>
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<tr>
<td>HEALTH/CURE/REST</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Health cures</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Balneotherapy, thalassotherapy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saunas</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Solariums</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Cure centres</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Kinesitherapy centres</td>
<td></td>
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<tr>
<td>Physiotherapy</td>
<td></td>
<td></td>
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<tr>
<td>Therapeutic services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beauty centres</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Keep-fit centres</td>
<td></td>
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</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIELD</td>
<td>DESCRIPTION</td>
<td>EXISTING (number)</td>
<td>ANTICIPATED</td>
<td>NON EXISTENT</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------------</td>
<td>-------------------</td>
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<td>--------------</td>
</tr>
<tr>
<td>LEISURE</td>
<td>Leisure centres</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and theme parks (ha)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zoos, wildlife parks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nature parks (ha)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Games rooms, casinos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Facilities for other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>activities and games</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Factsheet 18 - Checklist for the Inventory of Local Touristic Supply

### Accommodation, Restaurants

<table>
<thead>
<tr>
<th>FIELD</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACCOMMODATION</strong></td>
<td></td>
</tr>
<tr>
<td>Total capacity</td>
<td></td>
</tr>
<tr>
<td>Number of establishments</td>
<td></td>
</tr>
<tr>
<td>Number of beds</td>
<td></td>
</tr>
<tr>
<td>Classified according to size:</td>
<td><strong>NUMBER OF ESTABLISHMENTS</strong></td>
</tr>
<tr>
<td>- less than 5 beds</td>
<td></td>
</tr>
<tr>
<td>- between 5 and 9 beds</td>
<td></td>
</tr>
<tr>
<td>- between 10 and 19 beds</td>
<td></td>
</tr>
<tr>
<td>- between 20 and 29 beds</td>
<td></td>
</tr>
<tr>
<td>- between 30 and 49 beds</td>
<td></td>
</tr>
<tr>
<td>- between 50 and 99 beds</td>
<td></td>
</tr>
<tr>
<td>- between 100 and 249 beds</td>
<td></td>
</tr>
<tr>
<td>- between 250 and 499 beds</td>
<td></td>
</tr>
<tr>
<td>- 500 beds and over</td>
<td></td>
</tr>
<tr>
<td>Distribution according to type of accommodation</td>
<td><strong>NUMBER OF ESTABLISHMENTS</strong></td>
</tr>
<tr>
<td>- hotels</td>
<td></td>
</tr>
<tr>
<td>- inns</td>
<td></td>
</tr>
<tr>
<td>- hostels</td>
<td></td>
</tr>
<tr>
<td>- hotels without restaurants</td>
<td></td>
</tr>
<tr>
<td>- rest homes, holiday homes, training centres</td>
<td></td>
</tr>
<tr>
<td>- holiday centres, villas, apartments</td>
<td></td>
</tr>
<tr>
<td>- guest rooms</td>
<td></td>
</tr>
<tr>
<td>- youth hostels</td>
<td></td>
</tr>
<tr>
<td>- farming holidays</td>
<td></td>
</tr>
<tr>
<td>- campsites, caravanning</td>
<td></td>
</tr>
<tr>
<td>% of establishments in possession of an eco-label</td>
<td></td>
</tr>
</tbody>
</table>

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### RESTAURANTS

<table>
<thead>
<tr>
<th>FIELD</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NUMBER OF ESTABLISHMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Hostels</td>
<td></td>
</tr>
<tr>
<td>Speciality restaurants</td>
<td></td>
</tr>
<tr>
<td>Restaurants</td>
<td></td>
</tr>
<tr>
<td>Restaurants and cafes with gardens</td>
<td></td>
</tr>
<tr>
<td>Wine bars</td>
<td></td>
</tr>
<tr>
<td>Restaurants offering regional cuisine</td>
<td></td>
</tr>
<tr>
<td>Tea rooms, cafes</td>
<td></td>
</tr>
<tr>
<td>Cafeterias</td>
<td></td>
</tr>
<tr>
<td>Ice cream parlours</td>
<td></td>
</tr>
<tr>
<td>Bars, discotheques</td>
<td></td>
</tr>
<tr>
<td>Refreshment bars / snack-bars</td>
<td></td>
</tr>
<tr>
<td>Kiosks / fish and chip stalls</td>
<td></td>
</tr>
<tr>
<td>Specialities</td>
<td></td>
</tr>
<tr>
<td><strong>SEATING CAPACITY</strong></td>
<td></td>
</tr>
</tbody>
</table>

### FAIRS, CONGRESSES, CONFERENCES

<table>
<thead>
<tr>
<th>FIELD</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FAIRS, CONGRESSES, CONFERENCES, SEMINARS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>AVERAGE NUMBER PER YEAR</strong></td>
<td></td>
</tr>
<tr>
<td><strong>NUMBER OF VISITORS</strong></td>
<td></td>
</tr>
<tr>
<td>Fairs, shows</td>
<td></td>
</tr>
<tr>
<td>Exhibitions</td>
<td></td>
</tr>
<tr>
<td>Congresses / conferences</td>
<td></td>
</tr>
<tr>
<td>Seminars / workshops</td>
<td></td>
</tr>
<tr>
<td>Major sporting events</td>
<td></td>
</tr>
<tr>
<td>Other events</td>
<td></td>
</tr>
<tr>
<td>Meeting rooms (private sector)</td>
<td>Name</td>
</tr>
<tr>
<td>Meeting rooms belonging to the commune</td>
<td>Name</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>
**FACTSHEET 19 - MODEL QUESTIONNAIRE FOR CUSTOMERS**  
*(EXAMPLE OF A THERMAL STATION)*  

1. Completed by 1 person ☐ 2 people ☐ male/female  
2. Place of origin with postal code: __________________________  
   country: __________________________  
3. Age of person interviewed: less than 45 ☐ 45-55 ☐ 55-65 ☐ over 65 ☐  
4. Profession: retired ☐ self-employed ☐ worker ☐ employee ☐  
   civil servant ☐ student ☐ other ☐  
5. The stay in __________________________ was recommended by a  
   doctor ☐ other person ☐ an advertisement or newspaper article ☐  
   travel agency ☐ other ☐  
6. Did you have a brochure on __________________________ before you arrived: yes ☐ no ☐  
   If so, did you request it ☐ from a travel agency ☐ other ☐  
7. Criteria for choice of __________________________: close to home ☐ thermal facilities ☐  
   location and environment ☐ climate ☐  
8. Purpose of stay: prescribed cure ☐ self-funded cure ☐  
   holiday only ☐ holiday and cure ☐  
9. Travel by train/coach ☐ car a) as a driver ☐ or passenger ☐  
10. In which thermal centres other than __________________________ have you stayed for more than 6 days over the last 5 years?  
   Name of centre what was better what was not as good  
   1 __________________________ __________________________ __________________________  
   2 __________________________ __________________________ __________________________  
   3 __________________________ __________________________ __________________________  
11. What factors do you think are necessary for a thermal cure or rest home to be successful?  
   1 __________________________ __________________________ __________________________  
   2 __________________________ __________________________ __________________________  
   3 __________________________ __________________________ __________________________  
12. What do you think the plus points are of __________________________ and what do you like the most?  
   1 __________________________ __________________________ __________________________  
   2 __________________________ __________________________ __________________________  
   3 __________________________ __________________________ __________________________  
13. What do you think the minus points are of __________________________ and what do you dislike the most?  
   1 __________________________ __________________________ __________________________  
   2 __________________________ __________________________ __________________________  
   3 __________________________ __________________________ __________________________  
14. Is the thermal centre peaceful enough? yes ☐ no ☐  
   If no, what do you dislike the most?  
   The traffic ☐ The nightlife ☐ Other ☐  

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15. Do you consider it is cheap ☐ correctly priced ☐ too expensive ☐ for the facilities on offer?

16. In your experience, the following facilities were:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Very Good</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Reasonable</th>
<th>Unsatisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>accommodation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>restaurants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dietary</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>baths and care</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>medical care</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>cure (organization)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>welcome and advice given by</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the thermal establishment</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>services</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>businesses</td>
<td></td>
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<tr>
<td>atmosphere</td>
<td></td>
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<tr>
<td>permanent attractions</td>
<td></td>
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<tr>
<td>special events</td>
<td></td>
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</tr>
<tr>
<td>excursions</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>your overall stay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17. What facilities were of particular interest to you?

18. What do you think is lacking in terms of attractions and events or what particularly needs to be improved?

19. Would you like to see certain groups of clients or age groups better represented and if so, which ones?
   1. .................................................................
   2. .................................................................

20. How many times (including this occasion) have you stayed at ....... ? .......

21. Where and how has it changed since your last stay?
   1. .................................................................
   2. .................................................................

22. Would you recommend .......... ? Yes ☐ no ☐
    If not, why not? ................................................

23. Would you visit .......... again? yes ☐ no ☐
    If not, why not? ................................................

24. Other comments:

Source: Rhineland-Palatinate Tourist Guide (Germany)
### HOTEL REGISTRATION FORM FOR THE RECEIPTS DEPARTMENT

*Please write legibly*

<table>
<thead>
<tr>
<th>Form n°</th>
<th>Name and address of hotel</th>
<th>Date stamped by the receipts department</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of arrival:</th>
<th>Expected date of departure:</th>
<th>Number of persons:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th>First name:</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of birth</th>
<th>Nationality</th>
</tr>
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<tbody>
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<table>
<thead>
<tr>
<th>Address (postcode, town):</th>
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<tbody>
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</table>

Accompanied by:  

<table>
<thead>
<tr>
<th>Name:</th>
<th>First name:</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of birth</th>
<th>Nationality</th>
</tr>
</thead>
<tbody>
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<td></td>
</tr>
</tbody>
</table>

Purpose of stay: holiday, business, conference, seminar, training, etc.

<p>| |</p>
<table>
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</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

Signature:

---

### OPTIONAL INFORMATION PROVIDED BY HOLIDAY-MAKERS FOR THE COMMUNE:

How many times have you already spent your holidays in . . . . . . . . . . . ?

Why did you choose to spend your holidays here?

Regular customer □ advertising □ press article □ travel agency □ personal recommendation □ other □

Principal means of transport used for journey:

- train □
- car □
- bus □
- other □

Deciding criteria for choosing our region:

- relaxation □
- unspoilt countryside □
- excursions □
- sport □
- price □
- other □
CALL FOR PROPOSALS

Trans-national cooperation projects on European Cultural Routes

23/G/ENT/CIP/11/B/N02S008

GRANT PROGRAMME 2011

The present call for proposals is composed of a set of Grant Submission Documents, which form an integral part of this call:

- The call for proposals,
- The Guide for Submission
- The Submission Set

The terms set out in the call for proposals document shall take precedence over those in the other parts of the Grant Submission Documents.
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INTERESTED PARTIES ARE INVITED TO READ CAREFULLY THE FOLLOWING INSTRUCTIONS, AND TO USE THE QUESTIONNAIRE PROVIDED IN CHAPTER II OF THE GUIDE FOR SUBMISSION IN ORDER TO ASSURE THAT APPLICATIONS ARE COMPLETE WHEN SUBMITTED.

1. Context

In order to maintain Europe's leadership in the world tourism industry there is a need to modernise the European tourism policy and offer. Diversifying our tourism products, capitalising on our common and rich heritage (natural, cultural, historical, etc.), is the first of the key priorities identified to boost the competitiveness of the European tourism industry in the latest Communication on tourism, "Europe, the world's No 1 tourist destination - a new political framework for tourism in Europe" (COM(2010) 352 final)

In this respect, cultural heritage represents a European competitive advantage and cultural tourism couldn't be other than the most appropriate starting point for differentiating our tourism offer. An important "niche" market of transnational thematic tourism products and services (e.g. cultural routes crossing several regions or countries) has remained unaddressed and has great potential for growth. Our common European cultural heritage and core values can be more widely promoted and its tourism potential could be further developed at EU level.

Both the above mentioned Communication and the Council Conclusions "on the contribution of culture to local and regional development" of the 10th May 2010 (Official Journal 2010/C 135/05), recognise the fundamental role cultural tourism has in promoting sustainable and quality tourism in Europe, strengthening European identity, disseminating the richness of European cultures and favouring the intercultural dialog and mutual understanding.

Whilst recognising the important role Member States play in developing and implementing strategies for cultural tourism at national and regional level, there could certainly be a strong European added value where cultural tourism products are trans-national and represent common European shared values and heritage, allowing us to present and promote Europe as a "unique tourism destination".

These considerations have already brought to some EU flagship initiatives in the cultural sector, such as the Capitale de Culture, the European Heritage Days and also the newly proposed European Heritage Label. It is the intention of the Commission to capitalise on those initiatives, also looking for synergies with similar or complementary initiatives undertaken by other International and European Organisations, such as the "Cultural Routes" program of the Council of Europe (CoE), the UNESCO world heritage sites, the "Silk Road" project of the UNWTO, and many more.

In particular, the "Cultural Routes" recognised by the Council of Europe have been identified as having a strong tourism potential, still mostly unexplored, together with some other characteristics that have been considered as essential to promote a European tourism model based on a sustainable and quality offer. The CoE Cultural Routes, 29 certified initiatives with many more in the making, span the major part of continental Europe and are a genuinely European tourism phenomenon. Their thematic richness and geographical scope make them an important asset for European tourism in terms both of their cultural and symbolic significance. At the same time, the Cultural Routes program has revealed the enormous potential for the development of grassroots cultural tourism initiatives. This tourism development is regarded as sustainable, ethical and social, because it builds on local knowledge, skills and heritage assets, and which often promotes lesser known European destinations and Europe itself as a destination for a quality cultural experience.

6. www.coe.int/routes

ENTR-11-23_Cultural_Tourism_final.doc Page 3 of 17
Within this context, strengthening cooperation between the European Commission, the European Parliament and the Council of Europe has been seen as a necessary step to realize the potential of European cultural tourism. Indeed several initiatives towards the promotion of thematic tourism products, including cultural itineraries, have been recently launched (i.e. The European Tourism Day, which is held on the 27th September every year, focused in 2010 on cultural routes and will focus this year 2011 on "tourism and industrial heritage"; Annual mini-fairs on cultural tourism are also being conceived: the first one will be held in Pavia, Italy, in April 2012 and will be dedicated to religious and pilgrimage routes).

Among those initiatives, a study, jointly undertaken by the Commission and the Council of Europe – the results of which have been presented on 28th June 2011 at the European Parliament – assessed the impact, and the potential in terms of growth and innovation that the promotion of trans-national cultural routes have on small and medium enterprises in the tourism sector. The findings can be summarised as follow: a lack of coordination at European level in the development and promotion strategies of the Cultural Routes; a weak brand image of the routes; very weak marketing strategies and almost no joint promotional initiatives; limited human and financial resources of the networks managing the routes; lack of expertise in the management of such routes, especially of marketing skills and knowledge of business models; poor consumer-oriented web portals; low degree of exchange of good practices.

Hence, future actions – especially those undertaken by the Commission - will have to take those findings into consideration when planning for the promotion of trans-national cultural tourism routes.

As a matter of fact, a new cooperation program with the CoE, which will operate from September 2011 to early 2013, is being conceived in order to address the above mentioned weaknesses and develop a concrete action plan 2011-2012 for European cultural tourism routes. It will focus on four main axes: training and capacity building for cultural tourism routes, strengthening the governance structure of the organisations managing the routes; reinforcing the brand image and marketing strategies; cooperation with main stakeholders and synergies with similar actions.

The present call aims at complementing and completing the above mentioned initiatives. Its general aim is therefore to contribute to solve one of the problems and weaknesses perceived as being the most stringent one: the lack of a common and coordinated European communication and marketing strategy for cultural tourism initiatives, meaning the lack of a true European "cultural tourism product".

The call is published in the framework of the Competitiveness and Innovation Framework Programme of the European Commission (CIP), the Entrepreneurship and Innovation Programme (EIP). This latter is one of the three operational CIP sub-programmes, which specifically supports activities aiming at fostering entrepreneurship culture and creating better framework conditions for SMEs operating in EU. It also aims to comply with the overall strategy of the DG Enterprise and Industry (i.e. strengthening Europe's industry; promoting innovation as a means to generate jobs and meet societal needs; encouraging the creation and growth of small businesses and promoting an entrepreneurial culture)\(^\text{10}\), as well as with the main objectives of the Commission, as set out in the "Europe 2020" strategy\(^\text{11}\).

\(^{10}\) http://ec.europa.eu/enterprise/
\(^{11}\) http://ec.europa.eu/europe2020/index_en.htm
2. **OBJECTIVE OF THE CALL**

Within the above mentioned context, believing that in the "niche" market of cultural tourism there is a lot of potential for growth, and believing that EU action could really add value to national, regional and local policies in this field, the **overall objective** of the present call for proposals is twofold:

1) to contribute to differentiating the European tourism offer, capitalising on the shared cultural heritage; and

2) to contribute integrating both horizontally and vertically the cultural tourism sector, facilitating clusters/networks of both cultural tourism products and enterprises of the cultural tourism sector.

**Specific objectives:**

Hence, the objectives of the call are:

- Reinforcing the image and profile of Europe as a high-quality destination among European and third-country citizens;
- Strengthening trans-national cooperation on cultural tourism, with a focus on (pan) European cultural tourism products;
- Facilitating vertical integration of cultural and tourism SMEs/associations/NGOs/networks in the supply chain of Cultural-Tourism Routes;
- Facilitating clustering among Cultural-Tourism Routes and the development of joint initiatives;
- Better exploitation of ICT applications and tools by enterprises and local authorities in destinations where the local cultural heritage is the main resource for development;
- Strengthening the capacity of tourism operators and small enterprises in remote and less known destinations to reach out to new publics, through joint actions at European level, ICT tools, social media and sounder marketing strategies, among others.
- Increased visibility of cultural tourism products with a European (trans-national) dimension;
- Better exploitation of cultural heritage from a touristic point of view;
- Promoting the role of cultural tourism as a factor for sustainable economic development, European citizenship and intercultural dialogue;

**Financed actions:**

The call will support initiatives aimed at promoting and giving more visibility to trans-national Cultural-Tourism Routes - here after referred to as "Routes" - (also including those recognised by the Council of Europe).

By Route, within the context of this call, it is intended that an itinerary that could either be physical (based on a physical infrastructure) or virtual (linking places/destinations/attractions which have a conceptual link, e.g. a common theme). Hence, these routes are not necessarily built on existing physical route infrastructures.

**Activities which could be included in the project proposal** are the following (*the list is not exhaustive and only serve as an example)*:

- TV/Media/social media campaign(s);
- ICT applications for marketing and communication purposes (e.g. interactive maps with tourism information / services, reservation platforms, etc.);
- Consumer-oriented web portal;
Expected results:

- clustering of SMEs/Associations/NGOs/Networks along cultural routes for joint promotional initiatives;
- better coordination of communication and marketing campaigns at European level;
- increased visibility of European Cultural-Tourism Routes;
- widening of the consumers/tourists/tourism operators having access to information on the Routes;
- improved capacity of the Routes to attract tourists from Europe and Third Countries;
- increased capacity of the Routes to sign agreements with Travel Agents and Tour Operators;
- increased presence of the Routes on International tourism fairs;
- improved competitiveness of tourism SMEs along the Routes.

The proposal:

More specifically, the project proposal will need to fulfill the following characteristics:

1. The proposal must mainly focus on communication and/or promotional tools and/or campaigns. Communication and promotional aspects have to be the core of the proposal. However, it is possible to foresee other activities, provided that those activities can be justified as important in order to achieve a more effective or efficient communication / promotion.

2. Each proposal must cover at least 2 "(Pan-)European" Cultural-Tourism Routes having similar themes and/or geographical proximity.

3. Each Route must have a significant "European dimension". The route shall both be trans-national, covering at least 3 different CIP countries as listed under point 5.1, and be representative for the European common heritage and shared values.

4. Each Route must have a cultural theme which is clearly identifiable all along the route. The theme should be linked to the European heritage, it should permit the development of initiatives and exemplary and innovative projects in the field of cultural tourism and it should facilitate the development of tourism services.

5. The proposal must be submitted by a consortium fulfilling the following requirements:
   a. Must be technically and financially sustainable. The project will aim at the creation of a medium- to long-term communication/promotion strategy for a transnational European cultural tourism product which continues after the end of the project period. Therefore, the description of the proposal should also refer to how the action could be further developed after the end of the project period, both technically and financially. See further point 6. Selection.

---

12 For consortium it has to be intended a partnership - already existing or created for the purpose of the present call - composed of different legal entities, each of them clearly mentioned separately in the grant agreement.
b. **Must be trans-national.** The proposed project must be carried out through a consortium composed of a minimum of 4 partners legally situated in 4 different CIP countries as listed under point 5.1.

c. **At least one partner (public or private) must have its main activity in the field of marketing, communication, ICT or other field relevant to the core activities proposed.**

d. **The applicant or at least one of the partners must fall in the category 4 a)** (see Section 5.2 Legal Status Eligibility)

Please note that all the above mentioned requirements are mandatory and they all need to be satisfied by the project proposal.

**Recommendations for the presentation of the project proposal:**

- Coverage of more than 2 transnational Cultural-Tourism Routes will be considered as an advantage. The same if any Route covers more than 3 CIP countries (as listed under point 5.1).

- The tourism potential of the Routes identified and selected as being the "product" of the communication/marketing action should be clearly explained and highlighted in the project proposal. Each "Route" should be a potential "tourism product" in itself, in the sense that it could potentially be immediately sold on the tourism market or divided into packages of tourism services to be sold on the market.

- A communication and/or promotional strategy should be clearly defined and followed by a concrete action plan and implementation phase.

- A project-partner will take the responsibility for the overall quality assurance.

- The sustainability of the project - how it can continue after the end of the co-funding by the Commission - should be sufficiently described.

- The proposal should contain explanation on how the project will specifically identify and reach the target audience, the estimated impact and how that impact will be measured; identify the management structure and how it will enable the project to meet its goals; identify the staff to be involved with distribution of tasks between partners and staff members.

- **The associations/organisations managing the routes chosen, if any, should support the project** (either participating to the consortium or by providing a letter of intent).

- Whenever a project proposal involves routes which obtained the Council of Europe Label, or that are within the UNESCO heritage list or benefit from other International similar initiatives, it would be considered with favour if the applicants will take into account possible synergies with such initiatives already existing avoiding overlaps.

**Deliverables:**

- 2 interim technical implementation reports and financial statements, including a consolidated statement and a breakdown between each beneficiary, respectively 6 months and 12 months following the start date of the action.

- 1 final technical implementation report and financial statement, including a consolidated statement and a breakdown between each beneficiary; within 3 months following the closing date of the action.

Reports must be submitted by the co-ordinator in **English.**
3. TIMETABLE

(1) Scheduled start-up date for the action: January 2012
(2) Maximum duration of actions is: 18 months

However, if after the signing of the agreement and the start of the project it becomes impossible for the beneficiary, for fully justified reasons beyond his control, to complete the project within the scheduled period, an extension to the eligibility period may be granted. A maximum extension of 6 additional months will be granted, if requested before the deadline specified in the agreement. The maximum duration will then be 24 months.

The intention is to inform applicants of the outcome of the award procedure no later than the month of December 2011.

The period of eligibility of costs will start on the day the contract is signed by the last of the parties. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the agreement is signed. Under no circumstances can the eligibility period start before the date of submission of the grant application.

4. EU FINANCING

The maximum budget allocated from the financing decision C(2011)2921, adopted 03/05/2011 for this call for proposals is: 500,000.00 €

Indicative number of projects: 4 - 5

- Maximum EU co-financing rate of eligible costs: 75 %
- Maximum European Union co-financing ceiling per project: 125,000 €

Proposals with a EU co-financing beyond any of the above two maxima will be ineligible. Please refer to section 5 below.

- Please note that one action may give rise to the award of only one grant from the European Union budget to any one beneficiary.
- EU financing can never cover 100 % of the costs of an action.
- The Commission reserves the right to award a grant of less than the amount requested by the applicant. In such a case, beneficiaries proposed for award will be proposed either to increase their co-financing, propose other co-financing means or to decrease the total costs without altering the substance of the proposal. Grants will not be awarded for more than the amount requested.
- The publication of this call on the DG ENTR Internet site does not guarantee the availability of funds for the above action.
- The Commission grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of receipts over costs. The amount of the grant will be reduced by the amount of any surplus.
4.1. CO-FINANCING AND JOINT AND SEVERAL RESPONSIBILITY

The beneficiary shall supply evidence of the co-financing provided. It can be provided either by way of own resources, or in the form of financial transfers from third parties. For this call for proposals, the Commission does not accept co-financing in kind. Please refer to the Guide for Submission, chapter IV for further details.

All partners shall agree upon appropriate arrangements between themselves for the proper performance of the action.

In particular, they shall accept the joint and several responsibility for any amount due to the Commission by anyone of them as stipulated in article II.18 of the grant agreement.

The final grant agreement shall be signed by each participating co-beneficiary unless a power of attorney is conferred to the appointed co-ordinator (Form A/4 of the submission set).

4.2. SUBCONTRACTING

Only a limited part of the project may be subcontracted, up to 40% of the eligible costs. Subcontracting does not limit the responsibilities of beneficiaries.

Please note that the beneficiary(ies) has(have) to have the necessary capacity to perform the project.

Only tasks that are not core business can be sub-contracted.

Please refer to the guide for submission (page 26) for further details on subcontracting.

4.3. PAYMENT ARRANGEMENTS

The draft grant agreement annexed to this call for proposals specifies the payment arrangements in article I.5 for multiple beneficiary agreements. The agreement is attached for information only, and should not be submitted with the proposal.

Your attention is in particular drawn to part B of the General Conditions, article II.14, where the eligibility of costs is described. These costs are also further explained in chapter VI of the Guide for Submission.

The Commission may require the beneficiary to lodge a guarantee in advance in case of pre-financing representing over 80% of the amount of the grant and exceeding 60,000 €. Such a requirement may also be waived in case article II.18 on joint and several responsibility applies fully.
5. Eligibility

Applications must comply with all of the eligibility criteria set out in this section.

5.1. Geographical Eligibility

Applications from legal entities established in one of the following countries are eligible:

1) EU Member States
2) European Free Trade Association countries (EFTA) which are members of the European Economic Area (EEA) in accordance with the conditions laid down in the EEA Agreement: Norway, Iceland, Liechtenstein
3) Other countries participating in the Entrepreneurship and Innovation Programme of the CIP: Croatia, the Former Yugoslav Republic of Macedonia, Turkey, Serbia, Montenegro, Albania and Israel

The participation of partners from other countries is allowed but it will not be considered as concurring to the eligible costs, nor as concurring to satisfy the minimum consortium requirements stated in point 2.

The transnational nature of the project must be demonstrated by submitting form A/4 to the submission set duly filled in and signed from the partner organisations in order to confirm their participation (original signatures required).

5.2. Legal Status Eligibility

In what follows “partners” are to be understood as any potential co-signatory of the future grant agreement subject to this call, and as proposed by the applicant co-ordinator.

1. Applicants should act in consortium with other partner organisations. The consortium should be composed of a minimum of 4 partners legally situated in 4 different CIP countries as listed under point 5.1.
2. Partners of the lead organisation (the applicant) must satisfy the same eligibility criteria as those for applicants;
3. Applications must be submitted by a legal person. Natural persons (i.e. individuals) are not eligible.
4. Both applicants and other partners must correspond to the definition of the following organisations:
   a) Public governmental authorities and their networks or associations at European, national, regional or local level, and public agencies or other organisations acting on behalf of a public authority;
   b) Destination management organisations linked to the Routes covered by the proposal and/or their umbrella associations, if existing;
   c) Travel Agents and Tour Operators and their umbrella associations; Chambers of commerce and industry, chambers of handicrafts or similar bodies and their umbrella Associations;
   d) Not-for profit/Non-governmental organisations, civil society organizations, foundations, think-tanks, umbrella associations or federation of public or private bodies, whose core activity falls under the following fields: tourism, culture, regional and rural development, communication, marketing, Information and Communication Technologies (ICT), media, event organisation and management;
c) Public and private bodies whose core activity falls under the following fields: tourism, culture, regional and rural development, communication, marketing, Information and Communication Technologies (ICT), media, event organisation and management.

Please note that bodies/organisations that do not fall within one of the above listed categories may not apply for the present call. It will however be possible to subcontract, in compliance with the rules and within the limits set at the point 4.2 of this call, some tasks to bodies/organisations which are not above listed.

5. Corporate bodies must be properly constituted and registered under the law. If a body or organisation is not constituted under the law, a physical person must be designated to provide the legal responsibility.

5.3. EXCLUSION CRITERIA

By using the “Exclusion Criteria Form” (form D attached to the “Submission Set”) applicants shall declare on their honour that they are not in one of the situations referred to in Articles 93 and 94 of the Financial Regulation.

Please note that, according to articles 96 and 114 of the Financial Regulation applicable to the general budget of the European Communities and according to article 134b of the Commission Regulation (EC, Euratom) n° 2342/2002 of 23 December 2002¹³ laying down detailed rules for the implementation of Council Regulation (EC, Euratom) n° 1805/2002 on the Financial Regulation applicable to the general budget of the European Communities¹⁴, administrative and financial penalties may be imposed by the Commission on applicants who are excluded in relation to points a) to h) of the form in question.

5.4. ELIGIBLE PROPOSALS

Applications must comply with the following conditions in order to be eligible for a grant:

1. Applications must be signed, dated and complete, using the standard submission set. All forms must be submitted in their original form with original signatures;
2. Applications must be submitted timely, in conformity with the specifications for the submission of proposals (see point 8 below);
3. Only projects that are strictly non-profit-making and/or whose immediate objective is non-commercial shall be eligible.
4. Applications must respect the maximum EC contribution as laid out in section 4.
5. Applications must respect the maximum duration of projects (see section 4).
6. Applications must be in line with the scheduled start date (see section 3).
7. Applications may not include contributions in kind as part of their co-financing.

In this context, will be rejected any project directly or indirectly contrary to EU policy or against public health, human rights, citizen’s security or freedom of expression.

6. SELECTION

The following sets out the basis for the evaluation of applicants’ capacities in relation to the action. Please refer also to chapter IV of the Guide for Submission for further details.

6.1. APPLICANTS’ FINANCIAL CAPACITY TO COMPLETE THE PROPOSED ACTION

Applicants must show they have stable and sufficient sources of funding to ensure the continuity of their organisation throughout the project and, if necessary, to play a part in financing it.

6.2. APPLICANTS’ OPERATIONAL CAPACITY TO COMPLETE THE PROPOSED ACTION

Applicants must show they have the operational (technical and management) capacity to complete the operation to be supported and must demonstrate their capacity to manage scale activity corresponding to the size of the project for which the grant is requested. In particular, the team responsible for the project/operation must have adequate professional qualifications and experience.

The applicant must have a strong track record of competence and experience in the field and in particular in the type of action proposed. The operational capacity should be proven by the curriculum vitae of the staff involved and by a list of similar activities carried out by each organisation of the partnership.

7. AWARD

An evaluation of the quality of proposals, including the proposed budget, will be carried out in accordance with the evaluation criteria set out in annex 3 to this call for proposals.

The complete selection and evaluation procedure is described in chapter IV of the Guide for Submission in annex 2.

8. SUBMISSION OF PROPOSALS

Please note that electronic submissions are not allowed for this call.

Please consult chapter I of the Guide for Submission for the modalities of preparing the proposal.

The deadline for submission of proposals is:

07/10/2011

Applicants shall observe precisely the below indications in order that proposals can reach their precise destination in due time.
Proposals may be:

a) either sent by registered mail, (date of postmark serving as evidence of timely delivery); to the following address:

European Commission
Enterprise and Industry Directorate-General
Call for proposals No: 23/G/ENT/CIP/B/N02S008
Directorate F, Tourism, CSR, Consumer Goods and International Regulatory Agreements
Unit F1, Tourism Policy Development
B100 4/30
B-1049 Brussels, Belgium

b) or sent by courier services (date of deposit slip serving as evidence of timely delivery), to the address below,

c) or delivered by hand, in person or by an authorised representative (date of acknowledgement of receipt by the Commission serving as evidence of timely delivery) to the following address:

European Commission
Enterprise and Industry Directorate-General
Call for proposals No: 23/G/ENT/CIP/B/N02S008
Directorate F, Tourism, CSR, Consumer Goods and International Regulatory Agreements
Unit F1, Tourism Policy Development
B100 4/30

Service central de réception du courrier
Avenue du Bourget, 1-3
B-1140 Bruxelles, Belgique

How to reach avenue du Bourget 1-3: [http://ec.europa.eu/enterprise/calls/hand_delivery.html](http://ec.europa.eu/enterprise/calls/hand_delivery.html)

In case of hand-delivery, a receipt must be obtained as proof of submission, signed and dated by the official in the Commission’s central mail department who took delivery. This department is open from 08.00 to 17.00 from Monday to Thursday and from 08.00 to 16.00 on Friday; it is closed on Saturdays, Sundays and Commission holidays.

Please note that for security reasons hand deliveries (including courier services) are not accepted in other Commission buildings.
9. Contacts

Contacts between the contracting authority and potential applicants can only take place in certain circumstances and under the following conditions only:

- **Before the final date for submission of proposals,** at the request of the applicant, the Commission may provide additional information solely for the purpose of clarifying the nature of the call.

  Any requests for additional information must be made in writing only to the coordinates stated below.

  The Commission may, on its own initiative, inform interested parties of any error, inaccuracy, omission or other clerical error in the text of the call for proposals.

  Any additional information including that referred to above will be published on the internet on the page of the call for proposals: [http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/](http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/)

- **After the deadline for submission of proposals:**

  If clarification is requested or if obvious clerical errors in the proposal need to be corrected, the Commission may contact the applicant provided the terms of the proposal are not modified as a result.

  If the authorising officer finds that those proposals, which have been listed for award needs limited adaptations to their proposal. In such case, these applicants will receive a formal letter setting out the requested modifications. Any such modifications must stay within the limits of the request. This phase will not lead to a re-evaluation of the proposals, but a proposal might be rejected if refusing to ensure a positive follow-up to the request.

**Contact coordinates for the call:**

<table>
<thead>
<tr>
<th>European Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise and Industry Directorate-General</td>
</tr>
<tr>
<td>Directorate F: Tourism, CSR, Consumer Goods and International Regulatory Agreements</td>
</tr>
<tr>
<td>Financial Team</td>
</tr>
<tr>
<td><strong>Call for proposals No:</strong> 23/G/ENT/CIP/B/N02S008</td>
</tr>
<tr>
<td><strong>Contact:</strong> <a href="mailto:ENTR-CFP-1123-CULTURAL-ROUTES@ec.europa.eu">ENTR-CFP-1123-CULTURAL-ROUTES@ec.europa.eu</a></td>
</tr>
<tr>
<td><strong>Office address:</strong> B100 04/30 - B-1049 Brussels, Belgium</td>
</tr>
</tbody>
</table>
10. **Annex 1 Submission Set**

The Submission Set can be downloaded from the following page: [http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/](http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/)


The Guide for Submission can be downloaded from the following page: [http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/](http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/)

12. **Annex 3 Evaluation Criteria**

13. **Annex 4 Draft Grant Agreement**
Annex 3 Evaluation Criteria

When assessing the below evaluation criteria, the evaluation committee generally pays attention to the elements indicated below each criterion. Please note that these elements, which are indicative and non-exhaustive, are given on the basis of transparency and in order to help applicants to improve their applications.

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA AND KEY ELEMENTS LIKELY TO BE ASSESSED BY THE EVALUATION COMMITTEE</th>
<th>MAX. SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Relevance</strong></td>
<td></td>
</tr>
<tr>
<td>How relevant is the proposal to the objectives of the published call for proposal?</td>
<td>30</td>
</tr>
<tr>
<td>Has the project a real transnational dimension?</td>
<td></td>
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<tr>
<td>How clearly defined and strategically chosen are the project partners (different types of partners, relevance of the partners to the project, degree of involvement of the partners, clear distribution of tasks)?</td>
<td></td>
</tr>
<tr>
<td>Are the partners able to guarantee successful continuation of the project in the future?</td>
<td></td>
</tr>
<tr>
<td><strong>2. Impact and Visibility</strong></td>
<td>40</td>
</tr>
<tr>
<td>To what extent do the expected results of the project contribute to diversification of tourist services and products, promotion and better valorisation of Europe’s common heritage at EU level?</td>
<td></td>
</tr>
<tr>
<td>To what extent does the proposal, particularly the outline marketing and communication plan, contain appropriate multiplier effects?</td>
<td></td>
</tr>
<tr>
<td>To what extent does the proposal contain objectively verifiable indicators for evaluating the project outcomes?</td>
<td></td>
</tr>
<tr>
<td>To what extent does the proposal contain specific elements of a follow-up with regard to further development of the thematic tourism routes/trails, where applicable?</td>
<td></td>
</tr>
<tr>
<td>To what extent does the project show synergies with and benefits for the cultural environment, local economy, local communities etc.?</td>
<td></td>
</tr>
<tr>
<td>To what extent the European Union involvement in the project or activity will be published?</td>
<td></td>
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<tr>
<td><strong>3. Quality</strong></td>
<td></td>
</tr>
<tr>
<td>To what extent has the project been well thought out or prepared (including the outline of the communication strategy to be elaborated)?</td>
<td>30</td>
</tr>
<tr>
<td>How coherent is the overall project design, including its management structure and ability to be flexible and responsible to needs of the target audience and in addressing any risks in implementation?</td>
<td></td>
</tr>
<tr>
<td>How coherent, appropriate and practical are the activities proposed (including the internal plan of action/work packages)?</td>
<td></td>
</tr>
<tr>
<td>To what extent is the budget clear and detailed? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is the minimum necessary for the operation to be completed?</td>
<td></td>
</tr>
<tr>
<td>Do the probable results stand in a reasonable relationship to the amount of the grant? To what extent is the proposed expenditure necessary for the implementation of the project?</td>
<td></td>
</tr>
</tbody>
</table>

Max. Total Score 100

If a total score lower than 70 points or a score lower than 50% for any of the above three criteria is obtained, the proposal will not be evaluated further.
Annex 4 Draft Grant Agreement

See separate document.
WERE ERDF CO-FINANCED TOURISM PROJECTS EFFECTIVE?

(pursuant to Article 287(4), second subparagraph, TFEU)
EUROPEAN TOURISM LAW

A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (http://europa.eu).

Cataloguing data can be found at the end of this publication. Luxembourg: Publications Office of the European Union, 2011

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ANNEX II — NUMBER OF PROJECTS INCLUDED IN THE SURVEY AND VISITED ON THE SPOT

REPLY OF THE COMMISSION
Direct job: Job generated by the activities receiving the ERDF grant. For example, jobs created to manage a hotel are direct jobs. However, jobs involved in building the hotel are not considered as direct jobs.

EAFW: Equivalent annual full time worked. EAFW = physical resources x percentage time worked x period of activity during year. For example, a person working at 50% during four months corresponds to 0.17 EAFW. This method was used to calculate the number of jobs created or maintained mentioned in the report.

Effectiveness: The extent to which objectives of an action were achieved.

ERDF: European Regional Development Fund. The ERDF is one of the Structural Funds. It is a financial instrument designed to promote economic and social cohesion between the regions of the EU. ERDF actions are mainly implemented through operational programmes encompassing a large number of projects.

Managing authority: Authority designated by the Member State to manage an action, which usually takes the form of an operational programme.

Operational programme: Document approved by the Commission which takes the form of a coherent set of priorities comprising multiannual measures. The projects to be co-financed by the Structural Funds must fall within the scope of a measure.

Structural Funds: The European Union’s principal policy instruments in support of the Treaty objectives of economic and social cohesion.
I. Tourism is the third-largest economic sector worldwide and the largest service industry in the European Union (EU). It is an increasingly important activity contributing to both economic growth and employment.

II. For the 2000–06 programme period, 4 623 million euro were allocated under the European Regional Development Fund for physical investments in tourism. Projects are selected and managed by managing authorities in the Member States.

III. The present audit mainly measured performance results towards growth and employment, the overall aim of Structural Funds. Information was directly collected from 206 project promoters randomly sampled in order to give a representative overview of the situation at the EU level.

IV. The Court examined whether tourism projects:

(a) delivered the results expected of them;
(b) have produced sustainable results;
(c) were undertaken as a result of EU support.

V. The Court found that:

(a) most projects had several results, either by creating or maintaining jobs (58 %) or by creating tourism capacity (73 %) or activity (74 %). 44 % of projects had results in all three categories;
(b) projects for which objectives were set achieved them on average at 75 % for jobs creation or maintenance and 93 % for tourism capacity. When no such objectives were set, certain projects still achieved some results;
(c) the situation in respect of targets, indicators and monitoring varied in the regions visited;
(d) at the time of the audit, 98 % of completed projects were still operational and 94 % of the jobs created or maintained by projects still existed;
(e) public financial support enabled 74 % of the projects to be undertaken, another 20 % of projects were modified because of the grant and it had no influence in 6 % of projects. The lower the rate of assistance, the less its impact on the project;
(f) while 92 % of the promoters perceived the ERDF grant as recognition of the quality of their project, 42 % of them considered that the ERDF subsidy considerably increased their administrative burden. The lower the rate of assistance, the more the ERDF grant is perceived as being burdensome.
VI.
The Court recommends that:

(a) managing authorities should ensure that projects are set up with suitable objectives, targets and indicators and the Commission should encourage this practice;

(b) managing authorities should pay more attention to whether the grants are actually necessary for the realisation of proposed projects and what impact projects will have in terms of increasing employment and economic growth and the Commission should encourage this practice;

(c) the Commission should evaluate the cost-effectiveness of aid in this sector and consider whether support could be better targeted.

Photo 1 — Historic building converted into a four-star hotel (Spain)

© European Union
Source: European Court of Auditors, January 2010.
INTRODUCTION

TOURISM IN THE EU

1. Tourism has been defined as ‘the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes’\(^1\). It has become an important part of the life of European citizens, more of whom are travelling, both for leisure and business purposes. It serves to strengthen the feeling of European citizenship through more contacts and exchanges between citizens of differing languages, cultures and traditions\(^2\).

2. It is one of the areas where the European Union (EU) has competence to carry out actions to support, coordinate or supplement Member State actions\(^3\). The Treaty on the Functioning of the European Union (TFEU) emphasises the importance of the tourism sector, in which the Union’s aim is to encourage favourable conditions for development of undertakings and to promote cooperation between Member States, particularly by the exchange of good practice\(^4\).

3. Tourism is the third largest sector worldwide in terms of economic activity and the largest service industry in the EU\(^5\). The industry generates more than 5 % of EU gross domestic product (GDP), with approximately 1.8 million enterprises employing an estimated 5,2 % of the total labour force (9.7 million jobs). When related sectors are taken into account, the estimated contribution of tourism rises to 10 % of GDP and 12 % of the labour force\(^6\).


\(^2\) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: ‘Europe, the world’s No 1 tourist destination — a new political framework for tourism in Europe’, COM(2010) 352 final of 30 June 2010.

\(^3\) Articles 6(d) and 195 of the TFEU (OJ C 83, 30.3.2010, p. 1 and p. 47).

\(^4\) Article 195 of the TFEU.

\(^5\) ‘Sustainable tourism as a factor of cohesion among European regions’, Committee of the Regions, March 2006 (p. 9).

\(^6\) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: ‘Europe, the world’s No 1 tourist destination — a new political framework for tourism in Europe’, COM(2010) 352 final of 30 June 2010.
4. Structural Funds' actions in the area of tourism aim primarily at creating and maintaining employment, as well as fostering economic growth. More specifically, they should contribute to a balanced and sustainable development of economic activities and of employment and human resources. In the 2000–06 period, the European Regional Development Fund (ERDF) provided support to productive investments to create and safeguard jobs and for the development of tourism and cultural investment, with the proviso that the jobs created were to be sustainable.

5. Projects are co-financed by the EU through multiannual operational programmes. These programmes define priorities, each comprising a number of measures, some of which include support for tourism.

6. The programmes are drawn up by the Member States following a consultation process between the Commission and national, regional and local public authorities, and the economic and social partners in the Member States. The Commission appraises and approves the programmes.

7. Individual projects are proposed by project promoters. National, regional or local authorities designated by Member States organise selection procedures and approve the projects. The promoters should provide the competent managing authorities with monitoring information on project progress and the achievement of objectives.

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8. For the 2000–06 programme period, 7 994 million euro were allocated by the Structural Funds for tourism, including 4 623 million euro from the ERDF on physical investments (e.g. information centres, tourist accommodation, catering facilities). The remaining 3 371 million euro related to non-physical investments (e.g. development and provision of tourist services, sporting, cultural and leisure activities, heritage), shared services and vocational training and was not included in the scope of this audit.⁹

Photo 2 — Construction of a new regional theatre (France)

© European Union
Source: European Court of Auditors, December 2009.

⁹ As of June 2009.
AUDIT SCOPE AND OBJECTIVES

9. The Court audited tourism physical investment projects co-financed by the ERDF during the 2000–06 programme period. Tens of thousands of projects were co-financed in this way, up to a maximum rate of 50% in Objective 2 regions and 75% in Objective 1 regions. The number of operational programmes and amounts allocated per Member State is provided in Annex I.

10. The main objective of the audit was to assess whether tourism projects:

   (a) delivered the results expected of them;

   (b) have produced sustainable results;

   (c) were undertaken as a result of EU support.

AUDIT METHODOLOGY

11. A survey (see Box 1) of 206 randomly sampled projects was undertaken in order to obtain a representative overview of the situation. The projects surveyed were contained in 26 programmes relevant to nine Member States, in regions which had funds allocated for tourism projects. Details of the number of projects surveyed and visited, by Member State and operational programme, can be found in Annex II.

BOX 1

STRUCTURE OF THE QUESTIONNAIRE USED FOR THE SURVEY

General information on the project.
Results of the project in terms of:
   o direct jobs created or safeguarded
   o tourist capacity
   o volume of activity
   o economic viability
   o other.
Influence of EU or other aid on the project
Factors for success or otherwise
12. Responses were received from 98.5% of project promoters surveyed and put into a Court database set up to allow analysis of the replies.

13. In order to check the accuracy of the promoters’ replies, the following actions were undertaken:

(a) 52 projects (i.e. 25% of the surveyed projects) from nine regions located in four Member States (France, Germany, Italy and Spain) were visited.

(b) Managing authorities were asked to verify the accuracy of promoters’ replies for those projects not visited on the spot.

(c) In addition, for all projects in the survey, there was a desk review of key documents obtained from managing authorities, such as grant applications, grant decisions and any existing evaluation reports.

14. Following the above actions, the database was updated with corrected answers. The information contained in the database and the evidence from the project visits form the basis for the audit conclusions drawn.

15. The audit was carried out between October 2009 and June 2010.

Photo 3 — Pavement and railings at the coast to access historical site (Italy)

© European Union
Source: European Court of Auditors, December 2009.
### THE TYPES OF PROJECT IN THE AUDIT SAMPLE

The degree of diversity within the 206 projects sampled can be seen in *Table 1*, according to a classification developed by the Court for this audit.

<table>
<thead>
<tr>
<th>TYPES OF ACTIVITY RECEIVING ERDF GRANT</th>
<th>Projects</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Infrastructure / public amenities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Port, marina, boat moorings, seafront area</td>
<td>19</td>
<td>9,2</td>
</tr>
<tr>
<td>Access, paths, trails, cycle paths, roads, parking</td>
<td>19</td>
<td>9,2</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>4,4</td>
</tr>
<tr>
<td>Beach improvement</td>
<td>4</td>
<td>1,9</td>
</tr>
<tr>
<td>Landscaping</td>
<td>3</td>
<td>1,5</td>
</tr>
<tr>
<td><strong>B. Accommodation and catering</strong></td>
<td>53</td>
<td>26</td>
</tr>
<tr>
<td>Hotel</td>
<td>38</td>
<td>18,4</td>
</tr>
<tr>
<td>Camp site</td>
<td>4</td>
<td>1,9</td>
</tr>
<tr>
<td>Other accommodation and catering</td>
<td>11</td>
<td>5,3</td>
</tr>
<tr>
<td><strong>C. Museum and historical monuments</strong></td>
<td>40</td>
<td>23</td>
</tr>
<tr>
<td>Museum / cultural site (archaeological centre …)</td>
<td>39</td>
<td>18,9</td>
</tr>
<tr>
<td>Historical monument / heritage (church, castle, palace …)</td>
<td>9</td>
<td>4,4</td>
</tr>
<tr>
<td><strong>D. Holiday and leisure centre</strong></td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td>Leisure centre (theme park, swimming pool, zoo, aquarium …)</td>
<td>15</td>
<td>7,3</td>
</tr>
<tr>
<td>Holiday centre (which includes accommodation, catering and activities)</td>
<td>6</td>
<td>2,9</td>
</tr>
<tr>
<td><strong>E. Other</strong></td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Congress centre, event centre, multi-purpose facility</td>
<td>9</td>
<td>4,4</td>
</tr>
<tr>
<td>Sports centre</td>
<td>2</td>
<td>1,0</td>
</tr>
<tr>
<td>Library, archive</td>
<td>2</td>
<td>1,0</td>
</tr>
<tr>
<td>Marketing, tourism centre, info points</td>
<td>6</td>
<td>2,9</td>
</tr>
<tr>
<td>Environmental education centre, natural reserve</td>
<td>4</td>
<td>1,9</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>3,4</td>
</tr>
<tr>
<td><strong>Total sampled projects</strong></td>
<td>206</td>
<td>100</td>
</tr>
</tbody>
</table>

1 These figures reflect the percentage, in terms of number of projects, of the different types of activity within the sample (which is also representative of the percentage of ERDF expenditure for each type of activity in the population as a whole).

Source: European Court of Auditors.
17. Overall, 76% of ERDF funding was allocated to public promoters. These projects are fully financed by public funds, with EU funding being complemented from national, regional or local authority sources. **Figure 1** provides a breakdown of private and public projects according to a classification developed for this audit.

**Photo 4 — New indoor seawater swimming pool used by tourists and the local population (Germany)**

![Image](image-url)

© European Union
Source: European Court of Auditors, February 2010.

![Diagram](image-url)

**PROJECTS BY TYPE OF ACTIVITY AND TYPE OF PROMOTER**

- Infrastructure/public amenities (road...): 100%
- Museums and historical monuments: 96%
- Other: 83%
- Holiday and leisure centres: 76%
- Accommodation and catering: 27%
- ALL PROJECTS: 76%

Special Report No 6/2011 – Were ERDF co-financed tourism projects effective?
DID PROJECTS DELIVER THEIR EXPECTED RESULTS?

18. As mentioned in paragraph 11, a survey was used to assess the extent to which projects had achieved their objectives. The Court sent a questionnaire to the promoters of 206 projects, who had received in total 369 million euro from EU funds (just under one third of the total cost of the projects concerned). The survey measured increases in tourism activity and capacity, as well as direct jobs created or maintained. The Court examined funding applications and grant decisions which provide a description of what project promoters intend to achieve through their projects.

19. The results indicated that 73% of projects contributed to an increase in the annual volume of tourism, 74% increased the capacity of an area to receive tourists and 58% of the projects created or preserved direct jobs. 44% of projects had results in all three categories, whereas 8% had results outside of the three categories mentioned.

Photo 5 — Pathway designed for the use of walkers and cyclists (France)
INCREASE IN TOURISM ACTIVITY

20. An increase in tourism will normally have a positive impact on a local economy and on indirect employment, leading to the generation of economic growth. The audit attempted to measure the volume of tourism activity directly generated by projects. Volume can be expressed in a variety of ways, such as beds occupied in hotels, nights stayed on campsites, numbers of visitors for museums, etc.

21. 142 projects (70%) included an objective of increasing tourism activity as part of their grant application and 111 of these projects were successful in doing this. A further 34 projects increased activity without having set this as an objective, giving an overall total of 145 projects adding to tourist activity. In general, grants were paid whether objectives were achieved or not and the payment of the grant was only conditional on results for six of the projects sampled, five of which achieved their objectives.

22. A project in Germany to develop a seawater bath facility which formerly had one pool and one sauna added a wellness centre with additional saunas, an outdoor pool and other facilities (Photo 4). The total cost of the project was 16.9 million euro with 41% coming from the ERDF. The annual number of visitors rose from 92,000 to 129,000 after its completion.

23. A public project in France consisted in the modification of an old disused railway to create 26 km of lanes for the use of walkers and cyclists (Photo 5). The number of users rose from zero in 2003 to 23,000 in 2008. An electronic counting system registers use and numbers are submitted regularly to the local tourism office. The total cost of the project was 1.6 million euro with 39% coming from the ERDF.
24. Another German project to create a wooden bridge on a river to connect cycling and walking paths and build a dock for canoes (Photo 6) was successfully completed and has encouraged small cultural events to take place in the vicinity of the bridge, such as coffee afternoons in an old renovated barn. However, its exact level of success remains unknown as there is no measurement of the level of activity resulting from this project. The total cost of the project was 139 426 euro with 49% coming from the ERDF.

25. A French project to purchase and refurbish a traditional house, converting it into a wine museum, was located in a historic village (Photo 7). The museum attracted 4 000 visitors in its first year but the number of visitors has since decreased to half of this and consequently it is now only open during the summer season. When open, the museum plays a role in the promotion of regional produce and viticulture in general. The total cost of the project was 0.8 million euro with 42% coming from the ERDF.

Photo 6 — Wooden bridge on a river to connect cycling and walking paths and a dock for canoes (Germany)
ADDITIONAL TOURISM CAPACITY CREATED

26. Many tourism projects are set up to augment capacity and thereby facilitate increases in tourism activity. Such increases directly created by a project can be expressed in a large variety of ways, such as extra rooms, beds (for hotels), linear kilometres (pathways and cycle lanes etc.), camping places, mooring places and seats (for theatres and catering facilities).

27. The 120 projects which had the stated objective of increasing tourism capacity achieved 93% of their targeted increase. In addition to these, 32 projects did not have an objective in terms of capacity, but increased it anyway.

28. One project in Spain had the objective of creating 30 double rooms as a former monastery was converted into a hotel (Photo 8). The overriding objective was to preserve a building with some importance to the architectural heritage of the locality and the local authority decided to put it to touristic use. In addition 20 direct jobs were created in the process. The total cost of the project was 3.6 million euro with 75% coming from the ERDF.

29. Not all projects had the objective of creating new capacity and some projects involved the refurbishment of what already existed. One French project consisted of the renovation of rooms in an existing hotel thereby preserving the existing level of activity (4,200 nights/year) and also maintaining 1.2 jobs. The total cost of the project was 253,254 euro with 14% coming from the ERDF.

30. Other projects concentrated on improving the infrastructural capacity of an area. In an Italian coastal region, a public project set out to create 37 km of road and 9 km of foot/cycle path, in addition to parking and rest areas and some panoramic viewing points. The overall aim of the project was to improve access to several hard-to-reach coastal places and foster local tourism in the area. The total cost of the project was 4.0 million euro with 49% coming from the ERDF.
JOBS CREATED OR MAINTAINED

31. The creation or maintenance of employment are key factors in the drive to balanced sustainable development of the economy and of employment. An examination of project grant decisions revealed that 116 or 58% of projects included the creation or maintenance of jobs as an expected result. Other projects created employment although it had not been an explicit objective included in the grant application documentation. For example, a Belgian project in the survey, related to art and history museums, created 57 jobs although no mention of this had been made in the grant application documentation. The total cost of the project was 30.5 million euro with 20% coming from the ERDF.

32. Responses to the survey indicate that a total of 2 520 direct jobs were either created (1 515) or maintained (1 005). Of this total 23.5% were held by women.

Photo 7 — Traditional building refurbished to serve as a wine museum (France)
33. Over the full sample surveyed, 58% of projects had positive results in terms of employment. Some areas of activity, by their very nature, have more potential for job creation than others. The category ‘Holiday and leisure centres’ was the one with the highest percentage of projects having created or maintained jobs. Fewer jobs are being created or maintained in the area of ‘Infrastructure and public amenities’, where often only a small number of maintenance staff will be required once the project is up and running (Figure 2).

34. The 116 projects (58%) for which objectives had been set in terms of direct jobs creation and maintenance resulted in the attainment of 75% of the targeted number of jobs. 18 of the 116 projects did not achieve results in terms of jobs created or maintained and in four cases the grant had been conditional on positive results. In contrast, 14% of the projects had created or maintained jobs although no objective in terms of jobs had been previously set.
35. A French project to build a new public swimming pool created 12 jobs. This included two jobs for maintenance which was later performed by an external service supplier. 1,5 jobs from the old swimming pool, which had to be closed, have been maintained. This is in keeping with the proposed number of jobs included in the grant application. The total cost of the project was 4,4 million euro with 17 % coming from the ERDF.

36. A private project in Germany consisted in the creation of a youth hostel with sports facilities. 17 jobs were created at the operational start-up in 2004, which was the target job creation. At the time of the audit, there were 26 people employed at the camp in various capacities. The total cost of the project was 11,1 million euro with 23 % coming from the ERDF.

37. In the majority of cases, funding was not conditional upon results in terms of jobs created or maintained being achieved. Such conditions were laid down in respect of only 43 projects and the situation regarding the conditionality of achieving employment results varied across the regions audited (see Box 2).

**Box 2**

**Examples of arrangements regarding the conditionality of employment targets**

For some projects visited in Germany, grants were paid on the condition that a certain number of jobs should be created. These jobs have to be maintained for at least five years.

In a Spanish region, according to rules on granting aid in the tourism sector, promoters applying for a grant must formally undertake not to reduce employment. The presentation of this document is a condition for presenting the application for the grant.

In Italy, a project to modernise a hotel received an ERDF grant on the basis of jobs created and maintained for a minimum of five years. However, another project to extend and refurbish a hotel only had to maintain jobs for one year. In addition the number of jobs created could deviate by up to 30 % without triggering penalties or reimbursement of the grant.

In the UK, there was conditionality regarding employment in 11 of the 14 completed projects. The number of jobs to be created is estimated when the grant is decided upon and measured after project completion according to mathematical formulae based on expenditure. If a condition is not fulfilled, the decision to request partial reimbursement of the grant from the promoter is taken by the managing authority.
TARGETS, INDICATORS AND MONITORING

38. For the visited regions, the managing authorities had various ways of dealing with the project performance, as illustrated in the following paragraphs.

39. For the surveyed French projects, expected results in terms of job creation, tourism activity or tourism capacity are not systematically included in the applications for grant or grant decisions and, when present, they are provided for information purposes, as in none of the surveyed projects was the achievement of results a conditionality for obtaining the ERDF grant. The managing authorities do not systematically monitor the achievement of this type of result.

Photo 8 — Former monastery converted into a four-star hotel (Spain)
40. In Spain, general criteria are established for the selection of projects, allowing selection of projects proposed by a national, regional or local authority, as long as it is related to historical or cultural heritage or tourism. Quantified objectives are established at the measure level only. One of the sampled projects included quantitative objectives related to an increase in tourism capacity and jobs created. This project had objectives in terms of surface area of the building to be renovated, the expected number of visitors per year and the number of jobs (direct and indirect) to be created. For none of the visited projects were such indicators conditional to obtaining the ERDF grant.

41. In one German region visited, only public tourism infrastructure and facilities projects were co-financed. For the projects visited, quantifiable result indicators were set by the managing authorities. In case of projects that created or preserved direct jobs, the grant application did not provide any quantifiable objectives or targets regarding the job creation or preservation. The results are reported by the managing authorities at priority and measure level.

42. In the other German region visited, for projects that created direct jobs, the application for assistance contained quantifiable objectives or targets regarding job creation. For the visited projects involving private promoters, the creation of jobs was a condition for granting the subsidy and provided the managing authorities with targeted volume of tourism activity. Two of the projects provided targets related to the increase of capacity. In the case of two private projects, the actual job creation and number of beds created were monitored by the managing authorities. The latter do a final verification at the end of the earmarking period (five years after project completion for jobs and 15 years for infrastructures) to check whether the provisions of the decision have been fulfilled.
43. In one of the visited Italian regions, expected results relating to increasing tourist capacity were included for all six visited projects; expected results in terms of tourism activity were included and quantified in grant applications for half of the projects. For the other half, the tourism activity was indirectly presented through forecast revenues included in profit and loss accounts integrated in the grant applications. Expected results in terms of direct jobs creation were included in the grant applications for five projects and were quantified for four of them.

44. In the same region, the indicators referring to jobs creation were compulsory only for private projects where they are a component of the ex ante evaluation. Preservation of employment is compulsory for a determined period and is monitored during this binding period.

45. In the second Italian region visited, quantitative indicators relating to increasing tourist capacity or job creation were not included in the application forms, for the visited projects. Similarly, for none of the visited projects were such indicators binding to obtaining the grant, neither ERDF nor other forms of subsidies. The managing authorities do not monitor the project effectiveness and results subsequent to project investments in terms of new direct or indirect jobs, or an increase in tourist activity related to the subsidies.

46. All projects had positive results to some degree and therefore could be said to be effective. The surveyed projects had results in terms of job creation, increased tourism activity and enhanced tourism capacity. Some of the projects did have objectives in these three areas and achieved them, whereas others did not have such objectives. Other projects achieved results not specifically planned at the outset. Without the systematic setting of project objectives, establishment of targets and indicators and the subsequent monitoring and evaluation of results, it is difficult to assess the true performance of projects or the extent of European added value.12

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12 See communication from the Commission ‘The EU budget review’, COM(2010) 700 final, 19.10.2010 and in particular p. 5: ‘Whilst added value of a political project cannot be reduced to a balance sheet, it is another key test to justify spending at the EU level: whether spending at EU level means a better deal for citizens than spending at national level. The European dimension can maximise the efficiency of Member States’ finances and help to reduce total expenditure, by pooling common services and resources to benefit from economies of scale. As a consequence, the EU budget should be used to finance EU public goods, actions that Member States and regions cannot finance themselves, or where it can secure better results.’
ARE PROJECT RESULTS SUSTAINABLE?

47. At the time of the audit, 28% of the projects sampled had been completed in the past two years, 45% between two and five years ago and 27% for more than five years. For the 72% of projects completed more than two years ago, the Court examined whether at the time of the audit:

(a) projects continued to operate and made either a profit or a contribution to costs; and

(b) the results achieved were likely to continue into the future.

MOST OF THE JOBS STILL EXISTED AT THE TIME OF THE AUDIT

48. 94% of the jobs created or maintained still existed at the time of the audit. The running costs of a third of the projects sustaining these jobs are funded by Member State public subventions of one form or another.

Photo 9 — Improvement of main road at a seaside resort (France)
Almost all projects continued to operate, but not necessarily at a profit

49. In 93% of cases, the tourism capacity created by projects has remained at the same level since the end of the project and in 6% of cases it has increased.

50. The level of tourism activity has remained stable or has increased since the end of the project in 94% of cases (Figure 3).

51. 98% of completed projects were still operational at the time of the audit. Not all projects generated sufficient revenue to cover their running costs. Overall, 25% of projects completed at least two years previously were profitable (61% of private projects and 14% of public ones). By their very nature, most (60%) public projects are not intended to be profitable. The public promoter, usually a local authority, assumes the running costs in exchange for other advantages for the community (e.g. free access to a swimming pool for school children, the preservation of some item of historic heritage etc.). There are other projects dedicated to such activities as renovating a public space (e.g. a street or a road), which were never intended to be revenue generating.

One project was definitively closed two years after its start due to technical problems and three others were temporarily closed and will be re-opened after further work is carried out.

Figure 3

Was the increase in tourism activity created by projects lasting?

<table>
<thead>
<tr>
<th></th>
<th>0%</th>
<th>20%</th>
<th>40%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects which increased annual volume of tourism</td>
<td></td>
<td></td>
<td>42%</td>
<td></td>
<td>52%</td>
<td>6%</td>
</tr>
</tbody>
</table>

■ Tourism activity has continued to increase significantly since the end of the project
■ Tourism activity has remained at the same level since the end of the project
■ Tourism activity has fallen since the end of the project
52. The difference in attitude between private and public project promoters with regard to profitability can be illustrated by responses to the questions in the survey on expected profitability in the coming two to three years. Figure 4 indicates that the question of future profitability still does not apply for 60% of public projects in the complete survey, whereas 79% of private promoters expect to be profitable in the coming years.

53. Overall, 24% of the jobs were created or maintained by projects, the activities of which were not intended as being profitable.

---

**FIGURE 4**

**FUTURE PROFITABILITY OF PROJECTS**

*Will the activity created or developed by your project be profitable in the next 2 or 3 years?*

<table>
<thead>
<tr>
<th></th>
<th>Yes, probably</th>
<th>Difficult to say</th>
<th>Certainly not</th>
<th>Does not apply (by its very nature, the project was not intended to create or develop economic activity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>79%</td>
<td>9%</td>
<td>5%</td>
<td>17%</td>
</tr>
<tr>
<td>Private</td>
<td>26%</td>
<td>9%</td>
<td>5%</td>
<td>60%</td>
</tr>
<tr>
<td>Overall</td>
<td>39%</td>
<td>11%</td>
<td>5%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Special Report No 6/2011 – Were ERDF co-financed tourism projects effective?
The proportion of public grant in a project’s total cost had an

DID GRANTS INFLUENCE THE EXISTENCE OR THE DESIGN OF PROJECTS?

54. The Court asked whether public support, and ERDF funding in particular, had been a critical factor influencing either the design of projects or the decision on whether projects should be undertaken. The Court went on to examine how the process of receiving ERDF support itself had been perceived by project promoters.

NOT ALL PROMOTERS FOUND PUBLIC SUPPORT NECESSARY

55. 53 promoters (26 %, 34 public and 19 private promoters) declared that they would have undertaken the project without having received any public grant:

(a) 12 promoters (6 %, all public) found that the project would have been carried out in exactly the same way i.e. the grant did not change the size, the content or the ability of the project to create jobs. Four of these projects had already started when the promoter discovered the possibility of receiving an ERDF subsidy;
(b) 41 promoters (20%) said however that the project would not have been the same. In 30 cases the scale or content had been modified (12 private and 18 public) whereas the subsidies had an influence on employment or the environment in 17 private and three public projects.

56. The proportion of public grant in a project’s total cost had an impact on the responses of project promoters: the smaller the percentage of public support, the less the aid is seen as being crucial to the existence of the project (Figure 5).

57. Opinion also varies significantly according to the type of activity involved, e.g. 52% of promoters of accommodation and catering projects said that their project would have taken place without a public grant. For museum and historical monument projects or infrastructure and public amenities projects, 20% gave this response whereas only 10% of promoters in the area of holiday and leisure centres felt the same way.

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**FIGURE 5**

CORRELATION BETWEEN THE PERCEIVED USEFULNESS OF THE PUBLIC SUBSIDY AND THE WEIGHT OF THE GRANT

Promoters’ opinion about the statement: “The project would have taken place with no public subsidy?”

<table>
<thead>
<tr>
<th>Weight of public grant in total project’s cost</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;75%</td>
<td>70%</td>
<td>14%</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>51% - 75%</td>
<td>49%</td>
<td>18%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>26% - 50%</td>
<td>45%</td>
<td>19%</td>
<td>24%</td>
<td>12%</td>
</tr>
<tr>
<td>&lt;25%</td>
<td>28%</td>
<td>22%</td>
<td>33%</td>
<td>17%</td>
</tr>
</tbody>
</table>
ERDF GRANT IS PERCEIVED AS BEING RECOGNITION, BUT INCREASES THE ADMINISTRATIVE BURDEN

The vast majority of promoters considered the ERDF grant as a recognition of the quality of their project (92%) and its usefulness to the public (90%). However, 42% of promoters also said that receiving an ERDF grant increases considerably the administrative burden of their project. This opinion is more widespread amongst private promoters (56%) than amongst public promoters (37%). The attitude of project promoters with regard to administrative burden also varies with the proportion of the ERDF grant in relation to the total cost of the project i.e. the smaller the ERDF grant is, relative to total cost, the more keenly is felt the administrative burden.

Photo 11 — Renovated 13th century castle open to the public (France)
DELIVERY OF EXPECTED RESULTS

59. All of the projects had positive results in one form or other and the majority had successful results under several headings. 74% were responsible for an increase in tourist activity, whilst 73% created additional tourist capacity and 58% of projects created or maintained 2,520 jobs, 23.5% of which were held by women. 44% of projects had results in all three categories. 8% of projects sampled did not achieve results in these areas but were found to have benefited the local economy or to help preserve elements of a region’s cultural, historic, artistic or environmental heritage (see paragraphs 19 and 32).

60. Objectives were set for only 58% of the projects in the sample. Where objectives had been set, they were achieved at 75% for jobs creation or maintenance and 93% for increasing tourism capacity. 9% of the projects surveyed did not achieve any results in terms of jobs, even though they had been expected to do so. Alternately, 14% of projects increased tourist capacity and 14% increased jobs even though such objectives had not been set (see paragraph 34).

61. 42% of the projects in the sample did not have objectives in terms of performance. For those projects with objectives, in many cases targets and indicators had not been set up and the situation varied in respect of the projects visited. There was no monitoring of results for most of the projects sampled. Managing authorities had linked the making of grant payments to the achievement of results in a small minority of projects sampled. Without the systematic setting of project objectives, establishment of targets and indicators and the subsequent monitoring and evaluation of results, it is difficult to assess the true performance of projects or the extent of European added value (see paragraphs 34 and 38 to 46).
RECOMMENDATION 1

Managing authorities should ensure that suitable objectives, targets and indicators are established at the grant application and decision stages to enable:

- the selection of projects which are likely to be the most efficient; and
- the evaluation of their results.

The Commission should encourage this practice.

PROJECT RESULTS’ SUSTAINABILITY

62. Given that the majority of jobs created by mature projects still existed at the time of the audit and that the additional activity and capacity created by these projects had remained stable or increased slightly, it is likely that the results will be sustainable in the short to medium term. However as only 25% of projects were found to be financially viable, such sustainability is dependent upon current levels of public subvention for running costs continuing into the future.

INFLUENCE OF GRANTS

63. According to project promoters, the receipt of public funding enabled 74% of projects to be undertaken at all. In 20% of cases, they declared that their projects would have gone ahead without grant aid but in a modified fashion. The lower the rate of assistance, the less its impact on the project. In 6% of cases, they said their projects would have been undertaken similarly without the grant (see paragraphs 55 to 57).
64. Whilst 92% of the promoters perceived the ERDF grant as being a recognition of the quality of their project, 42% of them felt that the ERDF subsidy process considerably increased their administrative burden. It was also noted that the lower the rate of assistance, the more the ERDF grant was perceived as being burdensome (see paragraph 58).

RECOMMENDATION 2

Managing authorities should ensure that project selection criteria include consideration of whether there is a real need for such funding for the project to be realised. The potential impact of the grant on project design should also be taken into account, in addition to the overall impact of the project on economic growth and employment.

The Commission should encourage this practice.

RECOMMENDATION 3

The Commission should undertake an evaluation of aid in this sector, to consider the extent to which it forms a cost-effective means to support Member States to foster economic growth and to consider whether such support could be better targeted to this end.

This report was adopted by Chamber II, headed by Mr Morten LEVYSOHN, Member of the Court of Auditors, in Luxembourg at its meeting of 4 May 2011.

For the Court of Auditors

Vitor Manuel da SILVA CALDEIRA
President
<table>
<thead>
<tr>
<th>Member State</th>
<th>Number of operational programmes including tourism projects in each Member State</th>
<th>ERDF amount for tourism (1 000 euro)</th>
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### NUMBER OF PROJECTS INCLUDED IN THE SURVEY AND VISITED ON THE SPOT

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<td><strong>Total number of projects</strong></td>
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<td><strong>52</strong></td>
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</tr>
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</table>
REPLY OF THE COMMISSION

EXECUTIVE SUMMARY

II. Cohesion policy, and the ERDF as the biggest Structural Fund, is the EU’s main instrument for pursuing harmonious development across the Union. This is reflected in the variety of programmes, projects and partners that are supported under the policy. For the programming period 2000–06, 3.5% of the ERDF funding was allocated to investments in tourism.

V. (a) The Commission welcomes the Court’s findings. The results show that the ERDF support has contributed to job creation in the area of tourism and also to local and regional economic growth.

V. (b) The Commission welcomes the Court’s findings that the majority of the projects had the objective of creating jobs and that a large number of the jobs targeted have in fact been created.

V. (d) The Commission finds it encouraging that nearly all the projects had reached such a degree of maturity that they were still operational at the time of the audit.

V. (e) The Commission notes that nearly three quarters of the audited projects would not have been carried out without the public assistance.
The Commission takes note of these results. The Commission points out that for the 2007–13 programming period, rules on implementation of the funds were simplified in the Structural Funds regulations and there were further revisions in 2008–10. The Commission also notes that there must be a balance between simplification and sound management of funds.

The Commission will continue to promote the use of suitable objectives, targets and indicators with the managing authorities.

The Commission will continue to encourage managing authorities to ensure that the EU co-financing goes to those projects that really need public financing for their implementation.

The Commission has already carried out an ex post evaluation of 2000–06 ERDF programmes covering the main issues of policy relevance and most of the expenditure co-financed by the ERDF. Tourism actions were covered under enterprise support and physical/natural environment evaluations.

2.
The Commission points out that tourism is strongly interconnected with many policy areas, such as regional policy, transport, rural development, etc. Regional policy supports tourism as part of integrated regional development programmes.

Cohesion policy is implemented under shared management: Member States are primarily responsible for setting up the management and control systems and for implementing programmes. The Commission negotiates the programmes with them and supervises their work during the implementation period. A huge number of national and regional authorities are involved, along with hundreds of thousands of project promoters.

For the Structural Funds, Regulation (EC) No1260/1999 stipulates that projects are selected and managed by the Member States’ authorities (with the exception of large projects, in which case the Commission has to approve them and confirm or amend the level of Community assistance). The Commission’s role is to supervise and monitor the financial and, to a lesser extent, physical implementation (impact/performance) of the operational programmes.

Article 2(2) of Regulation (EC) No 1783/1999 points out the job creation dimension of investments in tourism and culture. However, the list of priorities provided is not exclusive.
OBSERVATIONS

19. The Commission welcomes the Court’s findings. The results show that the ERDF support has contributed to job creation in the area of tourism and also to local and regional economic growth.

21. The Commission welcomes the Court’s findings that a majority of the projects achieved their set objectives and contributed to an increase in tourism activity. The Commission considers it equally encouraging that the Court found that a substantial number of projects achieved this result even without it having been set as a specific objective of the project.

27. The Commission welcomes the Court’s findings that nearly all the projects achieved their objectives and contributed to increasing tourism capacity.

34. The Commission welcomes the Court’s findings that the majority of projects had the objective of creating jobs and that a large number of the jobs targeted have in fact been created.

40. In the 2000–06 programming period, managing authorities could monitor achievement of some results, such as job creation, increasing tourism activity or capacity, by means of indicators set at measure, priority or programme level. In the 2007–13 programming period project selection is conditional on quantified indicators at project level.

46. The Commission notes that most of the projects did have meaningful, quantifiable and measurable result indicators established at the outset, as indicated by the Court in paragraphs 21, 27 and 34.

Even when such data is available, it would be difficult to assess effectiveness and European added value, without carrying out a counterfactual analysis.

48. The Commission considers this finding very encouraging, especially at a time of economic downturn.

The Commission recalls that 76% of the projects in the Court’s sample were promoted by public bodies. In this context, the fact that running costs of a third of the projects are being sustained by public grants is to be expected.

49.–51. The Commission finds it encouraging that nearly all ERDF co-funded tourism projects contributed to sustainable creation of tourism capacity and tourism activities and that nearly all projects reached a degree of maturity so that they were still operational at the time of the audit.

55. The Commission notes that nearly three quarters of the audited projects would not have been carried out without the public assistance.
Special Report No 6/2011 – Were ERDF co-financed tourism projects effective?

58. The Commission notes that more than half of the project promoters considered that the ERDF funding did not increase their administrative burden considerably.

Administrative burdens can arise in the course of management of Structural Funds programmes, for different reasons. These can include eligibility and control rules laid down by the Member States that are stricter than those provided for in the Structural Funds regulations.

For the current (2007–13) programming period, rules on implementation of the funds have been simplified in the Structural Funds regulations. Furthermore, in 2008–10 the Commission introduced significant simplifications, especially by creating the possibility to declare costs on the basis of flat rates, lump sums and standard scales of unit costs, including in the area of tourism.

59. The Commission welcomes the Court's findings that all the projects were successful in achieving results such as direct job creation, an increase in tourism capacity and annual volume. The results show that the ERDF support has contributed to job creation in the area of tourism and also to local and regional economic growth.

60. The Commission welcomes the Court's findings that the majority of the projects had the objective of creating jobs and that a large number of the jobs targeted have in fact been created. The Commission considers it equally encouraging that the Court found that a number of projects achieved this result even without it having been set as a specific objective of the project.

61. The Commission notes that most of the projects did have meaningful, quantifiable and measurable result indicators established at the outset, as indicated by the Court in paragraphs 21, 27 and 34.

Even when such data is available it would be difficult to assess effectiveness and European added value, without carrying out a counterfactual analysis.
Recommendation 1
Sound selection criteria are key pre-requisites for selecting the projects that contribute the most to priorities, objectives and targets and for selecting the most effective and efficient ones.

The setting up of suitable objectives, targets and indicators helps with evaluation of the project results. The Commission will continue to promote the use of suitable objectives, targets and indicators with the managing authorities.

62. The Commission welcomes the Court’s findings and finds it encouraging that nearly all the projects had achieved such a degree of sustainability that they were still operational at the time of the audit.

63. The Commission notes that nearly three quarters of the audited projects would not have been carried out without the public assistance.

64. The Commission takes note of these results. The Commission points out that for the 2007–13 programming period, rules on implementation of the funds were simplified in the Structural Funds regulations and there were further revisions in 2008–10. The Commission also notes that there must be a balance between simplification and sound management of funds.

Recommendation 2
The Commission understands from the Court’s results that the selection process for tourism projects is, in general, effective. The Commission will continue to encourage managing authorities to ensure that the EU co-financing goes to those projects that really need public financing for their implementation.

Recommendation 3
The Commission recalls that Structural Funds do not support tourism as sectoral policy but tourism interventions in the framework of integrated regional development programmes. Furthermore the Commission recalls that it approves programmes and their priorities but neither measures nor projects (except large projects) on specific sectors such as tourism.

The Commission has already carried out an ex post evaluation of 2000–06 ERDF programmes covering the main issues of policy relevance and most of the expenditure co-financed by the ERDF. Tourism actions were covered under enterprise support and physical/natural environment evaluations. The outcome of this evaluation can be found on the Directorate-General for Regional Policy’s ‘Inforegio’ website (at http://ec.europa.eu/regional_policy/sources/docgener/evaluation/rado2_en.htm).
European Court of Auditors

Special Report No 6/2011
Were ERDF co-financed tourism projects effective?

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