Culture and Tourism
Interim Report
Work Package 9

Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

June 2015
Authors: IRS, Csil, Ciset, BOP Consulting
Work Package 9: Culture and Tourism

Interim Report

Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

Contract: 2014CE16BAT034
Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) – Work Package nine: Culture and Tourism

This report is part of a study carried out by a Team selected by the Evaluation Unit, DG Regional and Urban Policy, European Commission, through a call for tenders by open procedure 2014CE16BAT034.

The consortium selected comprises IRS – Istituto per la Ricerca Sociale (lead partner, Italy), CSIL - Centre for Industrial Studies (IT), CISET - International Centre for Studies on Tourism Economics (IT) and BOP Consulting (UK).

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A network of Country Experts provides the geographical coverage for the Case Studies.

The authors express their gratitude to the stakeholders who agreed to provide data and information. The authors are also grateful for the very helpful insights from the EC staff and particularly to Veronica Gaffey, John Walsh, Kai Stryczynski, Violeta Piculescu, Samuele Dossi and other members of the Steering Group. The authors are responsible for any remaining errors or omissions.

Date: 30th June 2015
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List of Abbreviations

AIR   Annual Implementation Report
CCI   Cultural and Creative Industries
CB    Cross-border
CF    Cohesion Fund
CP    Cohesion Policy
DG REGIO Directorate General for Regional and Urban Policy
EC    European Commission
ERDF  European Regional Development Fund
ESF   European Social Fund
ETC   European Territorial Cooperation
EU    European Union
GDP   Gross Domestic Product
H&R   Hotels and Restaurants
IB    Intermediate Body
ICTs  Information and Communication Technologies
LAU   Local Administrative Units
LTSs  Local Tourism Systems
MA    Managing Authority
MS    Member State
NUTS  Nomenclature of Territorial Units for Statistics
OECD  Organisation for Economic Co-operation and Development
OP    Operational Programme
RCE   Regional Competitiveness and Employment Objective 2007-2013
RTA   Regional Tourism Agency
ROP   Regional Operation Programme
SFs   Structural Funds
SFC   Structural Funds Common database
SME   Small and Medium Sized Enterprise
TPAs  Touristic Promotion Agencies
WP0   Work package 0 of DG REGIO's Ex Post Evaluation 2007-2013 on 'Data collection and quality assessment'
WP9   Work package 9 of DG REGIO's Ex Post Evaluation 2007-2013 on 'Culture and Tourism'

List of abbreviations of EU countries

EU28  European Union (28 countries)
EU27  European Union (27 countries)
BE    Belgium
BG    Bulgaria
CZ    Czech Republic
DK    Denmark
DE    Germany
EE    Estonia
IE    Ireland
EL    Greece
ES    Spain
FR    France
FX    France (metropolitan)
HR    Croatia
IT    Italy
CY    Cyprus
<table>
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<th>Country</th>
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Foreword

The Consortium IRS-CSIL-CISET-BOP has been selected for work package nine (WP9): ‘Culture and Tourism’, within the framework of the ex post evaluation of the 2007-2013 Cohesion Policy Programmes co-financed by the ERDF/CF.

The evaluation includes the following activities:

- literature review and typology of interventions (Task 1);
- data analysis and sampling (Task 2a);
- survey of MAs and selected Implementation bodies (Task 2b);
- tabulation of findings and proposals for case selection (Task 2c);
- case study analysis, including mini case studies (Task 3);
- cross-task analysis and presentation of the final report (Task 4).

This First Intermediate Report presents the outcomes of the activities carried out in Task 1 and Task 2, as well as the Pilot Case Study for the Puglia Region of Italy.
Part I – Task 1 – Review of the existing literature on culture and tourism

Introduction

This Task has involved scoping for and reviewing the existing literature on the culture and tourism sectors (with the culture sector defined to include creative industries and sport) and on identifying the role and use of public investments in these sectors. The purpose of this Task is to seek to derive a functional theoretical framework to be used as a basis for the evaluation of the ERDF’s support in these sectors.

This framework takes into account three main aspects, namely:

- the socio-economic rationales that justify public sector financial support to culture and tourism, distinguishing between publicly-owned and private initiatives;
- the main typologies of the investment strategies that have actually been implemented by public authorities in 2007-2013 (taking into account the type of strategy, the expected results, etc.); and
- the context for the evaluation of the effects of ERDF support in the two sectors, either in general or according to different types of investment, and the contribution that these investments make to growth and job creation.

The assessment of these aspects has been used to support an examination of ERDF investments carried out between 2007-2013 in culture and tourism, the results of which are presented in Task 2, as well as the selection of the programme case studies, which will be used to assess the achievements of investments and their effectiveness in contributing to the objectives of long-term growth and jobs (Task 3).

The literature review is organised in five sections. Section 1 describes the role of culture and tourism in European regions between 2007-2013, focusing on the available statistics, development trends and evolution. Section 2 discusses the socio-economic rationales for public regulatory and financial support for the two sectors. This section begins by deriving a set of characteristics, shared by both sectors or specific to each, that the academic literature has identified as justifying and explaining the role of public authorities. Section 3 analyses the main public investment strategies which have actually been applied in culture and tourism. It also identifies specific typologies of public investments in the two sectors. Section 4 derives key evaluation criteria that have been used in the literature to evaluate the Cohesion Policy’s main achievements in its support for culture and tourism. This material provides a first indication of the expected effects in these sectors in 2007-2013. Finally Section 5 summarises the main answers to the Terms of Reference evaluation questions which have emerged from the literature review and provides guidelines for the field work to be carried out in Tasks 2 and 3.
1. Culture and tourism in European regions in 2007-2013: key figures, development trends and evolutionary aspects

In the following sections, the socio-economic roles of culture and tourism will be presented separately, beginning with the role of the culture sector.

1.1 The role of culture in the 2007-2013 EU socio-economic scenario

1.1.1 Different meanings and categorizations of culture: the ESSnet-Culture framework

A number of different definitions of the culture sector exist in the literature. There is less agreement on what constitutes the culture sector than the tourism sector. For the purposes of this study, we have chosen to base our working definition of the culture sector on an extended version of that developed by the ESSnet-Culture (European Statistical System Network on Culture, 2012)\(^1\). ESSnet defines the culture sector in terms of ten ‘cultural domains’ (shown in the first column of Table 1.1 below) and of six key functions performed by each of the ten domains (second column).

<table>
<thead>
<tr>
<th>Ten ‘cultural domains’</th>
<th>Six functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heritage</td>
<td>Creation</td>
</tr>
<tr>
<td>Archives</td>
<td>Production / Publishing</td>
</tr>
<tr>
<td>Libraries</td>
<td>Dissemination / Trade</td>
</tr>
<tr>
<td>Book &amp; Press</td>
<td>Preservation</td>
</tr>
<tr>
<td>Visual Arts (including Design)</td>
<td>Education</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>Management / Regulation</td>
</tr>
<tr>
<td>Audiovisual &amp; Multimedia</td>
<td></td>
</tr>
<tr>
<td>Architecture</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
</tr>
<tr>
<td>Arts &amp; Crafts</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from ESS-net Culture, 2012

This particular definition has been chosen because:

- it has been designed to be based on the NACE statistical framework of industries, which is used in the remaining analysis of this study;
- it attempts to provide a better basis for more consistent statistics of the culture sector across the EU. This evaluation seeks to build on this effort;
- it is a comprehensive and well-considered approach, with a clear rationale supporting it;
- it presents a close match with the actual types of activities financed by the ERDF. The definition encompasses virtually all of the types of activities supported by the ERDF, as shall be shown in Part II, where a statistical analysis of the distribution of ERDF investments is presented.

The usefulness of the ESSnet-Culture definition for this evaluation is illustrated in Table 1.2 below. This table shows that there is a close fit between the ESSnet-Culture ‘domains’ and the kinds of activities regularly financed by ERDF.

---

\(^1\) In 2009 a network of European Statistical Systems (ESSnet-Culture) was set up by Eurostat to better coordinate the harmonization of statistics on the culture sector across the EU.
Table 1.2. A comparison between ESSnet-Culture ‘domains’ and the nature of activities financed by ERDF

<table>
<thead>
<tr>
<th>ESSnet-Culture ‘domains’</th>
<th>Examples of activities financed by ERDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Archives, Libraries</td>
<td>Construction/extension/recovery of cultural infrastructure (e.g. museum, libraries, archives, etc.) or of infrastructure providing cultural or sporting services (e.g. theatres, concert halls, opera houses, auditoriums, art galleries, planetariums, stadiums).</td>
</tr>
<tr>
<td>Heritage, Architecture</td>
<td>Refurbishment/recovery and protection of historical monuments, buildings or archaeological sites.</td>
</tr>
<tr>
<td>Visual Arts, Performing Arts</td>
<td>Organisation of cultural events (e.g. painting, sculpture, photography, etc.) or performing arts (e.g. film production, book publishing, etc.).</td>
</tr>
<tr>
<td>Arts &amp; Crafts, Book and Press</td>
<td></td>
</tr>
<tr>
<td>Audiovisual &amp; Multimedia</td>
<td>Support to private initiatives in creative industries (e.g. media and information technology, cultural operators²).</td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from ESS-net Culture, 2012

Given that a standardized statistical definition of the culture sector is still being developed, there are no comprehensive (or up to date) sources of data on the sector. Data are usually presented based on the National Income Accounting conventions as adopted by Eurostat. However, these do not yet provide a sufficiently detailed set of NACE codings to enable a precise match with the ESSnet-Culture definition.

On the inclusion of sport

In addition to the ten domains included within the ESSnet-Culture definition, the evaluation has also included sport as part of the culture sector. This was required as part of the brief of the study, but also is a logical step to take because of the close relationship between the sectors. Sport in its broadest definition includes organised and/or competitive sports as well as physical fitness, wellbeing and physical recreation. According to Ragheb (1980), sports activities are an integral part of the leisure experience, together with the enjoyment of culture, hobbies, social and outdoor activities, and mass media activities. Hauge and Power (2012) further argue that sport represents a significant driver of the cultural life of many regions, a position supported by Pratt (2004), who also includes the manufacture of sports goods and the operation of sports arenas and stadiums in the realm of the cultural industries sector. Additional evidence for the inclusion of sport is provided by Scott (2000; 2005), who shows that those areas of the city with a high concentration of sports facilities should be considered as cultural-products districts. Sport activities are also defined as an effective tools for urban and economic regeneration of deprived areas, either through investments in sports infrastructures or resources devoted to enhance local wellbeing through sports education (Davis, 2010).

1.1.2 Culture: employment, enterprises and added value in Europe

Eurostat presents relevant data on the culture sector as part of the National Accounts database. These data allow comparisons to be made between EU member states (i.e. at the NUTS0 level). The Eurostat data are based on a wide definition of the sector based on NACE 64 codes. Table 1.3 shows the employment share for publishing, motion picture production and other associated activities and for art, entertainment and recreation.³

---

² Those entities whether businesses or otherwise, who are in charge of the production, distribution, replication of cultural content (e.g. radio stations, cinemas).

³ The publishing and related activities column encompasses many of the core functions of the creative industries, albeit omitting some of the larger ICT-intensive activities. The column for arts, entertainment and recreation (NACE code R) can be used as an alternative indicator for culture. This code is broad as it also includes sport, alongside libraries, archives, museums and similar activities, together with gambling.
Table 1.3. Contribution to employment of relevant cultural sectors, by Member state, 2012

<table>
<thead>
<tr>
<th></th>
<th>Total employment domestic concept (1)</th>
<th>Jobs in publishing, motion picture, video, television programme production, sound recording, programming and broadcasting activities</th>
<th>Jobs in arts, entertainment and recreation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Abs. values (thousands)</td>
<td>Abs. values (thousands)</td>
<td>% of total employed</td>
</tr>
<tr>
<td>TOTAL</td>
<td>210,470.59</td>
<td>1,602.24</td>
<td>0.8</td>
</tr>
<tr>
<td>Austria</td>
<td>4,229.46</td>
<td>26.62</td>
<td>0.6</td>
</tr>
<tr>
<td>Belgium</td>
<td>4,555.10</td>
<td>23.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Croatia</td>
<td>1,575.49</td>
<td>15.84</td>
<td>1</td>
</tr>
<tr>
<td>Cyprus</td>
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<td>3.53</td>
<td>0.9</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>5,064.63</td>
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<td>0.6</td>
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<td>Denmark</td>
<td>2,748.00</td>
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<td>1.3</td>
</tr>
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<td>Estonia</td>
<td>593.5</td>
<td>6.7</td>
<td>1.1</td>
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<td>Finland</td>
<td>2,537.60</td>
<td>28.6</td>
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<td>France</td>
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<td>Germany</td>
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<td>372</td>
<td>0.9</td>
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<td>30.68</td>
<td>0.8</td>
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<td>106.1</td>
<td>0.4</td>
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<tr>
<td>Latvia</td>
<td>868.63</td>
<td>4.33</td>
<td>0.5</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1,274.90</td>
<td>7.87</td>
<td>0.6</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>379.1</td>
<td>2.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Malta</td>
<td>172.11</td>
<td>1.16</td>
<td>0.7</td>
</tr>
<tr>
<td>Netherlands</td>
<td>8,812.00</td>
<td>59</td>
<td>0.7</td>
</tr>
<tr>
<td>Poland</td>
<td>15,474.90</td>
<td>76.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Romania</td>
<td>8,645.30</td>
<td>44</td>
<td>0.5</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2,209.43</td>
<td>12.11</td>
<td>0.5</td>
</tr>
<tr>
<td>Slovenia</td>
<td>938.2</td>
<td>7.5</td>
<td>0.8</td>
</tr>
<tr>
<td>Spain</td>
<td>18,430.30</td>
<td>140.2</td>
<td>0.8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>29,583.00</td>
<td>330</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Note: No data are available for Ireland, Portugal, or Sweden.

(1) The reference unit is the total domestic employment, i.e. the number of persons employed and self-employed in resident production units, irrespective of the place of residence of the employed person.

Source: Adapted from Eurostat. Based on: National Accounts - Employment data by industry (up to NACE A*64). Database code: nama_10_a64_e; based on statistical update: 19-03-2015.

Publishing and other activities account for around 0.8% of total employment for the national economies. Arts and entertainment comprise around 1.7% of all employment. In total, this comes to some 5.2 million jobs, showing the importance of these sectors to Europe.

As for the overall economic importance of the culture sector, the Gross Value Added (GVA)\(^4\) generated by publishing, motion picture, video and related activities, is around 1% of the GVA for national economies. Art, entertainment and recreation generate around 1.3% of GVA. In total, this is 2.3% of total GVA.

\(^4\) See Table I.1 in the Technical Annex.
There is significant variation from country to country. The GVA of publishing, motion picture, production and associated activities sector varies from 0.5% of the total GVA in countries such as Malta and Romania, up to 1.4% in Sweden, Hungary, and Finland. The arts and entertainment sector contributes to 8.5% of Malta’s GVA (suggesting a significant contribution made by cultural tourism), while it contributes just 0.7% of GVA in Poland, Belgium and Luxembourg. For 17 of the 24 nations where data is available, the range lies between 1% and 2%.

The data presented above are useful in making comparisons between EU countries and for understanding the overall importance of the culture sector, but differences between the NACE codings used by Eurostat’s Structural Business Statistics (SBS) and those used by the ESSnet-Culture definition suggest that other sources of data may give a more rounded picture of the macro-level role of the sector. The most robust alternative data, which has the advantage of using the ESSnet-Culture definition whilst also addressing the limitations of SBS data, is found in IDEA Consulting’s study for the European Commission, which combines SBS data with the Eurostat’s Amadeus database. Although more complete than other data sets, it should be noted that the IDEA Consulting data refers only to 2010 and focuses on enterprises.

Table 1.4 sets out the key findings from the IDEA Consulting study. Their results suggest that the cultural and creative industries sectors contribute slightly more: 2.5% of GVA. Under this analysis, these sectors have 3.17 million employees (2.2% of the total) in Europe.

### Table 1.4. Number of enterprises, employment, turnover and GVA in the cultural and creative sectors, 2010

<table>
<thead>
<tr>
<th>Cultural and creative sectors</th>
<th>Share of the business economy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of enterprises</td>
<td>955,844</td>
</tr>
<tr>
<td>Number of employees</td>
<td>3.17 million</td>
</tr>
<tr>
<td>Turnover</td>
<td>EUR 402 billion</td>
</tr>
<tr>
<td>Value added (at factor cost)</td>
<td>EUR 153 billion</td>
</tr>
</tbody>
</table>

Note: Data refer only to those sectors where 50% or more of the total number of companies can be considered as cultural and creative industries business.

Source: Adapted from European Commission / IDEA Consulting (2013), Survey on Access to Finance for the Cultural and Creative Sector, Brussels: European Commission. These findings are based on IDEA Consulting’s analysis using combined Eurostat SBS data and Amadeus, 2010.

1.2 The role of tourism in the 2007-2013 EU socio-economic scenario

1.2.1 Some introductory concepts and definitions

According to the United Nations World Tourism Organisation (UNWTO, 2014a) tourism is an economic activity that involves moving people rather than moving goods (the basis of most of the rest of world trade). It differentiates itself from other types of movements (e.g. commuting), because it takes place outside the places where people perform routine activities (e.g. work, shopping, study, etc.). Moreover, this is done for a limited amount of time and for specific purposes.

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5 SBS data do not include all of the most relevant NACE codes for the sector – such as cultural education (NACE code 85.52) and arts, entertainment and recreation (NACE codes 90 – 91). In addition, there is significant variation between the data provided for individual countries, which means a complete comparative statistical overview is impossible. This is a significant limitation in the assessment of the size of the sector, and solutions (where relevant) are noted in Tera Consultants (2014), The Economic Contribution of the Creative Industries to EU GDP and Employment, Forum D’Avignon.

6 Amadeus is a Eurostat database of comparable financial information for public and private companies across Europe.

7 This is employees rather than employment, and so is not comparable to the figure drawn from the National Accounts.

8 Note that as these data are from 2010, and are only representative of the EU 27 as they do not yet include Croatia.
The UNWTO identifies two different sub-groups of visitors according to the length of stay at the destination:

- same-day visitors or ‘excursionists’ (where the duration is less than 24 hours)
- tourists or ‘overnight tourists’ (where the duration is more than 24 hours). For the latter group a further distinction is often made between short holiday tourism (one to three nights) and tourist holidays (four nights or more).

**The focus of our analysis will be on tourists**, because regional-level tourism policies generally aim at increasing overnight tourist flows. Tourists can be residents (termed ‘domestic tourists’) or non-residents (termed ‘inbound tourists’) in the country/region where the phenomenon is to be measured. In a region we must also distinguish between intra-regional and inter-regional tourism, the latter representing an important component of income generation along with international inbound tourism. Unfortunately, official statistics rarely allow the disaggregation of tourism data into its intra-regional and inter-regional components.

For this reason, **the focus of our analysis will be on both domestic and inbound tourists**. Domestic tourism contributes to economic development to the extent that domestic tourists make additional expenditure in comparison to that which they would have normally made in their home region. The consumption made by inbound tourists in a country/region represents an export earning for the territory (Costa and Manente, 2000) and supports local growth and the equilibrium of both the national and regional balance of payments (Vanhove, 2011).

In general, emerging destinations (especially in peripheral regions) seek to attract tourists from abroad, irrespective of their country of origin, while more developed and mature tourism regions aim to diversify the origin of tourists coming from outside the region, as well as to balance inbound and domestic tourism in order to avoid a dependency on a small number of demand markets (Butler, 1980; 2006). During 2007-2013, many European regions and countries where tourism is already developed (e.g. the UK, Italy and Spain) have invested in order to diversify the tourism market and to maintain resident tourists within the country/regional borders, promoting so called ‘stay-vacation’ or ‘staycation’ tourism. This type of policy was especially apparent in the first stage of the economic recession after 2008. The measurement of both inbound and domestic tourism numbers and expenditures allows national/regional governments and administrations to quite accurately assess the macroeconomic impact of tourism as well as the income and employment multiplier effects the sector generates.

Looking at the main purpose of each visit, different forms of tourism and the different market segments can be identified. According to UNWTO, the purposes of visit can be divided into three main categories:

- **leisure, recreation or holiday** (e.g. culture and events attended as a spectator; beach tourism; art cities tourism; cruise tourism; nature-based tourism);
- **business and professional** (e.g. participation to meetings, exhibitions, congresses; incentive tours; consultancy trips; professional travelling for different purposes);

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9 The adoption of the Tourism Satellite Account (TSA) system has helped governments to integrate tourism activities into the formal National/Regional Accounting System and then to estimate properly the economic benefits tourism provides, in terms of GDP and employment, which are not visible in the same way as other industries, such as automotive or textiles. This is because "tourism is not identified as a separate activity and the commodities produced and consumed by tourism demand are buried in other elements of the core accounts" (Frazz et al. 2001, p.10 in Vanhove, 2011).
other tourism purposes (e.g. visiting friends and relatives; health treatments; religion and pilgrimage activities; shopping tourism).

In Europe, all these UNWTO definitions have been acknowledged and adopted by Eurostat and by virtually all national statistics offices. In this respect, the data situation for the tourism sector is much better and data are more harmonized than is the case for the cultural industries sector.

The typologies of tourism developed for the UNWTO and Eurostat categories can be further manipulated in order to identify the different tourism segments characterising the tourism market and different tourism products. For example, considering leisure tourism and, in particular, cultural tourism, it is possible to sub-divide the sector into: culture & creative industries-related tourism; craft tourism; food & wine tourism; etc. Each market and product generates a different economic multiplier effect at regional level because of the consumer’s different expenditure behaviour (e.g. a cultural tourist vs. a beach tourist). For the purposes of this evaluation the focus of our evaluation analysis will seek to include all of the different type of tourist products.

The complexity of the origins and types of tourism demand goes hand in hand with the complexity of the tourism sector itself. In general, as Vanhove (2011) argues, an economic sector comprises firms that produce the same products or services, or the same group of products and services, and/or are based on the same raw materials (e.g. leather, rubber, etc.). Unlike other economic sectors, tourism is atypical in that:

1. It includes all products and services that contribute to satisfying tourists’ needs. This implies that:
   - it is made up of an unusually wide variety of firms that produce very different products and services taking into account the various technical and commodity-related aspects (hotels, airlines, local bus companies, restaurants, travel agencies, museums, but also farms etc.);
   - some of these firms, and their goods and services, are essential for tourism; others support the activities of those that are essential; yet others are exclusively created to satisfy tourists’ requirements (i.e. travel agencies), while others also serve the local population (e.g. local transport).

2. Tourism production is closely connected to the use and development of natural, historical and cultural assets. These assets represent an important reason why leisure tourists choose one destination rather than another. Tourism production only exists because there are people who move to a destination where they enjoy a primary resource (e.g. for leisure tourism this might be a beach, a cultural city, or a mountain) or develop an activity (e.g. for business tourism to attend a conference or participate in an exhibition). The tourism sector provides the facilities that allow tourists to enjoy these resources (e.g. accommodation, transport, food and beverage, information services).

Table 1.5 lists the ‘tourism characteristic activities’; that is, the activities that provide the goods and services directly acquired by visitors and their corresponding NACE codes10. Except for the ones in the area of culture, sports and recreation, these activities are covered by Eurostat’s Structural Business Statistics. The ‘tourism characteristic activities’ are managed by private and public stakeholders and are mostly developed at the destination. This explains why tourism is defined as a ‘place-

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based' activity, in contrast to other economic activities, and why a destination can be seen as an interdependent cluster of activities, in which a bad performance by one sector influences the profitability of other sectors in the cluster (Vanhove, 2011).

Table 1.5 shows just how wide the scope of the tourism sector is, and also indicates just how important the sector must be in most European regions.\(^{11}\)

**Table 1.5. A list of ‘tourism characteristic activities’**

<table>
<thead>
<tr>
<th>Tourism characteristic activities</th>
<th>NACE Rev 2</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accommodation for visitors</td>
<td>5510</td>
<td>Hotels and rental accommodation</td>
</tr>
<tr>
<td></td>
<td>5520</td>
<td>Holiday and other short stay accommodation</td>
</tr>
<tr>
<td></td>
<td>5530</td>
<td>Camping grounds, recreational vehicles parks and trailer parks</td>
</tr>
<tr>
<td></td>
<td>5590</td>
<td>Other accommodation</td>
</tr>
<tr>
<td></td>
<td>6810</td>
<td>Buying and selling of own real estate ((^*))</td>
</tr>
<tr>
<td></td>
<td>6820</td>
<td>Renting and operating of own or leased real estate ((^*))</td>
</tr>
<tr>
<td></td>
<td>6831</td>
<td>Real estate agencies</td>
</tr>
<tr>
<td></td>
<td>6832</td>
<td>Management of real estate on a fee or contract basis</td>
</tr>
<tr>
<td>2. Food and beverage activities</td>
<td>5610</td>
<td>Restaurants and mobile food service activities</td>
</tr>
<tr>
<td></td>
<td>5620</td>
<td>Other food service activities</td>
</tr>
<tr>
<td></td>
<td>5630</td>
<td>Beverage serving activities</td>
</tr>
<tr>
<td>3. Railway passenger transport</td>
<td>4910</td>
<td>Passenger rail transport, interurban</td>
</tr>
<tr>
<td>4. Road passenger transport</td>
<td>4932</td>
<td>Taxi operation</td>
</tr>
<tr>
<td></td>
<td>4938</td>
<td>Other passenger land transport n.e.c.</td>
</tr>
<tr>
<td>5. Water passenger transport</td>
<td>5010</td>
<td>Sea and coastal passenger water transport</td>
</tr>
<tr>
<td></td>
<td>5030</td>
<td>Inland water passenger transport</td>
</tr>
<tr>
<td>6. Air passenger transport</td>
<td>5110</td>
<td>Passenger air transport</td>
</tr>
<tr>
<td>7. Transport equipment rental</td>
<td>7711</td>
<td>Renting and leasing of motor vehicles</td>
</tr>
<tr>
<td></td>
<td>7712</td>
<td>Renting and leasing of trucks</td>
</tr>
<tr>
<td>8. Travel agencies and other reservation service activities</td>
<td>7911</td>
<td>Travel agency activities</td>
</tr>
<tr>
<td></td>
<td>7912</td>
<td>Tour operator activities</td>
</tr>
<tr>
<td></td>
<td>7990</td>
<td>Other reservation services and related activities</td>
</tr>
<tr>
<td>9. Cultural activities</td>
<td>9001</td>
<td>Performing arts</td>
</tr>
<tr>
<td></td>
<td>9002</td>
<td>Supporting activities to performing arts</td>
</tr>
<tr>
<td></td>
<td>9003</td>
<td>Artistic creations</td>
</tr>
<tr>
<td></td>
<td>9004</td>
<td>Operation of art activities</td>
</tr>
<tr>
<td></td>
<td>9102</td>
<td>Museum activities</td>
</tr>
<tr>
<td></td>
<td>9103</td>
<td>Operation of historical sites and buildings and similar visitor attractions</td>
</tr>
<tr>
<td></td>
<td>9104</td>
<td>Botanical and zoological gardens and nature reserve activities</td>
</tr>
<tr>
<td>10. Sports and recreational activities</td>
<td>7721</td>
<td>Renting and leasing of recreational and sports goods</td>
</tr>
<tr>
<td></td>
<td>9200</td>
<td>Gambling and betting activities</td>
</tr>
<tr>
<td></td>
<td>9311</td>
<td>Operation of sports facilities</td>
</tr>
<tr>
<td></td>
<td>9319</td>
<td>Other sports activities</td>
</tr>
<tr>
<td></td>
<td>9321</td>
<td>Activities of amusement parks and theme parks</td>
</tr>
<tr>
<td></td>
<td>9329</td>
<td>Other amusement and recreation activities n.e.c.</td>
</tr>
<tr>
<td>11. Retail trade of country-specific tourism characteristics goods</td>
<td>5110</td>
<td>Duty free shops ((^**))</td>
</tr>
<tr>
<td></td>
<td>5112</td>
<td>Specialised retail trade of souvenirs ((^**))</td>
</tr>
<tr>
<td></td>
<td>5113</td>
<td>Specialised retail trade of handicrafts ((^**))</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other specialised retail trade of tourism characteristics goods ((^**))</td>
</tr>
</tbody>
</table>

Notes (\(^*\)) The part related to second homes and timeshare properties; (\(^**\)) NACE Rev2 codes not available

Source: Adapted from Eurostat (2013).

### 1.2.2 Tourism trends in EU28

The evolution of tourism at world and EU level shows a resilient\(^{12}\) performance in the

\(^{11}\) The typology used for both the data analysis and the evaluation fieldwork can be found in the Technical Annex.

\(^{12}\) Resilience is defined as “the ability of a system to maintain and adapt its essential structure and function in the face of disturbance whilst maintaining its identity” (Holling, 1973 and Cumming et al., 2005 in Biggs et al., 2012: p.646).
face of unfavourable conditions (UNWTO, 2001). Despite the vulnerability of the tourism industry to economic downturns, wars, political turmoil, and adverse weather trends, the evolution over the last 20-25 years highlights the ability of the sector to cope with, and adapt positively, to unforeseen and unfavourable events (UNWTO, 2011). Focusing on the 2007-2013 period, the unprecedented crisis that affected the global financial and economic system from 2008 to 2010 also hit tourism, and was exacerbated by other simultaneous disasters, such as the 2010 Icelandic volcanic plume and pandemics (Hall, 2010).

Europe remains the most frequently visited tourist region in the world (UNWTO, 2014b). Five of the world’s top ten most visited countries are EU member states (namely France, Spain, Italy, Germany and the UK). The accession of new member states in the years since 2004 has further enriched the EU’s tourism potential by enhancing its cultural diversity and providing new destinations to discover (Eurostat, 2009).

In 2013, the EU28 recorded 433 million arrivals of international tourists, with an average annual increase of +4.4% between 2010 and 2013, almost in line with the general growth of tourists at world level (+4.6%) (UNWTO, 2014c) (see Table I.2. in Annex I). The receipts generated by international tourism represent a proxy for the total turnover generated by tourism. In 2013 the EU28 earned about EUR 303 billion, with an average annual increase of +5.4% between 2010 and 2013, slightly below the world average of +5.6% (UNWTO, 2014c). Interestingly, a better performance was attained by the rest of Europe (outside of EU28), where there was an increase of +8.4% in the same time period (from about EUR 51 billion in 2010 to EUR 65 billion in 2013) (Table I.3. in Annex I).

However these data only provide a partial analysis, since they do not consider *domestic tourism*, that is, tourism made in the country by people residing in the same country. In 2012, 2.58 billion nights were spent in tourist accommodation establishments13 across the EU28. Domestic EU tourists spent 1.45 billion nights (i.e. 56.1% of the total), with the number of overnight stays by non-residents reaching 1.13 billion, or 43.9% of the total (Eurostat, 2014a).

In the EU28, the countries that show a high dependence on international tourism are those located in peripheral areas (particularly islands, where countries such as Cyprus and Malta have an incidence of tourists coming from abroad of over 90%), or else those where tourism represents one of the main economic sectors (e.g. Austria, Greece, Ireland, Luxembourg, Spain and Portugal, but also Estonia, Lithuania and Latvia, where the incidence of international tourism in total tourism is above 55% (Eurostat, 2007).

**Regional patterns of tourism in EU NUTS2 regions**

The analysis of regional patterns of tourism within the EU28, based on absolute numbers of nights spent in all accommodation establishments, shows that tourists’ overnight stays are concentrated particularly in the EU’s coastal regions (notably in Southern Europe), in the Alpine regions, and also in certain of the main urban areas such as Paris and London (Eurostat, 2014b; see also Figure I.1 in Annex I).

Turning from simple absolute numbers to the level of dependency of regional tourism

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13 Made up of hotels and similar accommodation (NACE Group 55.1), holiday and other short-stay accommodation (NACE Group 55.2), and camping grounds, recreational vehicle parks and trailer parks (NACE Group 55.3). The indicator used, number of overnight stays, reflects both the number of tourists in each region and their length of stay.
activities on non-resident demand, a limited number of NUTS2 regions (only 69 out of 285 in 2012) recorded a percentage of non-resident nights above the EU28 average of 43.9% (see Figure I.6. in Annex I). This suggests that foreign tourists have a relatively restricted range of preferred destinations within EU28, while other regions are mainly destinations for national travellers.

These data provide strong evidence that many of the most important tourist regions in EU28 are located in peripheral areas or in areas characterised by specific geographical features (e.g. islands, mountainous regions). This characteristic of EU tourism was analysed in a recent evaluation for the European Commission (ADE, 2012). These types of regions have a number of common territorial aspects (remoteness from major markets, services and industrial poles/clusters; territorial small size; low population density; physical constraints; extreme climate conditions; and outstanding and/or preserved natural and cultural heritage), which lead to specific socio-economic characteristics. Some of these regions are wealthier than others, “but they all face serious longer term socio-economic vulnerability issues” (ADE, 2012, p.7). The economic systems of many of these regions have come to depend heavily on tourism (CSIL, 2008). Their evolution also demonstrates that tourism can be an important or the sole driver of social and economic development, in that it tends to replace the lack of other industries (that are not stimulated to invest and settle in these areas, given their remoteness from markets and the consequential high costs of importing or exporting goods) and/or compensates for the presence of an impoverished/low, competitive agriculture (e.g. given a short growing season because of climate conditions).

It should be noted that, while those regions identified as having a high dependency on the tourism industry enjoy an economic advantage in comparison to others, tourism also brings with it some serious challenges. Uncontrolled or poorly controlled tourism development can pose a number of threats to both natural areas and cities (e.g. pollution, traffic congestion, damage to historical buildings and natural habitats, etc.). An indication of which regions within the EU28 may be facing these sort of challenges can be obtained by turning from simple measures of the absolute number of overnight stays, to a pressure index, measured in terms of tourism intensity.

Figure 1.1 maps total overnight stays per 1,000 inhabitants in EU28 NUTS2 regions in 2012 (Eurostat, 2014b). The distribution pattern highlights that some 34 NUTS2 regions out of 285 show a tourism intensity of at least 10,000 nights per 1,000 inhabitants (as shown by the darkest shade of blue on the figure). This group of regions has a tourism intensity which is approximately twice as high as the EU28 average (5,074 per 1,000 inhabitants). The highest values of the indicator are concentrated in popular coastal regions (especially around the Mediterranean), in a number of remote regions of Scandinavia, Ireland and the UK, and also in a number of Alpine regions (e.g. Bolzano, Tirol and Salzburg). In the Nordic Member States and parts of the UK (e.g. the Scottish Highlands and Islands) population densities are particularly low and hence tourist intensity is very high. Between 2007 and 2012, the number of regions showing a value of the indicator equal to or higher than 10,000 nights increased by no less than 36%.
Another way of looking at tourism pressure is to analyse the tourism density, which is measured as the concentration of tourists across a region’s territory, expressed as total overnight stays per km² (see Figure 1.2; Eurostat, 2014b). In 2012, the pattern of tourism density across the NUTS2 EU28 shows the highest values in a number of urban regions - especially those that include the most popular destinations for cultural and business tourism (e.g. London, Vienna, Berlin, Prague), and in some islands, which are popular destinations for beach tourism, like Malta, Illes Balears and the Canarias.
Figure 1.2. Tourism density: total nights spent by residents and non residents per km², EU28 NUTS2 regions, 2012

1.2.3 The tourism industry in the EU28 and its evolution

On the basis of the list of tourism characteristic activities described in Table 1.5., industries with tourism-related activities in 2010 accounted for 15.4% of total enterprises and 11.0% of total employment in the non-financial business economy (Eurostat, Structural Business Statistics 2013)\(^{14}\).

\(^{14}\) Eurostat Structural Business Statistics data differ from National Accounts data both for the unit of analysis and for the reference population considered. Focussing on employment, the Structural Business Statistics use the enterprise as statistic unit and employment is measured by the “number of persons employed”, i.e. the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel). It also includes part-time workers on the pay-roll, as well as seasonal workers, apprentices and home workers on the pay-roll. The reference population is workers employed in the total business non financial economy, i.e total business
The choice to use Eurostat’s Structural Business Statistics instead of National Account statistics, as for Culture (see Tab. 1.3.), is motivated by the interest to identify both firms that are specifically created to satisfy tourists’ requirements (‘mainly tourism’ enterprises) and those that also serve the local population (e.g. local transport)(‘partially tourism’ enterprises)(see section 1.2.1.).

As Table 1.6 shows, ‘mainly tourism’ enterprises represented 1.5% of total enterprises and 2.3% of total employment (9.7% and 20.2% respectively, if we consider total tourism enterprises only). Table 1.6 also highlights that some 5.6% of total people employed in the non-financial business economy worked in food-related industries in 2010, 1.8% in accommodation establishments, while 0.4% worked in travel agencies and for tour operators. The density of people employed in each industry varies greatly across the member states. For example, persons working in hotels and other tourism accommodation accounted in 2010 for about 7% of total employed in Cyprus and more than 4% in Ireland and Austria, compared to an EU28 average of just 1.8%.

Table 1.6. Percentages of people employed in partially and mainly tourism enterprises, and in various tourism-related sectors, in total and by member state. 2010

<table>
<thead>
<tr>
<th></th>
<th>Total non financial business economy (1)(2)</th>
<th>Tourism industries</th>
<th>Mainly tourism</th>
<th>Partially tourism</th>
<th>Transport related</th>
<th>Accommodation related</th>
<th>Food related</th>
<th>Real estate related</th>
<th>Car and other rental</th>
<th>Travel agencies and tour operators</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 28</td>
<td>133,577,542</td>
<td>11.4%</td>
<td>2.3%</td>
<td>9.0%</td>
<td>1.6%</td>
<td>5.6%</td>
<td>2.0%</td>
<td>0.1%</td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td>BE</td>
<td>2,649,160</td>
<td>9.1%</td>
<td>:</td>
<td>0.7%</td>
<td>0.8%</td>
<td>5.2%</td>
<td>1.9%</td>
<td>0.1%</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
<td>BG</td>
<td>1,927,935</td>
<td>0.0%</td>
<td>2.3%</td>
<td>:</td>
<td>1.9%</td>
<td>5.2%</td>
<td>1.6%</td>
<td>0.1%</td>
<td>0.3%</td>
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</tr>
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<td>1.2%</td>
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</tr>
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<td>:</td>
<td>1.3%</td>
<td>4.8%</td>
<td>3.5%</td>
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<td>0.3%</td>
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<td></td>
</tr>
<tr>
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<td>8.3%</td>
<td>1.2%</td>
<td>2.0%</td>
<td>5.5%</td>
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</tr>
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<td>11.1%</td>
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</tr>
<tr>
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<td>2.3%</td>
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<td>1.0%</td>
<td>1.9%</td>
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</tr>
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<td>:</td>
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<td>1.5%</td>
<td>9.6%</td>
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<td>10.9%</td>
<td>1.3%</td>
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<td>3.7%</td>
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</tr>
<tr>
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<td>3.6%</td>
<td>2.3%</td>
<td>:</td>
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</tr>
<tr>
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<td>:</td>
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<tr>
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<td></td>
</tr>
<tr>
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</tr>
<tr>
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<td>1.8%</td>
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<td>6.1%</td>
<td>1.7%</td>
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</tr>
<tr>
<td>PL</td>
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<td>1.0%</td>
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<td>0.8%</td>
<td>1.8%</td>
<td>2.0%</td>
<td>0.1%</td>
<td>0.2%</td>
</tr>
<tr>
<td>PT</td>
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<td>2.2%</td>
<td>:</td>
<td>:</td>
<td>1.7%</td>
<td>7.2%</td>
<td>1.6%</td>
<td>:</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
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<td>6.7%</td>
<td>1.4%</td>
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<td>1.5%</td>
<td>1.2%</td>
<td>2.5%</td>
<td>1.2%</td>
<td>0.1%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

economy, repair of computers, personal and household goods except financial and insurance activities. The National Accounts estimate employment integrating different sources. The reference unit “total employment”, is “the no. of persons employed and self employed in resident production units, irrespective of the place of residence of the employed person”. The different units used in the two statistical sources, as well as the different referent population (total economy for National Accounts, non financial business economy for SBS) explain why the percentage of people employed in tourism, in total and for different NACE tourism-related activities, is higher according to SBS data compared to National Accounts. The choice to use SBS instead of National Account statistics is motivated by the interest to identify both ‘mainly tourism’ enterprises and ‘partially tourism’ enterprises, like those that also serve the local population (e.g. local transport). For definitions for these two groups of enterprises see section 1.2.1.
National tourism industries in the EU-28 generate a lower share of total turnover and value added at factor cost than is the case with employment, accounting respectively for 6% and 9% of the non-financial business economy. This data reflects the higher share of SMEs and micro-enterprises in the tourism sector, and the higher incidence of part-time employment in many tourism sectors. Given the above analysis, the structure and development of the tourism sector in EU countries and regions confirms its significant economic importance. As already discussed from the demand side, the analysis also highlights how the sector can play a compensating role, filling in where other sectors are weak or absent in many regions (Eurostat, 2009; 2013). In these cases, tourism-related services are often the sole or the most important factor in job creation and one of the main sources of income for the population. This applies especially to Europe’s island states and regions (e.g. Malta, Cyprus, Sardinia in Italy, and the Balearic Islands in Spain). Tourism also plays a key role in many coastal regions, particularly in southern Europe (e.g. Catalonia in Spain, Provence-Côte d’Azur in France), and in the whole of the Alpine region (e.g. Austrian Tyrol etc.). The particularly dynamic growth of tourism in most of the new central and east European member states is also noteworthy and has been a significant factor in helping their economies to catch up with those of the more long-standing member states.

1.3 Key taxonomies and findings

In this section the role of culture and tourism in EU regions in the 2007-2013 period has been analysed and discussed. The key findings and taxonomies of relevance for the remainder of the evaluation are:

**Culture**

- At European level, the now most widely accepted definition derive from that adopted by ESSNet-Culture, which defines the culture sector in terms of ten ‘cultural domains’ and of six key functions performed by each of the ten domains.
- The ESSNet-Culture definition identifies 10 ‘cultural domains’ of Heritage, Archives, Libraries, Book & Press, Visual Arts, Performing Arts, Audiovisual & Multimedia, Architecture, Advertising and Arts & Crafts. This widely accepted definition, however, does not encompass all of what is known in some EU nations as the ‘creative industries’. It will therefore be supplemented in the evaluation as appropriate, and will also be extended to include Sports.
- Although data for the culture sector is limited, it is possible to obtain a rough picture of how important the sector is in Europe. National income accounting data show that publishing, motion picture production and related activities account for around 0.8% of total employment. Arts and entertainment make up around 1.7%.
This equates to 5.2 million jobs. The contribution to GVA of these groups combined is 2.3% of total GVA.

Tourism

- Tourism is a place-based economic activity, which produces economic benefits for the country/region where it develops, but also costs (e.g. imports needed to satisfy tourists’ requirements or to produce local goods sold to tourists, and environmental externality costs).

- The tourism industry provides the facilities that allow tourists to enjoy primary resources or activities. In comparison with other economic sectors, tourism is unusually complex, since it is formed of a variety of enterprises producing very different products and services. Some of these enterprises are ‘mainly tourism’ industries, others also serve local population or support the activities of the ‘mainly tourism’ enterprises.

- There are several different dimension relevant to the remainder of this evaluation. The principal ones are: (a) types of tourists (e.g. overnight tourists, same-day visitors, etc), (b) origins of tourists (especially domestic and inbound), and (c) tourism markets/products (e.g. beach tourism, cultural tourism, cruise tourism), which have different multiplier effects. The focus of our analysis is on overnight tourists, including both domestic and inbound tourists. As will be shown later in the study (Task 2b), emerging destination regions (especially those in peripheral areas) aim to attract a large volume of tourists from outside, irrespective of their origin. Developed and more mature tourism regions aim more at diversifying tourists’ origins.

- Tourism has shown a resilient performance in the face of unfavourable conditions (UNWTO, 2001), including within the 2007-2013 period. By 2010, about one person out of ten working in the EU28 was employed in tourism-related activities.

- At regional level, the tourism sector is both economically important and can play a compensatory role in offsetting the absence of key industries in many peripheral regions and areas characterised by specific geographical features (e.g. islands, mountainous regions).
2. The socio-economic rationales behind public financial support in culture and tourism

This section discusses the socio-economic rationales that underpin public financial support and particularly ERDF support in the culture and tourism sectors, including the distinction between public and private initiatives. This analysis contributes to the identification of the socio-economic objectives behind the interventions surveyed in Task 2b.

Subsection 2.1 presents and describes the key characteristics of each of the two sectors that form the basis for publicly funded support and in particular ERDF support, as identified in the academic and practitioner literature (e.g. Blake and Sinclair, 2007, for the UK Department for Culture, Media and Sport; GLA Economics & London Development Agency, 2006; Dwyer, Forsyth and Papatheodorou, 2011).

Starting from these characteristics, subsection 2.2 examines the role of governments and the main reasons behind their support to culture and tourism, making a distinction between interventions aimed at correcting market failures, and others motivated by the specific nature of the two sectors.

2.1 The characteristics of culture and tourism and the role of public financial support in culture and tourism development and planning

2.1.1 Shared characteristics of culture and tourism

Table 2.1 sets out the shared characteristics of the culture and tourism sectors that justify public intervention.

| The role of public goods in culture and tourism | Heritage, cultural and natural resources are crucial for the development of culture- and tourism-related activities. These resources are public goods, i.e. “products that would either not be produced by the free market or would be impractical for private markets to operate” (Blake and Sinclair, 2007, p.6). It is therefore important to ensure their sustainable use and availability for future generations. Public goods have two distinct aspects: non-rivalry and non-excludability. Non-rivalry means that one person’s individual consumption does not prevent others from using the same service. Non-excludability means that it is “impossible to restrict consumption of the good to those who pay for its provision and so there is no mechanism for making a consumer pay” (GLA Economics, 2006, p.iii). |
| High demand- and supply-side multiplier effects on the regional economy | Culture and tourism can generate large multiplier effects (direct, indirect and induced) on the regional economy, in terms of value added, employment and imports (see, for example, Costa and Manente, 2000; Wall, 1996; Wanhil, 1994; Fletcher and Archer, 1991; Mathieson and Wall, 1982). This is because: - Tourism and cultural demands activate an additional production of goods and services or additional imports to satisfy their requirements (direct effect); - These expenditures generate a production of goods and services used as intermediate inputs for final production (Leontief multiplier effect or indirect impact). - The consumption supported by the revenue earned by resident people employed generates further rounds of spending and production (Keynes-Leontief multiplier effect or induced impact). This effect is particularly evident in culture and tourism, because they are labour-intensive sectors. Supply side effects are mainly related to the predominance of local SMEs (see below). The money earned by tourism micro-businesses tends to stay in the local community, because they are part of the local money circulation cycle. SMEs represent a vital element in promoting wealth and job creation in rural areas and in less developed regions in general. In addition, in many developing countries and regions tourism is seen as a gateway to entrepreneurship |
The high multiplier effects of culture and tourism at the regional level, their place-based nature and their importance for social cohesion, as well as their immediate effect on aggregate demand underline their potentially high contribution to regional development. Other specific characteristics of the two sectors (see Sections 2.1.2 and 2.1.3.), such as the presence and role of public goods, the seasonality of culture - and tourism-related activities, and the high volatility highlight the need for public intervention in order to ensure an efficient amount of goods, an efficient temporal distribution of cultural and tourist flows in the destination and to reduce long term...
effects of crises on the two industries (see Section 2.2.). This intervention can take different forms and is aimed at balancing market inefficiencies generated by narrower objectives of private stakeholders in both sectors.

2.1.1.1 Specific characteristics of culture

In addition to the characteristics shared with tourism, the cultural sector also has a range of specific characteristics. These are set out in Table 2.215.

Table 2.2. Summary of the specific characteristics of culture

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Different kinds of values of cultural goods</td>
<td>Cultural goods are highly symbolically and ideologically charged. As such, they embody a whole range of values, including economic value, aesthetic value, spiritual value, social value, historical value and symbolic value (Throsby, 2001). Understanding these values is helpful when considering the specific characteristics of the cultural sector and the different rationales for public investment in culture (see Section 2.2.1).</td>
</tr>
<tr>
<td>Heavy reliance on public subsidies</td>
<td>The fact that cultural goods are often ‘public goods’ (as described in Table 2.1) implies that the sector is subject to a range of market failures (as described in Section 2.2.1). As a result, the cultural sector is heavily reliant on public subsidies, thus making it very fragile during cyclical economic downturns.</td>
</tr>
<tr>
<td>Agglomeration in Cultural Districts or Clusters</td>
<td>In the culture sector, firms of a similar character and/or operating within the same subsector are often located within close spatial proximity and build up networks, which are described as ‘cultural clusters’ 16. Although this tendency is not unique to the culture sector, the literature identifies a set of particular characteristics which differentiate cultural clusters: time and space specificity; fusion between the tangible and intangible; and creativity.</td>
</tr>
<tr>
<td>Sensitivity to Intellectual Property Rights (IPR) regimes</td>
<td>IPR regimes17 play a central role in the preservation and growth of creative industries such as music, film, fashion and publishing, but also in the development of heritage sectors, such as the crafts sector.</td>
</tr>
<tr>
<td>The connection with creativity and innovation</td>
<td>Cultural activities are generally underpinned by a high level of creativity. Creativity “involves imagination and capacity to generate original ideas and novel ways of interpreting the world, expressed in text, sound and image” (Throsby, 2001, p.17). The creative input associated with cultural products can contribute to generating the innovative thinking which is key to building a competitive advantage in post-industrial contexts.</td>
</tr>
</tbody>
</table>

Source: BOP Consulting’s own classification.

2.1.1.2 Specific characteristics of tourism

The tourism sector also exhibits a range of specific characteristics. These are set out in Table 2.3 below.

Table 2.3. Summary of the specific characteristics of tourism

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental and other externality impacts</td>
<td>Apart from economic effects, tourism also generates social and environmental impacts on a country or region (UNEP, 2005). These impacts can be positive (e.g. support to local communities; protection and conservation of natural environment) or negative (e.g. difficult coexistence between residents and tourists; pollution). Positive impacts can be supported also through public financial help, while negative effects are generally controlled through the application of either taxation or regulation (Butler, 1993; Ding and Pigram, 1995).</td>
</tr>
<tr>
<td>Tourism as information-intensive activity</td>
<td>Tourism is an experiential and information-intensive activity. “In few other areas of activity are the generation, gathering, processing, application and communication of information as important for day-to-day operations as they are for the travel and tourism industry” (Poon, 1993: p.154). From the supply side, successful destinations are those that are able to develop tailored products and to invest in extensive and targeted marketing and communications campaigns in order to gain visibility ahead of</td>
</tr>
</tbody>
</table>

15 Further detailed analysis of these characteristics can be found in Annex I.
16 Cultural clusters can be defined as “a system of interdependent entities – including public and private institutions, businesses, entrepreneurs, individuals and local communities – situated within a limited geographical area, aimed at achieving sustained value creation, and driven by the unifying role of culture” (Arnaboldi and Spiller, 2011, p.642).
17 Intellectual Property Right (IPR) Regimes are “the legal rights that result from the activity in the industrial scientific literature and artistic field aimed at safeguarding creators of intellectual goods and services applying to the intellectual creation as such” (WIPO, quoted in UNCTAD, 2008, p.112).
Ex post evaluation of Cohesion Policy programmes 2007–2013, focusing on the European Regional Development Fund (ERDF) and Cohesion Fund (CF) – Work Package nine: Culture and Tourism

| Vulnerability of local economies | This characteristic is linked both to the role that tourism assumes for the regional economy and to the effects that exogenous events have on the sector, already discussed in Section 2.1.1. In regions where tourism supports and dominates local development (e.g. islands), this social and economic dependency can be risky, given the high volatility of tourism demand. In addition, the tourism sector is highly exposed to external events such as political and social turmoil and weather events. |
| The seasonality of tourism demand | Seasonality is a major issue for tourism, due to its related social, economic and environmental impacts (Lee et al. 2008). It has two main dimensions: natural (i.e. related to natural phenomena, like rainfall, etc.) and institutional (i.e. based on human behaviour: Butler and Mao, 1997). The fluctuations of tourist flows in a destination can heavily affect the activity of local tourism-related businesses as well as the tourists’ quality of visit. Expected impacts are generally negative (e.g. increase in prices, instability of income, cost of seasonal staff recruiting, over-utilisation of resources, pressure on services). However, in some cases seasonality can also generate positive outcomes, e.g. providing post-season recovery time for fragile environmental resources (Wilt and Moutinho, 1995). The impact of seasonality on tourism also very much depends on the nature of the tourism product (e.g. cultural tourism vs. beach tourism). These aspects also apply to cultural tourism and corresponding institutions: e.g. cultural events can be used to attract visitors during low periods (Richards, 2010). |
| Working and employment conditions | Given the fragmentation of the tourism industry, there is a high incidence of self-employed people and of SMEs employing up to three people. Tourism provides workers with income and experience, especially women and those with low education and skills, and contributes to their social and personal development. However, given the prevalence of low-skilled workers, the sector generally suffers from low income levels and wage dissatisfaction, unfavourable working times, limited career opportunities, high level of career breaks (due to seasonality) and, in some cases, use of over-qualified workers (EurWORK, 2012). In addition, because of employment and working conditions, there is a high turnover of labour with people leaving at the first opportunity to take up more qualified work elsewhere (UNWTO and ILO, 2014). Many actions are planned at regional level to develop continuous employment models and to improve access to vocational training. |
| Role of government as public interest protector | The assessment of the effects that public-owned initiatives vs. private investments in tourism infrastructure can have on the territory (see, for example, the effects that the opening of a new flight route by a private low-cost airline can have in marginal areas) justify this role (Hall, 2008; Sharma, 2004). |
| Interrelations between tourism and other economic sectors | The complex nature of tourism and its interactions with other different sectors that, directly and/or indirectly, contribute to the ‘tourism product’, means that public investment in these sectors (e.g. in agriculture, transports, energy) can also have important effects on tourism. Therefore, public investment can help capitalise on or adjust to these effects. |

Source: CISET own classification.

2.2 The rationales of public financial support in culture and tourism development and planning

In culture, public investment is typically linked to two main rationales (Throsby, 2001; Pratt 2009; Galloway and Dunlop 2007; Potts and Cunningham. 2008). The first rationale relates to addressing the market failures which typically characterize the production and consumption of cultural goods. The second rationale can be linked to the positive socio-economic effects associated with cultural goods and activities. These relate to culture’s role in boosting tourism, enhancing the attractiveness of places, generating employment at the local level, building competitive advantage through innovation, improving the wellbeing of communities and facilitating social cohesion.

In tourism, successful development needs the involvement of an unusually wide range of stakeholders in order to satisfy the requirements of visitors in a sustainable way (see, for example, Wanhill, 2005). Since private tourism businesses do not control “all those factors that make up the attractiveness of a destination and the impact on the host population can be considerable” (Wanhill, 2005, p.367), it is necessary that tourism planning involves local government and be sustained by an appropriate public administrative framework.

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As noted by various authors (i.e. Sharma, 2004; Sillignakis, 2003), state support in tourism development is closely related to the concept of ‘devalorisation of capital’. This represents the process by which “the state subsidises part of the cost of production, for instance, by assisting in the provision of infrastructure or by investing in a tourism project where private venture capital is otherwise unavailable” (Damette, 1980 in Sharma, 2004, p.239). Governments can also stimulate tourism with financial incentives or through sponsoring research for the benefit of the tourism industry. Other popular forms of intervention are by developing marketing and promotion strategies to attract tourism demand and/or encourage capital investment for tourism attractions and facilities (Hall, 2008). Incentives and support given to tourism are generally the instruments used by governments to accomplish the objectives set by the country/region’s tourism policy. In particular, **growth and job stimulation and entrepreneurial support** (including business innovation) are two of the functional roles of government in tourism, along with **coordination, planning, legislation and regulation, promotion, social tourism and public interest protection** (IUOTO, 1974; Edgell et al., 2008; Hall, 2008; Scott, 2011).

### 2.2.1 Market failures

Starting from the shared and specific aspects of culture and tourism discussed in the previous section (Tables 2.1-2.3.), market failures in one or both sectors generally occur in the following situations (Smeral, 1998; GLA Economics, 2006; Blake and Sinclair, 2007; Pratt, 2005; Potts et al., 2008):

- **Management of public or ‘merit’ goods (missing markets):** The market fails to supply an efficient amount of goods. This frequently happens in culture and tourism, given the role of public goods in both sectors (see Table 2.1) and specifically of natural, historical and cultural assets. In general, the conservation of public goods requires an actor *super partes* who ensures their enjoyment for the future as well as the current generation. In tourism, this argument also applies to the provision of public infrastructures (e.g. transport infrastructure: Sakai, 2006) or to the promotion of a destination.

- **(Positive or negative) externalities:** There is an externality where cultural and tourism consumption or production activity has an indirect effect on other consumption or production activities (e.g. on other visitors or tourists, on the local community, on other businesses), which is not reflected directly in market prices. Once identified and measured, the economic prescription is that the public authority applies a tax, for an external cost, or a subsidy, for an external benefit, to correct the market (see Tables 2.2 and 2.3.).

- **Imperfect or asymmetric information:** This aspect specifically refers to the characteristic of tourism as intangible product and information-intensive activity. Tourists base their decision-making process regarding a destination or a product on a huge amount of information. When they do not have accurate information on facilities, market prices and/or quality, the market usually does not operate efficiently. In addition, private promotional investments usually focus on enterprises, although the fortune of the tourism industry is tied to the popularity of the destination where it is located.

- **Unstable markets:** This rationale is based on the high volatility of the culture and tourism sectors (Tab. 2.1.) and on the vulnerability of local economies dependent on these sectors. In tourism, for example, markets may become highly unstable due to a number of exogenous factors (e.g. because of extreme weather conditions, political turmoil, economic crisis) and such volatility may require public intervention at destination level (e.g. incentives to subsidize tourism enterprises hit by a flood).

- **Economic inequality:** This market inefficiency is related to the economic imbalance within the sectors in difference geographies (Table 2.1) In many instances the rewards of market transactions may be concentrated in the hands of the few, often private foreign companies (i.e. larger media businesses, international real estate
companies, hotel chains, tour operators). In this case, public intervention is justified as a classic equity-enhancing policy aimed at supporting SMEs.

2.2.2 Other reasons for public financial support

Referring to the specific characteristics of culture and tourism which were described in Section 2.1., there are other key rationales for public intervention as identified in the literature.

**Specific rationales for culture**

- **Culture as tourism attractor**: As acknowledged by the Community Strategic Guidelines for Cohesion for the period 2007-2013, the public investment in culture is firstly justified by the fact that cultural tourism is one of the largest and fastest growing tourism segments worldwide (OECD, 2005). According to the European Travel Commission (ETC, 2005), culture is one of the most important motivations for travelling at European level. Cultural tourism can enhance the desirability of the destination for both visitors and local inhabitants alike (Lazzeroni et al, 2013) and can generate high spending in the local area, as it is usually undertaken by highly educated individuals with a relatively high purchasing power (Smith and Richards, 2013).

- **Place-branding**: The cohesion policy framework also refers to the role of culture in enhancing the attractiveness of places and strengthening the unique identity of a specific location. The strong symbolic and aesthetic value of culture (Throsby, 2001; also see Section 2.1.2) makes cultural goods a powerful means to develop a distinctive ‘place brand’ (Ashworth, G. and Kavaratzis, 2010). This role is demonstrated by the way in which a number of European cities have been able to reposition themselves by taking part in the European Capital of Culture (ECOC) Programme (Nobili, 2005; Garcia, 2004; Richards and Wilson, 2004). Creative place-making has been claimed to not only contribute to increasing the visitor flows, but also to benefit residents, employers and employees (Markusen and Gadwa, 2003). As for sport, international sport events such as the Olympic Games, the Football World Cup or the Americas Cup have gained an increasing significance in global city promotion strategies (Chalkley and Essex, 2003).

- **Generating employment**: As discussed in the literature (Scott 2000; Kebir and Crevoisier 2008; UNCTAD, 2013) culture has a positive impact on the creation of high quality jobs and employment at the local level. Cultural activities often entail the development of local cultural infrastructure, which in turn generates employment at the local level. Moreover, the nature of the labor force generated through culture is often skill/knowledge intensive. This is the case especially with heritage and design related projects (Throsby, 2012).

- **Building competitive advantage**: Cultural goods and services are viewed as an important part of the competitive advantage of firms, regions and nations. Often, design is viewed as an important element in this mix. For example, in post-Fordist contexts, many goods and services are increasingly sold on the basis of their aesthetic and symbolic content, rather than of their mere functional qualities (Comunian, 2009; Scott, 2005). In these settings, the cultural and creative input often drives the market values of products (Howkins, 2001; Sacco et al., 2009). As noted by Sacco et al. (2009, p.1118) “culture has progressively taken up a central role in the development of mature, post-industrial economies as a major engine of innovation and creativity and therefore of new consumption concepts and ultimately, competitive models”.

- **Improving the quality of life and social inclusion**: as emphasised by Galloway (2005), the literature proposes two approaches to analyse the relationship between cultural amenities and the quality of life. The first one emphasises the influence of culture and sport on individuals (e.g. the use of cultural activities for therapeutic purposes: Staricoff, 2004; Grossi et al., 2011; the positive role of sport on well-
being: Fujiuwara et al., 2014). The second approach focuses on the contribution of culture and sport at community level, affecting, among others, community-building processes, learning and safety (Torjman 2004). Connected to the notion of quality of life, culture is thought to play a crucial role in fostering social inclusion and alleviating poverty (Montgomery 2003; Jones and Wilks-heeg 2004; Miles and Paddison 2005; Belfiore 2002; Evans 2005). The linkages between urban regeneration and community development are also stressed by Jermy (2001).

- **Fostering social cohesion**: Investment in cultural and sport infrastructure and activities are an effective tool “to support the forging and the maintenance of a socially sustainable, vital collective identity” (Sacco et al., 2009, p.118). Supporting culture can also be a driver of social cohesion. Arts activities offer a relatively high level of volunteering opportunities compared to other sectors. These activities benefit individuals by generating valuable personal development opportunities that can help with employment prospects or with maintaining a healthy and active retirement (BOP Consulting, 2011). Volunteering in the arts also facilitates new groups of people to build a sense of community and generate social capital. Culture can therefore contribute to shaping and reinforcing existing collective processes of meaning and can lead to the fostering of new forms of sociability (Sacco et al., 2009; Pratt, 2009).

**Specific rationales for tourism**

- **Seasonality**: As discussed in Section 2.1.3, seasonality is a major issue for tourism. Although individual private businesses try to cope with seasonality by developing appropriate product and marketing strategies in order to distribute clients over a longer period, they cannot act for the destination as a whole.

- **Volatility and the variable nature of demand**: This aspect refers to the high volatility of tourism (see Table 2.1) and can lead to highly unstable markets. The crises generated by adverse political, economic, climatic and natural conditions can have dramatic and sudden effects on tourism. This argument can be used to justify government intervention since “if the government has encouraged private businesses to invest in tourism, it needs to manage crises (which by definition is temporary in nature) to reduce its long-terms effects on the tourism industry” (Blake and Sinclair, 2007, p.10).

- **Equal distribution of tourism development and destination competitiveness**: As discussed in Tables 2.1 and 2.3, tourism is a complex product and a place-based activity, which generates high multiplier effects. Consequently, the marketing and promotion process of a country/region has to be managed in order to ensure that less popular areas/destinations (e.g. rural or mountainous areas) and less developed tourism products are also promoted. While the private sector is mostly concerned about short-term profits, the government has an interest in stimulating a more widespread and longer-term development of tourism.

- **Regeneration**: This aspect refers to the role of tourism as driver of regeneration (see Table 2.1) and to the importance of government as public interest protector in tourism (see Table 2.3). The sector can be used as a tool to regenerate peripheral and deprived areas. Government involvement is justified by the fact that usually private companies are reluctant to invest in these areas to provide infrastructure, product development and marketing.

- **Social cohesion**: As with the previous argument, this concerns the role of tourism as driver of social cohesion (see Table 2.1), and the importance of government as public interest protector (see Table 2.3). The sector can contribute to building a more inclusive society, and in addition, national/regional prestige can be an important reason for government intervention in some circumstances.

- **Assistance to SMEs and improved job quality**: Tourism is a labour-intensive sector dominated by SMEs, which contributes to local growth and social cohesion, but also
suffers from a range of difficulties regarding job quality and capacity for innovation. The public nature of planning means that many aspects of tourism development that need advance commitment require the direct involvement of the public sector. In particular, it is argued that governments should put in place actions aimed at improving access to vocational training, through differentiated training courses for people already employed and for new workforces (Blake and Sinclair, 2007).

The LSE-EPRC study (LSE-EPRC, 2013), has shown that the ERDF has played an important role in providing a long-term, stable financial framework in those regions that invest in tourism. The ERDF has also been used to develop a range of projects which may well have not been funded otherwise. There is evidence that this has been the case even where ERDF support has represented only a small part of public resources available. In addition, ERDF has been an important catalyst for attracting additional domestic funds in order to develop projects.

2.3 Conclusions and prioritisation
This section has shown that strong socio-economic rationales have been developed to justify public sector intervention (including via the ERDF and CF) in the culture and tourism sectors.

For the culture sector, both the wider literature and within the OPs documents developed within the EU have stressed the following arguments:

- market failure;
- promoting or preserving culture to develop and sustain tourism;
- place branding and identity;
- enhancing quality of life;
- facilitating social cohesion;
- generating employment.

In the tourism sector, focus in both the literature and among OPs has been on:

- public goods, in particular investments in transport and tourism infrastructures, but also in tourism promotion and for preserving natural and cultural assets;
- employment and sustainable economic growth;
- reducing seasonality;
- promoting equal distribution of tourism development and destination competitiveness, to stimulate a widespread growth of tourism including in less popular areas and the marketing/promotion of less developed tourism products;
- regeneration of more peripheral and rural areas.

The results of the MA survey which will be presented under Task 2b provide strong additional evidence towards these conclusions. Some rationales (such as positive and negative environmental and social externalities) are often less explicitly mentioned in the OPs, but they are usually indirectly addressed in the documents.
3. Main public investment strategies in culture and tourism in the EU28.

Having examined the wider context of the culture and tourism sectors, and having identified the key socio-economic rationales behind public support for the two sectors, this section investigates the main strategic approaches developed in the EU28 regions, with specific reference to ERDF intervention. The analysis in this section is designed to support Task 2b (survey of programme MAs) and Task 3 (selection and analysis of regional/programme case studies).

3.1 Overview of main policy approaches to culture and tourism in the EU28 and identification of the main public strategies

The review of academic and grey literature on culture and tourism has shown that there is no single taxonomy of the general investment strategies planned by countries and regions to support culture and tourism. However, consideration of the main characteristics of the two sectors and the rationales for public intervention discussed in Section 2 allows for broad general strategic approaches to be identified:

1. Economic diversification. This strategy appears to be particularly prevalent in declining industrial or agricultural regions or in regions where culture and tourism currently have a marginal role in the economy. Their typical objectives are to increase jobs and economic opportunities as well as by diversifying the economy. Typical policies include improving accessibility, supporting territorial marketing activities, upgrading/developing accommodation infrastructures and, more generally, by enhancing the attractiveness of the regions (including improving cultural and natural assets).

2. Regeneration and social cohesion. These are generally addressed in urban or rural areas. A typical objective is to simultaneously improve both well-being and social integration, for example by upgrading local cultural and natural assets, supporting sport and cultural infrastructures and promoting events.

3. Enhancing innovation and competitiveness. Here the main objective is usually the upgrading of cultural and tourism services through product, process and/or organisational innovation, for example by introducing the use of new information and communication technologies or by exploring new market niches. Cluster strategies too are often adopted.

4. Socio-economic and environmental sustainability. This strategy is specific for tourism and is generally developed in regions already heavily dependent on the tourism sector. In this case, the objective is to preserve natural and historical assets and manage negative (economic, social and environmental) externalities.

These typologies of strategies are not mutually exclusive. Any given region may combine two or more of the four broad approaches. Usually one of the strategies will dominate, with the others acting in a support role. Certain types of regions appear to choose a single-sector specialisation model, with policy interventions being focused on protecting or expanding the existing successful tourism specialisation. Many regions with specific geographical characteristics seem to fall within this group: they opt for diversification only when forced into it by some exogenous change over which they have no control.

These strategies are typically financed using a range of different financing instruments of which ERDF is one, according to the set of interventions planned and the thematic
objectives/investment priorities of each programme (LSE-EPRC, 2011).

Around EUR 14.4 billion of ERDF funds (equivalent to 5.4% of total allocated ERDF funding) have been allocated to culture and tourism in the 2007-2013 programming period (see chapter 1 in Part II). Supported projects range from investments in large public infrastructure schemes to investments in private sector SMEs and the third sector. Infrastructure projects include schemes to shape and improve the attractiveness of cities and rural areas (including tourist or cultural infrastructures like theatres, museums, holiday and sporting/leisure centres etc.), as well as more basic infrastructure projects such as transportation systems, waterfronts, etc.

In Convergence Objective regions, especially those with specific geographic features (i.e. islands, mountainous and low population density areas - ADE, 2012) ERDF grants are often the most important support for regional development, because of the weakness of the local economy (LSE-ERPC, 2013) They play a crucial role in “attracting and indeed directing domestic funds in order to develop important projects in the region” (ADE, 2012, p.vi).

Although usually considered separately, the relationship between culture and tourism can heavily influence the strategic planning at the national and regional levels. This interrelationship explains why in some EU regions strategies developed to support cultural and creative industries can affect tourism and vice versa. For example, there are OPs that have a specific Priority Axis addressing natural and cultural resources directly (i.e. their development/preservation is the main focus of the Axis) and tourism indirectly. This interrelationship also explains why specific projects under these programmes address culture directly and tourism indirectly.

The interrelationship implies that it is likely to be difficult to disentangle the effects of ERDF support in the two sectors at local level, especially in countries/regions where culture and tourism represent the primary driver of growth, such as in the southern and eastern parts of the European continent (e.g. the Mediterranean area, the Baltic countries).

3.2 Main strategies and type of investments in culture

Drawing on the literature, it is possible to identify a number of distinct strategies.

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18 For example, in the Basilicata OP 2007-2013, the development of sustainable tourism and the growth of territorial competitiveness is the main focus of specific/operative objectives and action lines of Priority Axis 4: Exploitation of natural and cultural assets. See:

19 For example, the Campania project ‘Protecting Pompei for Future Generations’, aims to stop the degradation of the area and to increase tourism, by attracting an average of 300,000 additional visitors each year by 2017. See: http://ec.europa.eu/regional_policy/projects/stories/details_new.cfm?pay=IT&the=79&sto=2556&lan=7&region=1218&obj=ALL&per=2&defL=en. Also, in the Castilla-La Mancha project "From mines to mining park", the building of a cultural site to preserve the mining and industrial heritage of the world’s largest mercury mines and to reverse the environmental damage of years of extraction generated over 52,000 visitors:

20 Although comparative cultural policy is a relatively young discipline (Belfiore, 2004), a number of studies have concentrated on international comparisons of culture sector policies (Tafel Viia et. al, 2014; Prince, 2010; Foord, 2008) as well as of broader national cultural policies (Belfiore, 2004 Wiesand, 2002; D’Angelo and Vesperini, 1998; Cumming and Katz, 1987a). These studies stress the difficulties of comparing data sources (see Section 2.1.2) and the complexity of comparing different national cultural policies (Belfiore, 2004; Schuster, 1996).
underpinning investments in culture across the EU in the past four decades. These strategies have focused on different objectives, including promoting and preserving artistic excellence, increasing access to culture, fostering intercultural dialogue, boosting soft power through cultural diplomacy, preserving cultural diversity through multiculturalism, and building and enhancing territorial branding, amongst others. Furthermore, they are not only relevant to cultural policy, but also cross over into different policy fields, from urban planning and regeneration (Couch et al., 2008; Vickery, 2007; Lavanga, 2006; Bianchini and Parkinson, 1993) to economic development (Evans, 2009; Foord, 2008), and to innovation policy (Lee and Rodriguez-Pose, 2013).

In recent years, the broader socio-economic transformations that have taken place across Europe (Delanty and Rumford, 2005; Rascaroli and O’Donovan, 2010) have highlighted the role of culture and creative industries within urban planning, economic development and innovation policies. Consequently, a growing degree of homogenisation has begun to characterise the evolution of cultural strategies (Tafel-Viia et al, 2014; Rascaroli and O’Donovan, 2010; Evans, 2009). Notwithstanding that strategies for investment in culture are shaped and defined by the specific socio-political, cultural and economic specificities of individual countries and regions, a number of studies have identified common trajectories underpinning the development of cultural strategies within the EU (Ford, 2008; Evans, 2009).

In particular, as documented by Garcia (2004), Evans (2005), and Bianchini and Parkinson (1993) many areas of Europe have experienced a rapid process of de-industrialisation. This has posed towns, cities and regions with the challenge of identifying new development strategies and switching towards a service-oriented economy. As noted by Sacco and Tavano Blessi (2009): “the declining industrial and manufacturing sectors located within the inner sub central city have been replaced by tertiary and knowledge based activities” (p.118). These often include cultural activities. Cultural goods have thus ceased to be regarded as ‘unproductive goods’ (Herrero et al., 2006) and have become progressively seen as valuable assets that can boost competitiveness and contribute to sustaining towns, cities and regions in their transformation towards a service economy. Regions and city governments in particular have begun to view the culture sector as a driver for the economic and social development of their region.

This paradigm shift has translated into the diffusion of the three broad strategic approaches discussed in the previous subsection: (a) economic diversification, (b) regeneration and (c) support for innovation. These are the three main strategic approaches adopted by European countries. Table 3.1 sets out more details of the three strategies, their main characteristics and the main rationales behind public intervention. The analysis in the table is illustrated with examples of OPs strategies and related ERDF interventions.

These strategies are not mutually exclusive. Economic diversification, for example, is based on the growth of creative industries at the local level, which is intimately connected to the regeneration process. In other words, besides direct interventions addressed at stimulating creative entrepreneurship, investing in local regeneration may represent an indirect way to attract and retain creative businesses. The creative labour force, in fact, is significantly attracted by the presence of cultural activities and amenities as a source of entertainment and intellectual stimuli (Bell and Jayne 2004, Montgomery 2003, Roodhause 2006, Mommaas 2004, 2009). These cultural activities and amenities, which can include museums, performing arts centres, visual arts venues, which may result from or be supported by targeted cultural regeneration programmes.
Table 3.1. Culture and creative industries: Main strategies for supporting regional economic development, rationales for public intervention and examples of ERDF OPs

<table>
<thead>
<tr>
<th>Potential strategy and description</th>
<th>Rationales for public intervention (market failure and other reasons)</th>
<th>Main investment typologies and examples of OPs and related ERDF intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. ECONOMIC DIVERSIFICATION</strong></td>
<td>• Public intervention to facilitate change</td>
<td>• Support to private initiatives in the creative industries, as in the case of Berlin (DE) Operational Programme 2007DE162PO004 and Thüringen (DE) Operational Programme 2007DE161P0001</td>
</tr>
<tr>
<td>Main objectives:</td>
<td>• Asymmetry of information/incentives</td>
<td>• Construction/extension/recovery of cultural infrastructures (e.g. museum, libraries, archives etc.) or infrastructure providing cultural or sporting services (e.g. theatre, concert hall, opera house, auditorium, art gallery etc.)</td>
</tr>
<tr>
<td>• Supporting the growth of the cultural and creative industries in response to deindustrialisation or in economically declining rural areas</td>
<td>• Market failures in ensuring adequate long-term funding for investment due to differences between social and private returns</td>
<td>• Organisation of cultural events</td>
</tr>
<tr>
<td>• Enhancing digital and ICT capacity to help the cultural and creative industries diversify themselves</td>
<td>• Stimulating private investments (in a promising sector still too weak to attract investments on its own)</td>
<td></td>
</tr>
<tr>
<td><strong>2. REGENERATION AND SOCIAL COHESION</strong></td>
<td>• Market failures in ensuring adequate long-term</td>
<td>• Construction/extension/recovery of cultural infrastructures (e.g. museum, libraries, archives etc.) or infrastructure providing cultural or sporting services (e.g. theatre, concert hall, opera house, auditorium, art gallery etc.), as exemplified in Moravia Silesia (CZ) Operational Programme 2007CZ161P0010</td>
</tr>
<tr>
<td>Main objectives:</td>
<td>• Support to identity development, civic pride, promoting social or community inclusion or cohesion</td>
<td>• Refurbishment/recovery and protection of historical monuments, buildings or archeological sites</td>
</tr>
<tr>
<td>• Developing cultural infrastructure (e.g. museums, heritage sites, public art) and fostering cultural activity (e.g. investing in an art school), which may play a role in improving the social and economic conditions of neighbourhoods and cities</td>
<td>• Support to interactions and exchanges between individuals from different backgrounds, whether they are actively taking part in the creative process (e.g. singing in a community choir) or are just appreciating the cultural good (e.g. attending a music festival)</td>
<td>• Organisation of cultural events, e.g. Attiki (EL) Operational Programme 2007GR161P0006</td>
</tr>
<tr>
<td>• Cultural and creative industries can contribute to the public image of regions and foster a sense of identity and territorial cohesion</td>
<td>• Cultural activities offer a relatively high level of volunteering opportunities, compared to other sectors, bringing people together from different backgrounds</td>
<td></td>
</tr>
<tr>
<td>• Investment in culture may be used to trigger a virtuous development process and contribute positively to the four realms of sustainable development, including environmental</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. SUPPORT FOR INNOVATION AND COMPETITIVENESS</strong></td>
<td>• Market forces cannot always ensure adequate long-term funding for investment due to differences between social and private returns and uncertainty of innovation results.</td>
<td>• Support to private initiatives in creative industries as in the cases of Sardinia (IT) Operational Programme 2007IT162P0016 and Veneto (IT) Operational Programme 2007IT162P0015</td>
</tr>
<tr>
<td>Main objectives:</td>
<td>• Awareness of returns from adaptation to new technology.</td>
<td>• Construction/extension/recovery of cultural infrastructures (e.g. museum, libraries, archives etc.) or infrastructure providing cultural or sporting services (e.g. theatre, concert hall, opera house, auditorium, art gallery etc.)</td>
</tr>
<tr>
<td>• Investment in the cultural and creative industries in order to develop innovation capacity, either within the sector or by linking it with other industries to enhance spillover effects including addressing sustainability issues.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: BOP Consulting, based on a variety of sources.

3.3 Main strategies and type of investments in tourism

The role that tourism policy had, and currently has in Europe, varies widely among countries (Akehurst et al, 1994). Tourism policies can have very different aims (economic, social, and cultural), even if employing similar types of investments. This is an important aspect to take into account in the evaluation of ERDF investments, since the success of an investment strategy in terms of economic growth and job creation generally depends on a coherent tourism policy that supports it.
Tourism was acknowledged as a relevant economic sector and an industry in its own right only relatively recently (Kerr, 2003). It was indeed not until the 1980s that most European countries faced the necessity of direct intervention on tourism matters, after at least a couple of decades during which the industry and destinations were left to develop without any control (Airey, 1983). After that period, however, the rising awareness of tourism’s economic role and of the social and environmental impacts generated by tourists’ mobility stimulated government action. In addition to this, the high volatility of the tourism market generated in the last two decades by a number of unfavourable political, economic, health and weather conditions has attracted further attention to tourism at regional and national level (Kerr, 2003). This was the case in spite of the resilience shown by the sector, with only short-lasting negative impacts of most events on tourism flows and receipts.

In the 2007-2013 period, the EU countries and regions that invested in tourism did so for two main reasons: to support the economic development and regeneration of marginal areas and to preserve/exploit public resources (e.g. natural and cultural heritage, etc. - Kerr, 2003; Costa, Panyik, Buhalis, 2014). For some regions, especially in the Mediterranean countries, this consequently meant investing to save their main economic driver.

The box below presents some examples of the different tourism policy approaches adopted in various EU countries.

**Box 3.1. Tourism policy approaches adopted in EU countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The UK</td>
<td>Started to engage public interest and investments in tourism after 1945, first to balance the balance trade, and then to support the economic development in peripheral areas or where other economic sectors were receding. More recently, the closure of the regional Destination Marketing Organisations (DMOs) (Hutchison &amp; Coles, 2011) and a focus on the 2012 Olympics, has shifted investment more towards London (Richards &amp; Wilkes, 2014).</td>
</tr>
<tr>
<td>Sweden</td>
<td>The import/export balance was also the reason for the first interest in a tourism policy in 1984, but since then the country has shown a weaker drive towards tourism than the UK (Andresson, 2014).</td>
</tr>
<tr>
<td>Finland</td>
<td>Tourism has been considered a strategic sector since the 1970s. The same applies to Ireland, where the first tourism organisation has existed since the 1960s. However, the country started to invest widely in tourism only in the 1990s, and, based on the highly positive results, followed this on path all through the 2000s (Harrington, Foley, Lehenan, 2014; Hall, 2008; Pearce, 1990).</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>In Eastern Europe, countries that were under the USSR’s influence until 1990 also have different approaches to tourism. For Bulgaria, the sector is not particularly strategic (Ivanov &amp; Dimitrova, 2014), while in Hungary the government has shown an interest in the sector only very recently (Panyik &amp; Ràtz, 2014). For Romania too tourism has become a strategic priority since 2007 (Gogonea &amp; Zaharia, 2014). By contrast, countries like Latvia (Druva &amp; Livina, 2014), Slovenia (Lebe, 2014) and Estonia (Tooman &amp; Müristaja, 2014) developed a tourism development strategy as soon as they obtained their independence.</td>
</tr>
<tr>
<td>Denmark</td>
<td>In Denmark (Liburd &amp; Saabye-Simonsen, 2014) and Germany (Becker, 2003), tourism has never had an important role, and is still peripheral to the national and also to regional policies.</td>
</tr>
</tbody>
</table>

The literature suggests that tourism policy and strategies cannot be analysed exclusively from an ‘institutional approach’ (Farrell and Twining-Ward, 2004; Kerr et al., 2001; Pforr, 2006; Russell and Faulkner, 1999; Stevenson, Airey, and Miller, 2008), since they are also heavily influenced by the context, i.e. the private actors and their association, the environment, the interaction between initiatives, etc. (see Bramwell, 2006, Dredge, 2006; Dredge and Jenkins, 2003; Elliott, 1997; Tyler and Dinan, 2001a).

However, it is possible to identify some general trends and highlight the presence of three main aspects/variables that influence the type and aim of investment strategies in tourism and consequently the specific interventions developed at regional level.
(Getz, 1986; Getz, 1992; Davidson, 1992; Montanari & Williams, 1995; Kerr, 2003; Ivars-Baidal, 2004; Hall, 2008; Costa et al., 2013). These are:

- **The current stage of development of tourism in a region**: This aspect differentiates between mature and emerging destinations. These can be judged on the basis of tourist pressure (e.g. number of tourists or number of available beds per inhabitant and/or square km).
- **The (actual and prospective) role of tourism in the regional socio-economic environment**: This aspect concerns the contribution of tourism to territorial welfare (key driver vs. marginal role). From an economic point of view, it can be assessed by considering the weight of tourism GDP or tourism value added on total regional GDP or GVA.
- **The accessibility of the region**: This element takes into account the specific geographical features of the area (islands, mountainous areas, etc.) and its location compared to that of the main national/regional decision-making centres (political, economic, financial, etc.).

The combination of these variables helps to identify different typologies of EU regions according to the significance tourism has in their socio-economic system. Considering just the first two of the three variables (i.e. the level of tourism development and the role of tourism), a typology of four classes of region can be identified. These are shown in Table 3.2.

**Table 3.2. Typologies of tourist regions according to the role played by tourism and the level of tourism development**

<table>
<thead>
<tr>
<th>Role of tourism</th>
<th>Level of development</th>
<th>Marginal role</th>
<th>Key role</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emerging sector</strong></td>
<td>Emerging tourist regions</td>
<td>‘Converting’ regions i.e. regions that have converted/are converting local economy to tourism</td>
<td></td>
</tr>
<tr>
<td><strong>Mature sector</strong></td>
<td>Regions where tourism is well established but its economic role is limited in comparison to other sectors</td>
<td>Specialised tourist regions</td>
<td></td>
</tr>
</tbody>
</table>

Source: CISET, based on various sources.

If we now add the third of our variables (location/accessibility), **emerging tourist regions** are mostly located in peripheral and marginal areas (Convergence regions: e.g. Baltic Republics). **Regions where tourism is mature but gives a limited contribution** to local welfare tend to be located in central areas of the EU (e.g. many German regions). **Specialised tourist regions and regions that have reconverted or are reconverting the local economy to tourism**, are to be found both in peripheral and central areas (e.g. Andalusia in Spain and Crete in Greece; Trentino Alto Adige in Italy or Provence-Côte d’Azur in France; Merseyside in the UK).

Given these premises, Table 3.3 explains how the main public investment strategies presented in subsection 3.1. are applied in tourism and links these to the typology of regions that are most likely to develop them. The table also sets out the rationales for public support and the main investment typologies, including examples of OPs and related ERDF interventions derived from the preliminary results of the MA survey (Task 2b).
Table 3.3. Tourism: Main public investment strategies for supporting regional development, rationales for public intervention and ERDF intervention

<table>
<thead>
<tr>
<th>General strategy and description</th>
<th>Rationales for public support (market failure and other reasons)</th>
<th>Main investment typologies and examples of OPs and related ERDF intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ECONOMIC DIVERSIFICATION</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 1a) in declining industrial or agricultural regions | • Presence of public goods (cultural heritage, natural areas, local traditions, itineraries etc.)  
• Lack of basic know-how at private level  
• Decline of the regional economy, depopulation and difficulty in attracting private investments  
• Local resources and tourist superstructure are not able to attract private investments from other regions/countries  
• Need for basic infrastructure to support general economic development (roads, airports, etc.)  
• Need to accelerate the development process  
• Information asymmetry | • Physical investments for the promotion and development (e.g. information centres, websites, advertisements, etc.) as in the Northern Ireland OP  
• Investments to improve the safety and protection of natural assets  
• Territorial marketing activities (e.g. promotional activities, networking, conferences and trade fairs)  
• Support to events to attract visitors and promote the destination  
• Support to private initiatives (e.g. hotel and restaurants and other tourism service providers)  
• Infrastructure to improve accessibility (e.g. Northern Ireland OP) |
| 1b) in emerging regions or regions where tourism is established but with marginal role | • Preventing missing markets, negative externalities, income gaps  
• Managing unstable markets  
• Spreading tourism benefits and reducing congestion on major destinations  
• Stimulating private investments  
• Managing economic spillovers  
• Ensuring that tourism development supports cultural and creative industries, and/or cultural and natural heritage preservation  
• Managing information asymmetry on new or less developed destinations  
• Need for key infrastructure to support the region’s accessibility | • Physical investments for promotion and development (e.g. information centres, websites, congress centres, etc.) (e.g. South Great Plain (HU) OP strategy 2007HU161P004: emerging tourist region)  
• Investments to improve the safety and protection of natural assets  
• Territorial marketing activities (e.g. promotional activities, networking, conferences and fairs) (e.g. Castilla La Mancha (emerging tourist region) OP strategy 2007ES161P007: “improve marketing activities”)  
• Support to events to attract visitors and promote the destination  
• Support to private initiatives (e.g. hotel and restaurants and other tourism service providers) (e.g. Lower Silesia OP strategy 2007PL161P00005) (region where tourism is well established)  
• Infrastructure to improve accessibility (e.g. Castilla La Mancha (emerging tourist region) OP strategy 2007ES161P007): “improve accessibility” |
| 2. REGENERATION AND SOCIAL COHESION |                                                                 |                                                                             |
| In emerging tourist regions, regions where tourism is already established, and those that are converting their economy to tourism | • Important role of public goods such as cultural heritage but also roads, infrastructures, public parks or public urban spaces, etc  
• Management and maintenance of new infrastructures (e.g. cycling routes)  
• Coordination of different institutional levels (e.g. cycling routes encompassing different regions, municipalities, etc.)  
• Information asymmetry. Support positive externalities and prevent negative ones | • Physical investments aimed at transforming specific areas or facilities (e.g. information centres, congress centres, cycling routes, etc.) (e.g. Opolskie OP strategy 2007PL161P0012)  
• Investments to improve the safety and protection of natural assets  
• Infrastructure to improve the area accessibility  
• Marketing activities (e.g. promotional activities, networking, conferences and trade fairs)  
• Support to private initiatives (e.g. hotel and restaurants and other tourism service providers) |
In tourism these strategies are not mutually exclusive. In addition, they are coherent with the wider *EU tourism policy*, whose main objectives are to facilitate the responsible competitiveness of the EU tourism sector and the sustainable growth and job creation of the tourism activity in the EU (Husting, 2013).

Within these broad strategies, each region can address different target products, markets and/or assets according to its particular circumstances. For example, if a region has a valuable coastline and decides to diversify its economy and stop depopulation or to regenerate some areas through tourism development, it would usually promote beach tourism on international markets or on the domestic/local market or on both. The same applies if it has a valuable and underdeveloped cultural
heritage: it would normally seek to promote cultural tourism.

Regarding tourism investments, the literature has shown that investments developed in other sectors (transport, culture, etc.) can be defined as ‘tourism investments’ (Hawkins & Mann, 2007). For this reason, public investment in tourism, or related to tourism, encompass almost every possible sphere: from the preservation of natural resources to support to ICT innovation in SMEs; from building of infrastructure, such as airports, to development of superstructures, such as visitors’ centres; and from events to urban planning.

ERDF can be used to sustain every kind of investment listed so far. Investments in transport infrastructure can be part of a sustainability strategy aimed at improving the quality of popular destinations, or at attracting tourists into the interior, as well as of a diversification strategy. However, some kinds of investments are more often found in relation to specific strategies or areas. For example, investment in attractions (natural, cultural or artificial) or in infrastructure are usually connected with regeneration or diversification strategies in areas where tourism is being used to replace other declining sectors. Similarly, investments in ICT and support to the creation of new products are typical of innovation strategies in specialised tourist regions. It is important, therefore, to understand how each kind of investments is related to the strategy and if it makes sense within it.

3.4. Conclusions and main findings

Starting from the characteristics of the two sectors and the identified rationales behind public intervention, the review of the literature has shown that four main strategic approaches for public investment in culture and tourism can be defined:
1. economic diversification;
2. regeneration and social cohesion of urban or rural localities within the regions;
3. enhancing innovation and competitiveness in tourism and culture;
4. socio-economic and environmental sustainability in regions largely dependent on the tourism sector.

For culture, the emergence of the policy has often been derived from the broader socio-economic transformations in EU regions and urban areas which have posed regions with the challenge of identifying new development strategies and switching towards a more service-oriented economy. Culture has been seen as a valuable asset to support local economies and boost development and competitiveness.

For tourism, the implementation of these strategies is directly linked to the typologies of EU tourist regions, based on the role tourism has in their socio-economic system (i.e. emerging, diversifying, converting, specialised tourist regions) and to their location/accessibility.

Each of these strategies can be applied alone or combined with others and financed using multiple funding sources (including ERDF) or exclusively with ERDF.

For each sector and each strategy applied, examples of related investment typologies and ERDF interventions have been provided (Tables 3.1 and 3.3).

The purpose of the typologies is to underpin the compilation of the questionnaire of MAs of the 2007-2013 OPs, together with interview pro-formas for the semi-structured interviews of MAs and other key stakeholders.
4. Key elements to be used in the evaluation of the expected effects of public financial support in culture and tourism

This section examines the evidence for outputs, and particularly the results achieved to date by ERDF support to culture and tourism. It also reviews the conditions needed to make ERDF intervention a success. It is designed to provide guidance for Task 2b (the MA survey of selected programmes) and above all for Task 3 (selection and analysis of regional/programme case studies).

There is very limited evidence in the literature about the effects of ERDF intervention in culture and tourism. The main reasons for this are:

- The ex-post evaluations of previous programming periods (e.g. 2000-2006) did not address culture and tourism directly and most analyses were made at regional level, providing only a generic qualitative assessment of results (in the form of a narrative).
- The evaluations that have already been carried out on the impacts of ERDF and CP programmes in 2007-2013 (e.g. LSE and ERPC, 2013; ADE, 2012) have been focused on thematic achievements (in innovation, enterprise and labour market, structural change, etc.), rather than on the results for individual programming regions (LSE and ERPC, 2013). Alternatively, they have spotlighted areas characterised by specific geographical features (islands, mountainous regions and sparsely populated areas: LDA, 2012). In most cases they have not included specific evaluations of the culture and tourism industries.

It should be noted, however, that many of these studies do nevertheless directly or indirectly deal with tourism and culture, because of the dominating importance these sectors have in the economies of some regions. In particular, tourism has been shown to be the main focus of the local industry’s structural change in some of the case studies and a key element in fighting depopulation and ageing.

4.1 Effectiveness of ERDF intervention

Analysing the results and the direct effects of ERDF support means assessing the effectiveness of OPs and of specific investments (i.e. the extent to which they achieved the goals stated at the beginning – the degree of coherence between intended and actual results). This requires evaluation of:

- the targets specified in the OPs, and
- the changes which were intended to occur as a result of the policy intervention. In other words, the contribution expected from the intervention.

Generally, two main types of achievements have to be considered and assessed (LSE and ERPC, 2013):

- **Reported achievements**: those that are reported by the MAs in their annual and final implementation reports to the Commission. Typically, these are quantitative output measures that are available from the monitoring systems of MAs. They reflect the activities undertaken by the projects, indicators relating to the effects that the projects have on beneficiaries and the wider region, and qualitative case studies of projects and their results.
- **Actual achievements**: those currently achieved by the project (final or intermediate results). These can and do differ from those reported by managers, since the latter
may underestimate or overestimate real achievements. The calculation of actual achievements at programme level requires either detailed auditing of each project (for example, through a desk analysis carried out by the research team and a detailed questionnaire/face to face interviews with MAs and other local strategic stakeholders) or macroeconomic or econometric analysis designed to identify what kinds of interventions have worked in each of the regions.

In 2011 the European Court of Auditors published a specific performance audit on the effectiveness of ERDF co-financed tourism projects in the 2000-2006 period (ECA, 2011). This was mainly focused on measuring the projects’ results in terms of growth and employment. The audit examined whether tourism projects delivered the results expected of them, produced sustainable results, and were undertaken as a result of EU support (i.e. the relevance of ERDF intervention).

Looking specifically at the first issue, the audit combined the analysis of reported and actual achievements, via an investigation of the documents produced by programme managers and a survey of 206 randomly sampled projects. The projects surveyed were related to 26 programmes relevant to nine Member States, in regions that had funds allocated to tourism. The effectiveness of these projects was measured by taking into account the following indicators of success:

- **increase in the volume of activity** (i.e. growth in the number of tourist arrivals/overnights in total and by segment, over the period under study);
- **increase in the capacity of the region to receive tourists** (i.e. growth of infrastructures and superstructures, such as cycling paths, accommodation and other tourism-related facilities and measured in terms of linear kilometres; number of additional rooms, beds and camping places; number of mooring places and seats (for catering facilities and theatres) etc.);
- **number of jobs created or maintained by the project** (with a specific focus on the promotion of gender equality).

The survey results were that “73% of projects contributed to an increase in the annual volume of tourism, 74% increase the capacity of an area to receive tourists and 58% of the projects create or preserved direct jobs. 44% of the projects have results in all categories, whereas 8% had results outside of the three categories mentioned” (ECA, 2011, p.15).

An analysis of actual longer term achievements was carried out in an LSE and ERPC study of programming over the 1989-2013 period (LSE-ERPC, 2013). The analysis highlighted that tourism was an important target sector in most of the regions investigated, and that several programmes achieved good effectiveness in the area of tourism policy. Significant benefits were noted in many areas, and in some of them (e.g. North-East England and Nord-Pas-de-Calais) the benefits of culture and tourism investments went beyond the intended objectives to help change the external and internal perception of the region and to enhance its wider attractiveness for investment and mobile people (LSE and ERPC, 2013).

Effectiveness was assessed using some of the same indicators of success as specified by ECA, such as the increase in tourism flows, the change in the number of overnight stays and the number of new jobs created. For example, in Burgenland (Austria), the number of overnight stays grew by almost 40% from 1995 to 2011 (compared to a national figure of under 10%), and targeted thermal regions saw over 120% growth. A reported 1,337 new jobs were created, although a significant number of these were filled by foreign workers due to a shortage of local skills. Basilicata in South Italy reported an increase of tourists to the region to 425,000, compared to a planned
293,000. However, not all efforts were successful; in Galicia (Spain), despite a massive increase in rural tourist capacity, demand remained weak and room occupancy in 2010 was only 16%.

The indicators mentioned above are coherent with those generally used to assess public planning and investments in tourism (see, for example, Hall, 2008; Rosentraub and Joo, 2009). However, the literature shows that other indicators can also be applied. For example, within the first two categories this could include the increase in the tourists’ length of stay and the growth of room occupancy rate in accommodation establishments. Other economic aspects that should probably be taken into account are the:

- number of new enterprises created by the project, and
- growth of tourism turnover and consequently of tourism GDP in the period under study.

Both of these indicators can be measured by using, for example, the periodical statistics/survey published by local enterprise associations. A further element to consider is the positive effect of the project on destination image (i.e. on the attractiveness and competitiveness of the region).

However, the assessment of the extent to which the OP objectives were achieved was shown to pose some problems that have to be taken into account. Among the most important ones are: the presence of vague or unspecified objectives, with only imprecise targets; a propensity to change targets as programmes evolved, with little information on what had been attained or why the target had changed; and incompatibilities between objectives that rendered intervention logics hard to identify (LSE and ERPC, 2013).

Furthermore, the MAs of different regions usually adopt different targets, indicators and monitoring/evaluating procedures to measure project effectiveness (ECA, 2011), making it difficult to assess their true performance and compare the results achieved.

4.2 Relevance of ERDF intervention for project existence and success

The second key issue identified by the ECA report concerns the evaluation of how much of the growth recorded through the selected indicators is purely down to the effects of ERDF rather than other interventions (e.g. private investments). This aspect can be indirectly addressed by assessing the role of ERDF funding as critical factor in the design and the development of the projects as well as in the outputs and results achieved.

This qualitative evaluation can be undertaken during the audit process by asking the MAs to describe the perceived usefulness of the ERDF (i.e. whether the project would have been totally or partially developed without having received an ERDF grant).

As shown by ECA (2011), there is generally a high correlation between perceived usefulness and the weight of public grants as part of total project costs: the smaller the percentage (particularly if less than 25%), the less the aid is seen as crucial to the existence of the project. On the other hand, the managers of projects with more than 75% of total costs covered by ERDF funding stated that the public subsidy had been fundamental for the project success.
5. Conclusions and indications for the case studies

The literature review in Part I sought answers the following questions:

<table>
<thead>
<tr>
<th>Evaluation questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is the socio-economic rationale behind the public financial support to these sectors?</td>
</tr>
<tr>
<td>2. What are the main types of public investment strategies pursued in culture and tourism?</td>
</tr>
<tr>
<td>3. Is there evidence of the effects of public financial support, either in general or according to the different type of investments?</td>
</tr>
</tbody>
</table>

This final section summarises the main findings out of this Part of the report in order to give useful indications for the development of the case studies (Task 3).

5.1 Main rationales behind public support to culture and tourism

As discussed in Section 2, the socio-economic rationales justifying public support to culture and tourism are mainly derived from a combination of shared and specific characteristics of the two sectors. In summary, two main sets of rationales were identified.

The first set of rationales is focussed on rectifying market failures of the culture and tourism sectors and their socio-economic effects on the territory. These include:

- Managing of public/merit goods.
- Managing positive or negative externalities.
- Reducing imperfect or asymmetric information.
- Mitigating unstable markets.
- Reducing economic inequality.

The second set of rationales is related to specific characteristics of the two sectors and refers to regional economic and social goals and to regional competiveness. Examples of these rationales are:

For culture:

- Increasing tourism.
- Enhancing the attractiveness of places.
- Generating employment at the local level.
- Enhancing the economic competitiveness of a territory by supporting creativity and innovation.
- Improving the quality of life of the residents.
- Fostering social inclusion, and a socially sustainable and vital local identity.

For tourism:

- Reducing seasonality at the destination level.
- Spreading the benefits of tourism in less popular areas.
- Regenerating urban or natural areas and improving their economic value.
- Enhancing social cohesion and inclusion by providing job opportunities to unskilled workers and by promoting contact between different cultures through tourism.
Enhancing human resource skills, given the dominance of SMEs and micro enterprises, which are not always able to finance R&D or training.

These different rationales are not all of the same level of priority. In terms of ERDF interventions we would argue that the following prioritisations are most apparent:

In culture, OPs developed by EU regions have mainly focused on the following aspects:
- Market failures in order to both preserve existing cultural assets and develop new cultural infrastructures.
- Supporting the visitor economy to develop tourism through sustainable development and the promotion of culture.
- Place branding and identity, which implies the use of culture for place-making.
- Quality of life, which is based on the idea of increasing the accessibility of cultural assets to enhance quality of life for all local stakeholders.
- Social cohesion, where culture is conceived as driver for social interaction and dialogue between communities.
- Employment, where culture is used to generate employment through the development of existing and new cultural infrastructure.

In tourism, the OPs developed by EU regions generally focus on:
- Public goods, particularly investments in transport and tourism infrastructures, but also in tourism promotion, so as to increase the attractiveness of the destination, and to preserve natural and cultural assets.
- Sustainable economic growth and job creation/quality, in order to strengthen the role of tourism in the national/regional economy, increase employment opportunities and favour a general enhancement of the labour market.
- Reducing seasonality at destination level.
- Promoting a more equal distribution of tourism development and destination competitiveness, so as to stimulate a widespread growth of tourism in less popular areas.
- Regeneration of the more peripheral and rural areas.

The analysis of the results of the MA survey (Task 2b) to be presented later in the report provides strong supporting evidence for this classification.

5.2 Main public investment strategies and investment typologies

The rationales identified in Part I for public intervention in culture and tourism reflect both the peculiarities of the two sectors and their expected role as drivers of socio-economic development. Four main strategic approaches have been identified in this Part of the report:
- Economic diversification.
- Regeneration and social cohesion of urban or rural localities within the regions.
- Enhancing innovation and competitiveness in tourism and culture.
- Socio-economic and environmental sustainability in regions largely dependent on the tourism sector.

Each of these strategies can be applied alone or combined with others and financed using multiple funding sources (including ERDF) or exclusively with ERDF. For tourism, Part I has developed a typology of tourist regions based on the role of tourism and its level of development (i.e. emerging, diversifying, converting, specialised tourist regions). Furthermore, for each strategy, examples of related investment typologies and ERDF interventions have been provided (Tables 3.1 and 3.3).
The purpose of the typologies developed is to underpin the compilation of the questionnaire of MAs of the 2007-2013 OPs, together with interview pro-formas for the semi-structured interviews of MAs and other key stakeholders.

Table 5.1 summarises the set of criteria that were used to underpin the interviews with MAs and other stakeholders. These criteria were used to provide a common framework for comparing and aggregating the different investments at regional level, to highlight the relationship between the investments and the strategy adopted by the regional government and finally, to assist the analysis of why, as well as where they differ.

Table 5.1. Main classification criteria for public investments in culture and tourism in the EU28 regions

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Illustration - Culture</th>
<th>Illustration - Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output nature</td>
<td>'Hard’ vs. ‘soft’ outputs</td>
<td>Construction of a new theatre vs. a business support programme for the creative industries</td>
</tr>
<tr>
<td>(For ‘hard’ outputs) Structure level</td>
<td>Infrastructure vs. superstructure</td>
<td>A digital archive vs. a new theatre</td>
</tr>
<tr>
<td>Economic activity dimension</td>
<td>The sector in which the investments have been developed (e.g. tourism, culture, urban regeneration, environment, energy). If different from culture and tourism, what is the main goal (tourism/cultural development or other)</td>
<td>Investment in superfast broadband may support creative businesses</td>
</tr>
<tr>
<td>Territorial dimension</td>
<td>The type of area where the investment takes place</td>
<td>Urban vs rural areas</td>
</tr>
<tr>
<td>Type of beneficiaries</td>
<td>Public and/or private stakeholders (distinguishing NGOs, third sector operators)</td>
<td>-</td>
</tr>
<tr>
<td>Intended results</td>
<td>The sector where the main results are expected, whatever the output</td>
<td>Creation of a new concert hall intended to improve cultural engagement at a local level or develop the city tourist brand</td>
</tr>
<tr>
<td>Actual results</td>
<td>The sector where the main impact occurs, whatever the output</td>
<td>Actual impacts of the restoration of an historic building are mainly in the tourism sector</td>
</tr>
</tbody>
</table>

Source: CISET and BOP Consulting based on various sources.

5.3 Effectiveness and relevance of public financial support: main procedures and indicators

The analysis of the effectiveness of OP culture and tourism interventions has to be carried out both in terms of the reported achievements (i.e. those declared by the MAs in their annual and final implementation reports to the Commission), and actual achievements (i.e. those currently achieved by the project in terms of either the final or intermediate results as appropriate).

The assessment requires the combination of quantitative and qualitative tools and of desk research and field surveys with key stakeholders.

There is very limited evidence in the literature about the effects of ERDF intervention in culture and tourism in either the previous or current programming periods. However, taking into account some evaluations already developed in the field (notably ECA, 2011; and LSE and ERPC, 2013) and the literature on public investments in tourism, we would argue that the main categories of indicators which should be used
are as follows:

- **Increase in the volume of activity** (i.e. growth in the number of tourist arrivals/night in total and by market segment; growth of tourists’ length of stay, etc.).

- **Increase in the capacity of the region to receive tourists** (i.e. growth of infrastructures and superstructures, such as cycling paths, accommodation and other tourism-related facilities, measured in terms of linear kilometres; number of additional rooms, beds and camping places; occupancy rates of rooms/beds; and number of mooring places and seats (for catering facilities and theatres), etc.).

- **Number of jobs created or maintained by the project** (with a specific focus on promotion of gender equality).

- **Number of enterprises created by the project**.

- **Growth of tourism turnover and hence of tourism GDP**.

This list is, of course, something of a ‘counsel of perfection’ for the various case study teams since the availability of these types of indicators varies greatly from region to region and from OP to OP. The list is, however, designed to be a check-list for interviewers and team members collecting information for desk-based analysis.

A further useful element to consider would be the positive effect of the project on **destination image**, i.e. on the attractiveness and competitiveness of the region.

These indicators are particularly designed be used in developing the case studies (Task 3) and, particularly when analysing the outputs and results they have obtained from the ERDF strategy. Some of them can in some cases be built by drawing on secondary data from regional and national sources (for the desk analysis of statistical data), others by carrying out a specific survey with MAs and other key stakeholders during the audit process.

Turning to the key issue of how relevant ERDF support has been for the very existence of different projects, this aspect can be assessed during the same audit process by asking the MAs to describe and justify their view of the perceived usefulness of the ERDF.
Part II – Task 2 - Data analysis and sampling

1. ERDF contribution to culture and tourism: distribution of investments and reported outputs

This section sets out the results of a statistical analysis of the distribution of ERDF investments and reported outputs, in order to derive a picture of the allocation of funding by priority themes, geographical distribution, economic relevance and reported achievements. As specified in the Inception Report, this part of the report provides a response to the following evaluation questions:

<table>
<thead>
<tr>
<th>Evaluation questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the main differences in the relative distribution of investments in culture and tourism across ERDF programmes?</td>
</tr>
<tr>
<td>What are the economic sectors (distinguishing between public and private) benefiting most from investments associated with culture and tourism?</td>
</tr>
<tr>
<td>What is the ‘territorial’ distribution across investments?</td>
</tr>
<tr>
<td>How reliable is the reporting of relevant core indicators across the programmes?</td>
</tr>
<tr>
<td>What programme-specific indicators are used and what are their reported achievements?</td>
</tr>
</tbody>
</table>

The statistical analysis is based on: (i) a categorisation of expenditures and (ii) the sets of achievement indicators reported by member states in their Annual Implementation Reports as well as the information on relevant indicators available from the database created by WP021.

The analysis examines the distribution of the ERDF financial resources allocated to culture and tourism and their proportions of the ERDF total amount in terms of the following five dimensions identified in the DG REGIO Categorisation System:

1) The priority theme dimension of the categorisation system identifies the areas of intervention (86 codes) in which 1) the programmes plan to invest, and where 2) projects have actually been selected. The analysis of ERDF investments takes into account those priority themes which are directly linked to culture and tourism, namely:
   - For tourism: 3 codes are used:
     - 55-Promotion of natural assets;
     - 56-Protection and development of the natural heritage;

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22 The DG REGIO Categorisation System reports data provided by Managing Authorities, or their delegated bodies, on the amount of the cumulative funds allocated to the operations selected under the OP, for each combination of codes. Member states are encouraged to use a common national definition of the concept of 'operations selected' to be used consistently under their national and regional management systems from year to year. The Commission understands 'operations selected' to be those operations that have been selected following a selection process. This may typically involve a grant decision (such as a grant offer letter, or other forms of confirmation of inclusion of a project in an OP, or allocations of EU funding from the OPs). However data on the selection of projects are not necessarily comparable across countries, making comparisons across countries a matter which must be approached with caution. [http://ec.europa.eu/employment_social/sfc2007/sfc2007_help/documents/sfc2007_reporting_categorisation_data_Note_Art_11.pdf](http://ec.europa.eu/employment_social/sfc2007/sfc2007_help/documents/sfc2007_reporting_categorisation_data_Note_Art_11.pdf)
57-Other assistance to improve tourist services.

It should be noted that it is not possible to isolate support for tourism as such, as priority themes can cover a variety of development measures and may have other objectives as well.

- For culture: 3 codes are used:
  - 58-Protection and preservation of the cultural heritage;
  - 59-Development of cultural infrastructure; and
  - 60-Other assistance to improve cultural services.

In addition, ‘economic’ dimension data is available in the data reported annually to the Commission on project selection activity (not for planned investments). The information for the economic sector code 14-Hotels and restaurants is also taken into account in the tourism sector analysis to the extent that it is not already captured by the priority themes 55-60.

2) **The nature of the financial support:** providing information on the nature of support; e.g. non-repayable aid, aid, venture capital, and other forms of financial support.

3) **The territorial dimension:** defining the type of territory in which the allocated investment takes place (i.e. urban, mountains, islands, rural, etc.).

4) **The economic activity dimension:** describing the sector in which the investments took place. These codes are derived from the statistical NACE classification, with codes added for the services sector. As requested by the Terms of Reference, this dimension will also allow us to distinguish support for the public sector (code 17).

5) **The location dimension:** reporting the code of the NUTS (NUTS 1 and 2) area in which the investment took place.

According to the ERDF AIR raw data-project selection for the 2007-2013 period, around EUR 14.4 billion of ERDF funds (5.4% of total allocated ERDF funds) have been allocated to the culture and tourism sectors in the 2007-2013 programming period. The amount allocated to tourism is only slightly larger than that allocated to culture (EUR 6,193 million and EUR 6,035 million respectively). In addition EUR 2,151 million have been allocated to the hotels and restaurants category.

Table 1.1 shows the distribution of the ERDF financial allocations to projects selected by MAAs (by December 2013) in the six priority themes directly linked to culture and tourism, as well as the number of OPs and the total amount allocated to culture and tourism per 1,000 inhabitants. Some initial indications emerge from these data even though they should be considered with a degree of caution, as they are not necessarily completely comparable across countries. Financial allocations to culture, tourism and hotels and restaurants not included in codes 55-60 are very high in Poland (EUR 2,146.9 million), Greece (EUR 1,823.3 million), Italy (EUR 1,398.1 million), Hungary (EUR 1,174.5 million) and Portugal (EUR 1,113.8 million). EUR 1,222.4 million are allocated in cross-border programmes. No allocations are registered in Luxembourg.

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23 For further details see Table II.1 in Annex II.
### Table 1.1. ERDF allocations to culture and tourism (total amount and EUR per 1,000 inhabitants) and number of OPs with ERDF allocations to selected projects, by country, 2007-2013

<table>
<thead>
<tr>
<th>Country</th>
<th>Tourism 55-57 (million euro) (1)</th>
<th>Culture 58-60 (million euro) (2)</th>
<th>14 - Hotel and Restaurants (million euro) (3)</th>
<th>Total Culture and Tourism + Hotel and Restaurants (million euro) (4)</th>
<th>Total OPs (million euro) (5)</th>
<th>Incidence Culture and Tourism + Hotel and Restaurants on Total ERDF allocations (%) (4)/(5)*100</th>
<th>Number of Ops with allocations in Culture and Tourism and Hotel and Restaurants</th>
<th>Total ERDF Amount for Culture and Tourism and Hotel and Restaurants (euro/1,000 inhabitants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL</td>
<td>916.7</td>
<td>1010.0</td>
<td>220.2</td>
<td>2,146.9</td>
<td>54,301.2</td>
<td>4.0</td>
<td>19</td>
<td>56,046</td>
</tr>
<tr>
<td>GR</td>
<td>226.4</td>
<td>733.1</td>
<td>863.8</td>
<td>1,823.3</td>
<td>25,189.4</td>
<td>7.2</td>
<td>7</td>
<td>28,205</td>
</tr>
<tr>
<td>IT</td>
<td>636.9</td>
<td>661.7</td>
<td>99.5</td>
<td>1,398.1</td>
<td>21,391.5</td>
<td>6.5</td>
<td>22</td>
<td>23,668</td>
</tr>
<tr>
<td>CB</td>
<td>654.2</td>
<td>565.4</td>
<td>2.9</td>
<td>1,222.4</td>
<td>7,438.7</td>
<td>16.4</td>
<td>65</td>
<td>n.a.</td>
</tr>
<tr>
<td>HU</td>
<td>746.5</td>
<td>394.4</td>
<td>33.7</td>
<td>1,174.5</td>
<td>24,979.1</td>
<td>4.7</td>
<td>10</td>
<td>117,481</td>
</tr>
<tr>
<td>PT</td>
<td>252.8</td>
<td>333.6</td>
<td>527.4</td>
<td>1,113.8</td>
<td>14,920.2</td>
<td>7.5</td>
<td>9</td>
<td>105,613</td>
</tr>
<tr>
<td>CZ</td>
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<td>25.9</td>
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<td>107.8</td>
<td>1,033.7</td>
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<td>707.6</td>
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<td>575.6</td>
<td>13.5</td>
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<td>0.0</td>
<td>68.4</td>
<td>969.7</td>
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<td>3732.6</td>
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<td>8.9</td>
<td>15.2</td>
<td>32.6</td>
<td>249.1</td>
<td>13.1</td>
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<td>5,890</td>
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<tr>
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<td>11.9</td>
<td>17.0</td>
<td>28.9</td>
<td>602.9</td>
<td>4.8</td>
<td>1</td>
<td>35,352</td>
</tr>
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<td>0.0</td>
<td>5.1</td>
<td>413.5</td>
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<td>1</td>
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<td>0.0</td>
<td>0.0</td>
<td>24.1</td>
<td>0.0</td>
<td>0</td>
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</tr>
<tr>
<td>Total</td>
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<td>6,035.0</td>
<td>2,151.0</td>
<td>14,378.7</td>
<td>266,408.4</td>
<td>5.4</td>
<td>252</td>
<td>28,819</td>
</tr>
</tbody>
</table>

Source: Calculated from DG Regio, ERDF AIR raw data (‘project selection’), 2007-2013.
The average proportion of ERDF financial allocations to culture and tourism as a percentage of total ERDF funding for the EU27 is 5.4% (Figure 1.1). The highest relative share of culture and tourism allocations is found in the cross-border programmes with 16.4% of the ERDF total (EUR 1.222 million).

Ar regards the incidence of total ERDF by region, the allocations for tourism and culture in Convergence Objective regions (EUR 10,684 million) absorb 4.9% of total ERDF funding, a lower share compared to the 6% allocated in Competitiveness & Employment Objective regions (EUR 2,417 million). The highest relative allocations for culture and tourism are in Malta (14.4% - EUR 101.6 million), Austria (13.5% - EUR 77.8 million), Denmark (13.5% - EUR 32.6 million) and the Netherlands (12.1% - EUR 104 million).

The lowest proportions are to be found in Ireland, Latvia and Bulgaria (all with under 3% of the total OP allocations). Among countries with the highest absolute allocations to culture and tourism it is the Southern European countries which have the higher ERDF shares than the EU average (Greece 7.2%, Italy 6.5%, and Portugal 7.5%). By contrast, Poland (4%) and Hungary (4.7%) show lower ERDF shares than the EU average.

Figure 1.1. ERDF allocations to culture and tourism as a proportion of the total amount of ERDF allocations, by country in 2007-2013 (%)

Source: Calculated from DG Regio’s ERDF AIR raw data (‘project selection’), 2007-2013.

The amounts of ERDF funding allocated to culture and tourism per 1,000 inhabitants allow us to control for country size differences. Table 1.1 shows that the average across the EU is around EUR 29,000, with the highest values in Malta (EUR 246,000),

24 For further details see Table II.1 in Annex II.
Slovenia (EUR 137,000), Hungary (EUR 117,000), Estonia and Poland (both with EUR 106,000). The value is instead slightly lower than the EU average in Greece (EUR 28,000) and Italy (EUR 24,000). The lowest value is found in Ireland (around EUR 1,000), Finland (EUR 2,000) and the United Kingdom (EUR 3,500).

The programmes that have invested ERDF financial resources in the targeted sectors are 252 and the member states with the largest numbers of OPs investing in Culture and Tourism are France (with 27 OPs on 31 OPs with ERDF funding) and Italy (22 OPs on 28 with ERDF funding); moreover there are 65 cross-border programmes (marked as CB in the tables), equivalent to 91.5% of all 2007-13 cross-border programmes. Investment in culture and tourism in cross-border programmes was particularly large in Spain (4 OPs and EUR 93.9 million in culture and tourism), Italy (5 OPs and EUR 57.4 million), Germany (2 OPs and EUR 48.5 million), Poland (2 OPs and EUR 42.0 million), France (6 OPs and EUR 40.1 million), and the Czech Republic (1 OP and EUR 32.2 million)25.

Figure 1.2 reports the composition of the ERDF allocations in culture and tourism at EU level and by individual country.

Figure 1.2. Composition of ERDF allocations to culture and tourism by country, 2007-2013 (%)
Some 43% of the total ERDF funding allocated to the sectors under analysis has been assigned to tourism projects, 42% to culture, while the remaining 15% to hotels and restaurants (not included in the 55-60 priority codes). Allocations to culture are higher than the EU average in Bulgaria, Malta and Latvia, while allocations to tourism are higher in Hungary, the Czech Republic, Romania, France, Lithuania, the United Kingdom, Estonia, Finland and Netherland. Allocations to hotels and restaurants are particularly high in Greece, Portugal, Austria, Denmark and Cyprus.

Out of the 317 ERDF OPs considered, 252 (79.5%) allocated some part of their ERDF funding to tourism or culture (see also Table II.1 in Annex II). Out of these 252 OPs, 165 have allocated more than EUR 15 million to culture and tourism (with detailed results shown in Table II.3 in Annex II). The on-line survey presented later in Section 2 was targeted to the MAs of these 165 OPs.

At the regional level, Severozápad (CZ), Valle d’Aosta (IT), Közép-Dunántúl (HU), Nyugat-Dunántúl (HU), Dél-Dunántúl (HU), Észak-Magyarország (HU), Noord-Nederland (NL), Burgenland (AT), Tirol (AT) and Vorarlberg (AT) have the highest proportions of ERDF allocations to culture and tourism, all with values higher than 20%.

**Figure 1.3. ERDF allocations to culture and tourism as a percentage of total OP allocations, by NUTS regions, 2007-2013**

Source: Calculated from DG Regio’s ERDF AIR raw data (‘project selection’), 2007-2013.

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26 OPs with the highest amount of allocation in culture and tourism are Regional Operational Programme (RO, EUR 740 million), Operational Programme Competitiveness and Entrepreneurship (GR, EUR 680 million), Operational Programme Infrastructure and Environment (PL, EUR 417 million), Operational Programme Central Macedonia - Western Macedonia - Eastern Macedonia & Thrace (GR, EUR 382 million), Regional Operational Programme Norte 2007-2013 (PT, EUR 359 million), POIN Cultural and natural attractions and tourism (IT, EUR 356 million), Operational Programme Strengthening Regional Development Potentials (SI, EUR 279 million), Operational Programme for South Transdanubia (HU, EUR 277 million), Integrated Operational Programme (CZ, EUR 254 million), Operational Programme Promotion of Cohesion 2007-2013 (LT, EUR 238 million), Operational Programme FESR Puglia 2007-2013 (IT, EUR 235 million), Operational Programme Sicily FESR (IT, EUR 223 million), Operational Programme Attica (GR, EUR 202 million) and Operational Programme Crete and the Aegean Islands (GR, EUR 201 million).
In the next two sub-sections the results of a more detailed analysis of the financial allocations and reported outputs (measured by the core and specific indicators) are presented. Section 1.1 presents results for the culture sector, while section 1.2 presents the results for tourism.

1.1 Culture

1.1.1 ERDF allocations to culture

The total amount of ERDF allocations specifically targeted at culture for 2007-2013 was EUR 6,035 million, some 2.3% of overall ERDF allocations.

The highest absolute values of allocations (Table 1.2) were in Poland (EUR 1,010 million), Greece (EUR 733 million), Italy (EUR 662 million), the Czech Republic (EUR 419 million), Hungary (EUR 394 million), Romania (EUR 343 million), and Portugal (EUR 334 million). Cross-border programmes allocated to culture EUR 565 million in total.

Table 1.2 - ERDF allocations to culture (total amount and EUR per 1,000 inhabitants), by country, 2007-2013

<table>
<thead>
<tr>
<th>Country</th>
<th>Culture 58-60 (Million euro)</th>
<th>Total OPs (Million euro)</th>
<th>Incidence of culture on Total (%</th>
<th>ERDF Amount to culture (euro/1,000 inhabitants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL</td>
<td>1,010.0</td>
<td>54,301.2</td>
<td>1.9</td>
<td>26,366</td>
</tr>
<tr>
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<td>25,189.4</td>
<td>2.9</td>
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<td>661.7</td>
<td>21,391.5</td>
<td>3.1</td>
<td>11,201</td>
</tr>
<tr>
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<td>2.4</td>
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</tr>
<tr>
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<td>2.1</td>
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</tr>
<tr>
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<td>14,920.2</td>
<td>2.2</td>
<td>31,632</td>
</tr>
<tr>
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<td>299.9</td>
<td>18,658.7</td>
<td>1.6</td>
<td>26,915</td>
</tr>
<tr>
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<td>14,681.1</td>
<td>2.0</td>
<td>3,635</td>
</tr>
<tr>
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<td>9,783.1</td>
<td>1.4</td>
<td>25,979</td>
</tr>
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<td>7,352.2</td>
<td>1.9</td>
<td>25,422</td>
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<td>2.1</td>
<td>17,940</td>
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<td>3,535.5</td>
<td>3.5</td>
<td>60,742</td>
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<tr>
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<td>110.3</td>
<td>5,692.9</td>
<td>1.9</td>
<td>35,383</td>
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<td>707.6</td>
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<td>4.1</td>
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<td>5,238.3</td>
<td>0.7</td>
<td>610</td>
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<td>34.9</td>
<td>860.7</td>
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<td>1.6</td>
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<td>8.9</td>
<td>249.1</td>
<td>3.6</td>
<td>1,605</td>
</tr>
<tr>
<td>IE</td>
<td>0.8</td>
<td>413.5</td>
<td>0.2</td>
<td>171</td>
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<td>0.0</td>
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</tr>
<tr>
<td>Total</td>
<td>6,035.0</td>
<td>266,408.4</td>
<td>2.3</td>
<td>12,096</td>
</tr>
</tbody>
</table>

Source: Calculated from DG Regio’s ERDF AIR raw data (‘project selection’), 2007-2013.

The incidence of allocations to culture is highest in the cross-border programmes (7.6% of the overall ERDF funding), as well as in Malta (9.8%), the Netherlands &
Belgium (4.0%), and Denmark & Slovenia (3.5%). Allocations to priority themes related to culture are also higher than the EU27 average in Italy (3.1%) and Greece (2.9%), and lower in Poland (1.9%), Hungary (1.6%) and Romania (2.1%).

Convergence Objective regions have absorbed 76% of the total allocations to culture (EUR 4,592 million – 2.1% on the total ERDF funding)\(^\text{27}\).

Financial allocations to culture are high in absolute terms for the regional OPs of: Operational Programme Infrastructure and Environment (PL, EUR 417 million), Regional Operational Programme (RO, EUR 343 million), Operational Programme Central Macedonia - Western Macedonia - Eastern Macedonia & Thrace (GR, EUR 240 million), Integrated Operational Programme (CZ, EUR 201 million), Operational Programme for South Transdanubia (HU, EUR 172 million) and Operational Programme Attica (GR, EUR 166 million).

Some regions in the Czech Republic, Germany, Italy, Hungary, Portugal and Austria also exhibit a high proportion of all ERDF allocations directed at culture-related priority themes (see Figure 1.4).

**Figure 1.4. ERDF allocations to culture as a percentage of total OP allocations, by NUTS regions, 2007-2013**

![Figure 1.4](image)

Source: Calculated from DG Regio’s ERDF AIR raw data (‘project selection’), 2007-2013.

Within the culture category as a whole, the priority theme ‘Protection and preservation of the cultural heritage’ alone absorbs more than half of the ERDF allocations to the sector (58.4%), while ‘Development of cultural infrastructure’ absorbs some 35% of ERDF allocations (see Figure 1.5). Large differences can also be found across the member states in terms of the different specific priority themes\(^\text{28}\).

\(^\text{27}\) For further details see Table II.2 in Annex II.

\(^\text{28}\) For further details see Table II.5 in Annex II. The priority theme ‘Protection and preservation of the cultural heritage’ comprises more than 75% of ERDF culture allocations in Romania (100% - EUR 343.2 million), Italy (79.4% - EUR 525.4 million), Spain (79.6% - EUR 238.9 million), Belgium (85.6% - EUR 34.6 million), Estonia (86.1% - EUR 28.1 million). The priority theme ‘Development of cultural infrastructure’ comprises almost all of the total of allocations for the cultural sector in Cyprus (100% - EUR 11.9 million) and Denmark (98.9% - EUR 8.8 million) and over 50% in Poland (56.1% - EUR 566.1 million), France (63.1% - EUR 85.9 million), Slovenia (53.9% - EUR 66.7 million), the United Kingdom (59.5% - EUR 22.7 million) and the Netherlands (53.2% - EUR 18.6 million).
Figure 1.5. Percentage of ERDF allocations to culture by priority theme, 2007-2013

![Percentage of ERDF allocations to culture by priority theme, 2007-2013](image)

Source: Calculated from DG Regio’s ERDF AIR raw data (‘project selection’), 2007-2013.

Turning to the distribution of culture allocations by economic activity, a striking feature is that economic activity is either not specified or else is defined as not applicable for most (70%) of the total ERDF allocations to culture. This is especially the case for the priority themes ‘Other assistance to improve cultural services’ and ‘Protection and preservation of the cultural heritage’.

The remaining 30% of culture sector allocations are particularly concentrated in ‘Public administration’ (13.8% of culture allocations, amounting to EUR 830 million), particularly in the case of the priority theme ‘Development of cultural infrastructure’ (19.6%) – further details can be found in Figure II.1 in the Annex II. Other economic sectors with allocations exceeding EUR 100 million are ‘Construction’, ‘Real estate, renting and business activities’ and ‘Education’.

The high percentage of culture allocations found in the ‘not specified’ category reflects what has already been pointed out in Part I of the report; namely the difficulty of defining what comprises ‘culture’ and the fact that its sectoral definition is conceptually and pragmatically challenging.

As shown in Table 1.3, ERDF allocations to culture are more highly concentrated in urban areas than in other territorial areas. Urban areas exhibit an average share of allocations to culture of around 55%, higher than the overall ERDF allocations to urban areas (41.9%). Rural areas absorb an average of 17.2% of ERDF allocations to culture, with up to 22% of ERDF allocated to rural areas in the priority theme ‘Protection and preservation of the cultural heritage’.

The countries in which allocations to urban areas are highest are Latvia (100%), Ireland (100%) and Romania (84.4%), while in Austria, Belgium, Denmark and Sweden there are no allocations to culture in urban areas. As might be expected, Greece reports relatively high shares of ERDF cultural allocations to island regions.

29 For further details see Table II.6 in Annex II.
(11.1%) and mountain areas (11.9%), while mountain areas absorb a massive 32.9% of such ERDF investments in Cyprus.

Table 1.3. Percentage of ERDF allocations to culture by territorial dimension, 2007-2013

<table>
<thead>
<tr>
<th></th>
<th>58 - Protection and preservation of the cultural heritage</th>
<th>59 - Development of cultural infrastructure</th>
<th>60 - Other assistance to improve cultural services</th>
<th>Culture 58-60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>54.5</td>
<td>59.9</td>
<td>37.2</td>
<td>55.3</td>
</tr>
<tr>
<td>Rural areas</td>
<td>22.9</td>
<td>10.0</td>
<td>5.2</td>
<td>17.2</td>
</tr>
<tr>
<td>Islands</td>
<td>3.3</td>
<td>1.9</td>
<td>2.3</td>
<td>2.7</td>
</tr>
<tr>
<td>Mountains</td>
<td>2.9</td>
<td>1.1</td>
<td>1.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Not applicable</td>
<td>6.8</td>
<td>16.7</td>
<td>5.8</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>9.6</td>
<td>10.3</td>
<td>48.5</td>
<td>22.6</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Calculated from DG Regio’s ERDF AIR raw data (‘project selection’), 2007-2013.

Our calculations based on ERDF AIR raw data show that 97.2% of ERDF allocations in culture are in the form of non-repayable aid, with very little difference across the priority themes\(^\text{30}\). According to these data, the percentage of non-repayable aid is actually 100% in all of the countries except for Spain and Italy. The latter have 9.4% (EUR 28.3 million) and 20.9% (EUR 138.4 million) respectively of their allocations in ‘Other forms of finance’\(^\text{31}\). It is not possible at this stage to understand the reasons behind such a predominant use of non-repayable aid. This issue will be explored in greater detail in the case studies.

1.1.2 Reported outputs

There are no indicators specifically for culture among the core indicators identified for ERDF and CF OPs by the Commission in the period 2007-2013.

Data on WP0 shows that many MAs have developed differing specific indicators for monitoring progress in Priorities and Measures focused on culture. While this is useful and to be encouraged, the lack of core indicators and the development instead of differing idiosyncratic indicators hamper the aggregation of comparable outputs across programmes. Moreover, definitions and units of measurements of the indicators in use for programme specific indicators are very different across OPs and cannot be used for aggregate and comparative analysis\(^\text{32}\).

Only 61 OPs provide programme-specific indicators which may be related to the culture sector. This is particularly the case among cross-border programmes, and among OPs in Poland, Italy and the Czech Republic. An additional 48 OPs among those investigated in our on-line survey (see Section 2), have reported specific indicators for culture interventions, highlighting an information gap with the indicators reported in the Annual Implementation Reports.

More than 110 different culture-specific indicators are reported in the WP0 database\(^\text{33}\). The most commonly used culture-specific indicators refer to the improvement of cultural sites or monuments. A number of OPs have developed indicators such as the number of items of equipment purchased, the number of facilities or cultural assets modernized or newly built and the like (there are some 44 indicators of this type). Some indicators refer to the number of visitors to museums, the participants in

\(^{30}\) For further details see Table II.7 in Annex II.

\(^{31}\) For further details see Table II.8 in Annex II.

\(^{32}\) The work has examined also specific indicators on culture resulting from the on-line survey to the Mas.

\(^{33}\) For further details see Table II.9 in Annex II.
cultural events and the like. The MAs also report indicators relating to culture interventions in terms of cooperation, networks and jobs created.

Table 1.4 presents ratios of achieved outputs to targets for the specific indicators relating to culture\textsuperscript{34}. The results in Table 1.4 are derived from data collected in WP0.

Initial target values have already been fully attained on average for indicators relating to the ‘Number of visitors’ and ‘Cultural events and initiatives’. By contrast, achievements are particularly low relative to initial targets for ‘Jobs created’ and ‘Cultural infrastructures’ developed or preserved (e.g. sites, monuments).

\textsuperscript{34} Further detail on the achievements reported by MAs for each individual indicator and OP is presented in Table II.20 of Annex II.
Table 1.4. Specific indicators for culture interventions: achievements by type of indicator, 2007-2013

Relevant indicator for Culture: achievement by type of indicators

<table>
<thead>
<tr>
<th>Type of Indicator</th>
<th>Number of Indicators</th>
<th>Number of countries</th>
<th>Average ratios of achieved outputs to targets</th>
<th>Indicators and OP with lowest ratios of achievements to targets</th>
<th>Indicators and OP with highest ratios of achievements to targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Interventions</td>
<td>4</td>
<td>3 (PT, IT, CB)</td>
<td>0.14</td>
<td>Interventions for monuments valorisation and rehabilitation 0.00 PO Regional do Centro 2007-2013</td>
<td>Number of actions of management, utilization and promotion of cultural resources 0.35 Πρόγραμμα Ευρωπαϊκής Εδαφικής Συνεργασίας Ελλάδα –</td>
</tr>
<tr>
<td>Cooperations</td>
<td>5</td>
<td>2 (CB)</td>
<td>0.36</td>
<td>Cooperation and knowledge sharing among linguistic minorities</td>
<td>Cooperation to develop activities based on the cultural values that exist in communities in the archipelago, coastal and mountain areas and World Heritage sites Cooperation to preserve and develop the cultural history as a resource for regional growth – Creation of communities in areas such as culture and recreation for young people, students and newcomers Cooperation between regional newspapers, television, Internet and radio media to increase the knowledge of neighbours 0.00 Botnia-Atlantica</td>
</tr>
<tr>
<td>Enterprises</td>
<td>4</td>
<td>1 (IT)</td>
<td>0.00</td>
<td>Number of enterprises (recovery and renovation of cultural assets/marketing for 0.00 POR Calabria FESR 2007 - 2013</td>
<td>Number of enterprises (recovery and 0.00 POR Calabria FESR 2007 - 2013</td>
</tr>
<tr>
<td>Network of cultural services/production and diffusion of cultural events/services for cultural networks</td>
<td>0.00</td>
<td>Poin Attrattori culturali, naturali e turismo - POR Molise FESR</td>
<td>0.00</td>
<td>Poin Attrattori culturali, naturali e turismo - POR Molise FESR</td>
<td></td>
</tr>
<tr>
<td>Number of incentives for enterprises in conservation of cultural assets and support of cultural networks</td>
<td>2 IT</td>
<td>0.00</td>
<td>2 IT</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Investments for recreation areas and cultural infrastructures</td>
<td>0.00</td>
<td>Regionalny Program Operacyjny Województwa Łódzkieg</td>
<td>0.00</td>
<td>Regionalny Program Operacyjny Województwa Lubelski</td>
<td></td>
</tr>
<tr>
<td>Job created</td>
<td>4 4 PL, DE</td>
<td>0.24</td>
<td>Number of jobs created in the area of culture</td>
<td>0.00</td>
<td>Regionalny Program Operacyjny Województwa Doln</td>
</tr>
<tr>
<td>Number of networks (training, cultural, athletic, social and touristic) created in cooperation areas</td>
<td>1.10</td>
<td>Operationelles Programm EFRE Hamburg 2007-2013</td>
<td>1.60</td>
<td>Programma Operativo di Cooperazione Transfrontaliera</td>
<td></td>
</tr>
<tr>
<td>Number of people visiting supported cultural institutions</td>
<td>13 PL, DE, CB, IT, CZ</td>
<td>2.43</td>
<td>Number of participants to cultural events</td>
<td>7.00</td>
<td>Operationelles Programm EFRE Hamburg 2007-2013</td>
</tr>
<tr>
<td>Share of users of electronic services in culture on the total number of Internet population</td>
<td>1.50</td>
<td>OP Information Society</td>
<td>6.80</td>
<td>Operationelles Programm EFRE Hamburg 2007-2013</td>
<td></td>
</tr>
<tr>
<td>Number of created methodologies in the cultural</td>
<td>0.70</td>
<td>Integrovaný operační</td>
<td>2.50</td>
<td>Northern Periphery</td>
<td></td>
</tr>
<tr>
<td>Sites, monuments and infrastructures</td>
<td>44</td>
<td>32</td>
<td>(0.53)</td>
<td>(0.00)</td>
<td>1.67</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| Number of online services available in culture | Heritage area | Number of new and improved services provided in supported immovable cultural monuments | Information Society - Regional Operational Programme | for sustainable management of cultural heritage | \(\text{Integrovaný operační program - Řecko - Thessalia - Sterea Elláda - Ústecký} \) | \(\text{POR Calabria FESR 2007 - 2013 - Por Abruzzo FESR} \) | \(\text{- POR Molise FESR - PO Regional do Norte 2007-2013 - Regional Operational Programme} \) | \(\text{Number of infrastructure projects in the field of culture and protection of cultural heritage} \) | Source: Calculated from WP0.

* non weighted average of the achievements/target ratio for each indicator.
1.2 The tourism sector

1.2.1 ERDF allocations to tourism

The total amount of ERDF allocations in policy areas linked to tourism for 2007-2013 was EUR 6,193 million. In addition, a further EUR 2,151 million was allocated for hotels and restaurants, giving in total an allocation of some 3.1% of total ERDF allocations in 2007-2013 (Table 1.5).

The highest allocations to tourism in terms of absolute values are recorded in Poland (EUR 917 million), Hungary (EUR 747 million) and Italy (EUR 637 million) \(^{35}\). ERDF allocations to hotel and restaurants (not included in 55-60 priority theme codes) are particularly high in Greece (EUR 864 million), Portugal (EUR 527.4 million), Poland (EUR 220 million) and Germany (EUR 161 million). Cross-border programmes allocated EUR 654 million to tourism and a further EUR 3 million to hotels and restaurants.

Allocations to tourism as a share of total ERDF allocations are higher than average in the cross-border programmes (8.8%) and, among countries with high amount of ERDF allocations to tourism, in Hungary and Italy (3%); also the Netherlands (7.7%), Finland (7.2%) present high relative share even though the absolute ERDF amount is small.

With regard to hotels and restaurants the relative shares of tourism allocations in total ERDF allocations are significant in Austria (10.2%), Portugal (3.5%) and Italy (3.4%).

Convergence Objective regions absorbed 70% of the total allocations to tourism (EUR 4,361 million) and 81% of those for hotels and restaurants (EUR 1,731 million)\(^ {36}\).

As Figure 1.6 shows\(^ {37}\), some regions in Portugal, Spain, Italy, France and Hungary also exhibit high proportions of allocations to tourism plus hotels and restaurants. For example, Limousin (FR), Valle d’Aosta/Vallée d’Aoste (IT), Emilia-Romagna (IT), Közép-Dunántúl (HU), Nyugat-Dunántúl (HU) and Dél-Dunántúl (HU) all have shares allocated to tourism exceeding 10% of the total.

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\(^{35}\) The OPs with the highest amounts of ERDF allocated to tourism are: Romanian Regional Operational Programme (RO, EUR 392 million), POIN Cultural and natural attractions and tourism (IT, EUR 217 million), Operational Programme Innovative Economy 2007-2013 (PL, EUR 166 million), Operational Programme Sicily FESR (IT, EUR 162 million), Operational Programme for North Great Plain (HU, EUR 160 million), Operational Programme for North Hungary (HU, EUR 159 million), Operational Programme Competitiveness and Economic Growth (SK, EUR 158 million), Operational Programme for South Great Plain (HU, EUR 134 million), Operational Programme Promotion of Cohesion 2007-2013 (LT, EUR 127 million), Operational Programme Strengthening Regional Development Potentials (SI, EUR 126 million), Regional Operational Programme Norte 2007-2013 (PT, EUR 113 million) and the Operational Programme for South Transdanubia (HU, EUR 105 million). More significant values for hotel and restaurant are registered for Operational Programme Competitiveness and Entrepreneurship (GR, EUR 471 million), Operational Programme Thematic Factors of Competitiveness 2007-2013 (PT, EUR 176 million), Operational Programme Central Macedonia - Western Macedonia - Eastern Macedonia & Thrace (GR, EUR 119 million), Operational Programme Crete and the Aegean Islands (GR, EUR 111 million) and Operational Programme 'Thessalia - Sterea Ellada - Ipiros' (GR, EUR 101 million).

\(^{36}\) For further details see Table II.2 in Annex II.

\(^{37}\) For further details see Table II.3 in Annex II.
### Table 1.5. ERDF allocations to tourism and hotels and restaurants (total amount and EUR per 1,000 inhabitants), by country, 2007-2013

<table>
<thead>
<tr>
<th>Country</th>
<th>Tourism 55-57 (million euro) (1)</th>
<th>14 - H&amp;R (million euro) (2)</th>
<th>Total OPs (million euro) (3)</th>
<th>Incidence of tourism on Total (%) (1)/(3)*100</th>
<th>Incidence of H &amp; R on Total (%) (2)/(3)*100</th>
<th>Tourism 55-57 (euro/1,000 inhabitants)</th>
<th>14 - H&amp;R (euro/1,000 inhabitants)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL</td>
<td>916.7</td>
<td>220.2</td>
<td>5430.1.2</td>
<td>1.7</td>
<td>0.4</td>
<td>23,931</td>
<td>5,749</td>
</tr>
<tr>
<td>GR</td>
<td>226.4</td>
<td>863.8</td>
<td>25189.4</td>
<td>0.9</td>
<td>3.4</td>
<td>3,502</td>
<td>13,363</td>
</tr>
<tr>
<td>PT</td>
<td>252.8</td>
<td>527.4</td>
<td>14920.2</td>
<td>1.7</td>
<td>3.5</td>
<td>23,970</td>
<td>50,011</td>
</tr>
<tr>
<td>HU</td>
<td>746.5</td>
<td>33.7</td>
<td>24979.1</td>
<td>3.0</td>
<td>0.1</td>
<td>74,666</td>
<td>3,368</td>
</tr>
<tr>
<td>IT</td>
<td>636.9</td>
<td>99.5</td>
<td>21391.5</td>
<td>3.0</td>
<td>0.5</td>
<td>10,782</td>
<td>1,684</td>
</tr>
<tr>
<td>CB</td>
<td>654.2</td>
<td>2.9</td>
<td>7438.7</td>
<td>8.6</td>
<td>0.0</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>CZ</td>
<td>507.9</td>
<td>3.2</td>
<td>17631.3</td>
<td>2.9</td>
<td>0.0</td>
<td>48,711</td>
<td>303</td>
</tr>
<tr>
<td>DE</td>
<td>273.8</td>
<td>160.7</td>
<td>14681.1</td>
<td>1.9</td>
<td>1.1</td>
<td>3,340</td>
<td>1,960</td>
</tr>
<tr>
<td>RO</td>
<td>392.2</td>
<td>4.7</td>
<td>16287.0</td>
<td>2.4</td>
<td>0.0</td>
<td>19,221</td>
<td>229</td>
</tr>
<tr>
<td>FR</td>
<td>289.1</td>
<td>31.4</td>
<td>7352.2</td>
<td>3.9</td>
<td>0.4</td>
<td>54,025</td>
<td>5,871</td>
</tr>
<tr>
<td>ES</td>
<td>247.0</td>
<td>71.8</td>
<td>18658.7</td>
<td>1.3</td>
<td>0.4</td>
<td>22,161</td>
<td>6,443</td>
</tr>
<tr>
<td>UK</td>
<td>183.6</td>
<td>0.6</td>
<td>5238.3</td>
<td>3.5</td>
<td>0.0</td>
<td>2,937</td>
<td>10</td>
</tr>
<tr>
<td>SK</td>
<td>165.8</td>
<td>0.0</td>
<td>9783.1</td>
<td>1.7</td>
<td>0.0</td>
<td>30,767</td>
<td>0</td>
</tr>
<tr>
<td>SI</td>
<td>126.2</td>
<td>29.3</td>
<td>3535.5</td>
<td>3.6</td>
<td>0.8</td>
<td>61,922</td>
<td>14,393</td>
</tr>
<tr>
<td>LT</td>
<td>127.4</td>
<td>0.1</td>
<td>5692.9</td>
<td>2.2</td>
<td>0.0</td>
<td>40,876</td>
<td>19</td>
</tr>
<tr>
<td>EE</td>
<td>116.6</td>
<td>0.1</td>
<td>2903.2</td>
<td>4.0</td>
<td>0.0</td>
<td>87,498</td>
<td>58</td>
</tr>
<tr>
<td>FI</td>
<td>74.5</td>
<td>7.4</td>
<td>1033.7</td>
<td>7.2</td>
<td>0.7</td>
<td>1,613</td>
<td>160</td>
</tr>
<tr>
<td>NL</td>
<td>66.4</td>
<td>2.7</td>
<td>860.7</td>
<td>7.7</td>
<td>0.3</td>
<td>4,005</td>
<td>164</td>
</tr>
<tr>
<td>AT</td>
<td>9.4</td>
<td>58.9</td>
<td>575.6</td>
<td>1.6</td>
<td>10.2</td>
<td>1,129</td>
<td>7,049</td>
</tr>
<tr>
<td>SE</td>
<td>58.0</td>
<td>0.0</td>
<td>969.7</td>
<td>6.0</td>
<td>0.0</td>
<td>6,209</td>
<td>0</td>
</tr>
<tr>
<td>BE</td>
<td>45.9</td>
<td>0.0</td>
<td>997.0</td>
<td>4.6</td>
<td>0.0</td>
<td>4,221</td>
<td>0</td>
</tr>
<tr>
<td>MT</td>
<td>32.3</td>
<td>0.0</td>
<td>707.6</td>
<td>4.6</td>
<td>0.0</td>
<td>76,140</td>
<td>0</td>
</tr>
<tr>
<td>BG</td>
<td>30.2</td>
<td>0.0</td>
<td>6258.4</td>
<td>0.5</td>
<td>0.0</td>
<td>4,071</td>
<td>0</td>
</tr>
<tr>
<td>DK</td>
<td>8.5</td>
<td>15.2</td>
<td>249.1</td>
<td>3.4</td>
<td>6.1</td>
<td>1,542</td>
<td>2,742</td>
</tr>
<tr>
<td>CY</td>
<td>0.0</td>
<td>17.0</td>
<td>602.9</td>
<td>0.0</td>
<td>2.8</td>
<td>n.a.</td>
<td>20,776</td>
</tr>
<tr>
<td>IE</td>
<td>4.4</td>
<td>0.0</td>
<td>413.5</td>
<td>1.1</td>
<td>0.0</td>
<td>964</td>
<td>0</td>
</tr>
<tr>
<td>LV</td>
<td>0.0</td>
<td>0.5</td>
<td>3732.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0</td>
<td>249</td>
</tr>
<tr>
<td>LU</td>
<td>0.0</td>
<td>0.0</td>
<td>24.1</td>
<td>0.0</td>
<td>0.0</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,192.7</strong></td>
<td><strong>2,151.0</strong></td>
<td><strong>26,640.8.4</strong></td>
<td><strong>2.3</strong></td>
<td><strong>0.8</strong></td>
<td><strong>12,412</strong></td>
<td><strong>4,311</strong></td>
</tr>
</tbody>
</table>

Source: Calculated from WP0.
As Figure 1.7 shows,

- more than half (55.4%) of ERDF allocations to the tourism sector have been under the priority theme ‘Other assistance to improve tourist services’;
- ‘Protection and development of natural heritage’ comprises 9.0% of allocations;
- a further 9.8% has been for ‘Promotion of natural assets’.
- a large 25% of all allocations go to ‘Hotels & restaurants’ (mainly under business support and innovation priority themes).
Allocations by priority themes differ widely across member states. The priority theme ‘Other assistance to improve tourist services’ comprises more than 90% of ERDF tourism allocations in Slovakia (99.8% - EUR 165.5 million), Estonia (99.9% - EUR 116.6 million), Belgium (92.4% - EUR 42.4 million), Bulgaria (91.7% - EUR 27.7 million), and Malta (92.8% - EUR 30 million). The ‘Protection of natural assets’ comprises a particularly significant proportion of all tourism allocations in the United Kingdom (40.7% - EUR 75.1 million), in Lithuania (41.2% - EUR 52.5 million) and in Denmark (36% - EUR 8.5 million). The ‘Protection and development of natural heritage’ plays a particularly large role in France (26.8% - EUR 85.9 million), the United Kingdom (26.2% - EUR 48.3 million), the Netherlands (42.9%, EUR 29.7 million) and Ireland (100% - EUR 4.4 million).

As with culture, in tourism interventions the economic sector is either ‘not specified’ or ‘not applicable’ for more than half (52.2%) of the total ERDF allocations. This is particularly the case for the priority themes ‘Promotion of natural assets’ and ‘Other assistance to improve touristic services’. Figure II.2 and Table II.11 in Annex II show that the remaining tourism allocations are heavily concentrated in ‘Hotels and restaurants’ (14.6% of tourism allocations, totalling EUR 905 million), particularly for the thematic priority ‘Other assistance to improve touristic services’ (18.3%). ‘Public administration’ comes second after the ‘Hotels and restaurants’ sector with 12.1% of total allocations (EUR 750 million), especially concentrated in the priority theme ‘Protection of natural assets’. Other economic sectors with allocations exceeding EUR 100 million are ‘Construction’, ‘Activities linked to the environment’, ‘Social work’ and ‘Real estate, renting and business activities’ (comprising 18.4% of allocations).

As Table 1.6 shows, as with culture, ERDF allocations in tourism are concentrated in urban areas, which have a share of around 45%, which is higher than overall figure for ERDF allocations to urban areas of 41.9%. Rural areas have been allocated 22.1% of ERDF funding for tourism. Some 29% of allocations have been made through the priority theme ‘Protection of natural assets’ in rural areas. Allocations for ‘Hotels and restaurants’ have been particularly high in the islands (12.3% compared with percentages below 3% for tourism as a whole).

<table>
<thead>
<tr>
<th></th>
<th>57 - Promotion of natural assets</th>
<th>58 - Protection and development of natural heritage</th>
<th>59 - Other assistance to improve tourist services</th>
<th>Tourism 55-57</th>
<th>Hotels &amp; Restaurants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>42.8</td>
<td>36.9</td>
<td>47.6</td>
<td>45.7</td>
<td>41.0</td>
</tr>
<tr>
<td>Rural areas</td>
<td>29.0</td>
<td>15.8</td>
<td>21.9</td>
<td>22.1</td>
<td>19.8</td>
</tr>
<tr>
<td>Islands</td>
<td>0.8</td>
<td>1.1</td>
<td>3.4</td>
<td>2.8</td>
<td>12.3</td>
</tr>
<tr>
<td>Mountains</td>
<td>0.6</td>
<td>8.5</td>
<td>0.8</td>
<td>1.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Not applicable</td>
<td>7.1</td>
<td>7.9</td>
<td>12.0</td>
<td>10.8</td>
<td>12.5</td>
</tr>
<tr>
<td>Other</td>
<td>19.6</td>
<td>29.8</td>
<td>14.2</td>
<td>16.8</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Calculated from DG Regio’s ERDF AIR raw data (‘project selection’), 2007-2013.

Romania exhibits the highest ERDF allocations to tourism in urban areas (84.5% of the total), while in Ireland, Malta, Austria and Belgium there are no tourism sector allocations to urban areas at all (see Table II.13 in Annex II for more detail). In Ireland, ERDF allocations to tourism are focused on rural areas, and in Denmark, Slovakia and Hungary rural areas have been allocated almost 50% of total ERDF tourism allocations. As expected, the share of ERDF allocations for tourism in island

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38 For further details see Table II.10 in Annex II.
areas is particularly high in Greece (45.1% compared to 7.3% of overall ERDF allocations to the Greek islands), while mountain areas absorb more than 10% of tourism investments in Austria (29.5% compared to 10.7% of Austria’s overall ERDF allocations). The same is true for France’s mountain areas (allocated 16.6% of the French total compared to only 2% of overall ERDF allocations in mountain areas).

As Figure 1.8 show, almost all (95.2%) ERDF allocations to tourism are in the form of non-repayable aid while only 1.8% of allocations are in the form of repayable aid (loans, interest subsidies and guarantees) and 3% in ‘Other forms of finance’. In the case of hotels & restaurants non-repayable aid comprises a massive 78.1% of the total, while repayable aid comprises 20.7%.

In 18 out of the 27 member states, non-repayable aid comprises a full 100% of allocations. By contrast, in Lithuania, Italy and Spain repayable aid plus ‘Other forms of finance’ reach respectively 49.0%, 32.5% and 7.4% respectively. Focusing on hotels & restaurants alone non-repayable aid takes up a full 100% of the total amounts allocated in 15 of the 27 countries as well as in all of the cross-border OPs.

**Figure 1.8. Allocations to tourism by type of finance, 2007-2013**

Source: Calculated from DG Regio’s ERDF AIR raw data (‘project selection’), 2007-2013.

### 1.2.2 The core indicators

The core indicators for tourism are:

- **Indicator number 34:** Number of projects in tourism, defined as the number of projects aimed at developing the tourism industry in the region.

- **Indicator number 35:** Number of jobs created, defined as the gross direct jobs created (in full time equivalents) by tourism projects identified under indicator 34.

While these two core indicators are both potentially valuable, they do have a number of shortcomings in their nature and usage:

- Not all of the OPs with allocations in tourism priority themes report achievements for these core indicators;

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39 For further details see Table II.14 in Annex II.
• Somewhat differing definitions and methods of calculation have been adopted by the MAs;
• Reports delivered by MAs and member states sometimes include errors in the calculation of the core indicators.

Available data on core indicators from DG Regio and Work Package 0 show that only 120 out of 252 OPs with allocations in priority themes directly linked to tourism reported data on the 'Number of projects in tourism' (Core Indicator 34)\(^40\). Amongst these OPs 101 programmes invested more than EUR 15 millions in culture and tourism (64 programmes with more than EUR 15 million did not report indicator 34).

Only 60 OPs provided data on 'Jobs created' (core indicator 35), amongst which 52 programmes invested more than EUR 15 millions in culture and tourism (113 programmes with more than EUR 15 million did not report indicator 35).

In addition to the deficiencies in the definitions and usages of core indicators noted above, in a number of other cases target values for the core indicators have not been set, or have been set in such a way that substantial over- or under-achievement is being recorded\(^41\).

In addition, it is important to underline that core indicator 34 (number of projects in tourism) is rather generic, aggregating very different types of projects, and is therefore not very informative in terms of the actual achievements.

Cumulative data available for 2007-2013 shows that the total number of tourism projects selected had reached 13,091, equivalent to 64% of the target. These projects are concentrated in Spain (3,124 projects), Italy (2,931), Portugal (1,596), Hungary (1,186) and the Czech Republic (1,016).

The number of projects for OPs investing more than EUR 15 millions in tourism has reached 12,433 (64% of the target value), with only 658 projects in programmes investing less than EUR 15 millions (62% of the target value). Table II.16 in Annex II contains further details of these results.

Strikingly, no cross-border programmes report achievements for this indicator despite the very high relative share allocated to tourism. Moreover, this indicator is not reported in the OPs of Estonia (with EUR 116.7 million of allocations to tourism), Finland (EUR 74.5 million).

In terms of the total number of tourism projects, only 55 OPs reported reaching the target values by 2013 (see Table II.17 in Annex II for more detail). However, 11 OPs reported numbers of projects of more than double the target value\(^42\). By contrast, 15

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\(^{40}\) There are two OPs (2007SE162PO006-Norra Mellansverige and 2007IT161PO007-Pon "Sicurezza per lo Sviluppo - Obiettivo Convergenza) without any allocations for culture and tourism that nevertheless report this core indicator.

\(^{41}\) Reported data on core indicator 34 ('Number of projects in tourism') show that the target was not set for 34 OPs, while for 26 OPs the target value was later corrected. Achievement data have been corrected later in 37 OPs. With reference to core indicator 35 ('Jobs created' in full-time equivalents), data from WP0 show that target values have been corrected later in 20 OPs (data on achievements have been changed in 12 OPs).

OPs reached less than 20% of the target values\textsuperscript{43}.

The second core indicator (‘Jobs created’) also has some specific problems of its own. As shown by a recent report on Job creation as an indicator of outcomes in ERDF programmes\textsuperscript{44} there is evidence that: (a) differences exist across member states in the use of this indicator; (b) differences occur in the definitions and methods of calculation adopted, resulting in data aggregation problems when calculating the national totals; (c) differences exist in the projects included in calculating the indicator (with differences between on-going projects and concluded ones); and (d) there are differences in the measurement of jobs (often only the number of jobs is reported without adjustment being made to give the full-time equivalents).

In addition, achievement figures for the Jobs created indicator are not provided by cross-border programmes and by a large number of individual OPs (e.g. those of Romania (EUR 392.2 million), Spain (EUR 247 million), Latvia (EUR 127.4 million), Estonia (EUR 116.6 million), Finland (EUR 74.5 million), the Netherlands (EUR 66.4 million), Belgium (EUR 45.9 million), Malta (EUR 32.3 million), Bulgaria (EUR 30.2 million).

Despite the fact that caution must be exercised in considering job creation figures for tourism and culture interventions, it is nevertheless possible to extract some broad figures. By the end of 2013, the available data report the creation of 17,640 jobs for tourism projects, 78\% of the target and 0.6\% on the total employment in the tourism sector in the countries with at least some OPs providing achievement figures for this indicator.

The highest jobs created achievements were reported in Poland (3,384) and Hungary (3,324). Italy also reported a high number of jobs created (2,723), followed by Sweden (1,904). Further detail can be seen in Table II.18 in Annex II. The jobs created by OPs investing more than EUR 15 million in tourism were 14,831 (69\% of the target value), while OPs investing less than EUR 15 millions created only 2,809 jobs (reaching only 2\% of the target value).

At national level the highest reported ratios of achievements to target values was for the United Kingdom, with the number of jobs created being around ten times the target value. Germany has reported 4.5 times the target value and Italy 1.7 times the target. Lithuania, France, the Czech Republic, Poland and Slovenia are now close to the target number for jobs, while for the other countries the reported job creation is less than the 50\% of the target value.

Only 14 individual OPs report having reached their target value for number of jobs created in 2013\textsuperscript{45}.

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\textsuperscript{45} These are: Regionalny Program Operacyjny Województwa Świętokr, Programme opérationnel FEDER Martinique, Operationelles Programm EFRE Schleswig-Holstein 2007-2013, ROP NUTS II Střední Čechy, Regionalny Program Operacyjny dla Województwa Doln, Operational Programme for Central Transdanubia, Por Ricerca e competitivita’, ROP NUTS II Jihozápad, Gibraltar ERDF Regional Competitiveness and Employment, 2007-2013 m. Sanglaudos skatini mo veiksmų programa, Programme opérationnel plurirégional FEDER LOIRE, ROP NUTS II Střední Morava, Regionalny Program Operacyjny Województwa Lubuskie and Por Marche FESR). For more detail see Table II.18 in Annex II.
By contrast, 10 OPs achieved under 20% of the target by 2013\textsuperscript{46}.

1.2.3 Other relevant indicators

As noted earlier, in addition to the two core indicators, a number of other programme-specific indicators relating to tourism are available from WP0.

Overall, some 113 indicators have been reported by the MA\textsuperscript{s} of around 90 OP\textsuperscript{s}, particularly in the cross-border programmes. Italy, Poland, France and the Czech Republic also report larger numbers of programme-specific indicators. The WP0 list of indicators is not complete. The on-line survey of MA\textsuperscript{s} (see Section 2) conducted by this evaluation has revealed other tourism specific indicators not listed in WP0 for 34 OP\textsuperscript{s}.

The specific indicators for tourism cannot be aggregated as they comprise different variables, definitions and methods of calculation. We can however classify them according to the unit of analysis adopted.

As shown in Table 1.7 the tourism specific indicators refer mainly to:

- Products and services (44 indicators);
- Number of visitors (33 different indicators);
- Additional and/or modernised tourist beds and facilities (31 indicators);
- Sites, monuments and infrastructure (18 indicators);
- Number of nights spent (18 indicators).

Other less widely used indicators include the ‘Number of actions/interventions in tourism’, ‘Number of enterprises’, ‘Investment and expenditures’, ‘Networks’, ‘Events and initiatives’.

Table 1.7 sets out the ratios of achievements to targets on the basis of the data collected in WP0 for specific indicators relating to tourism\textsuperscript{47}. Target values have been reached on average for indicators relating to the ‘Number of visitors’, ‘Events and initiatives’, and ‘Tourism infrastructure’ (e.g. sites, monuments).

\textsuperscript{46} These are PO Regional do Algarve 2007-2013, PO Valorização do Potencial Económico e Coesão Ter, OP Competitiveness and Economic Growth, Por Toscana FESR, Programa Operacional dos Açores para a Convergênci, Programme opérationnel plurirégional FEDER ALPES, Regionalny Program Operacyjny Województwa Kujawsko, PO Factores de Competitividade 2007-2013, Por Sicilia FESR, Por Friuli Venezia Giulia FESR.

\textsuperscript{47} Further details on the achievements reported by MA\textsuperscript{s} for each indicator and OP are reported in Table II.21 in Annex II.
<table>
<thead>
<tr>
<th>Type of indicator</th>
<th>Number of indicators</th>
<th>Number of Countries</th>
<th>Countries</th>
<th>Average ratios of achieved outputs to targets</th>
<th>Indicators and OP with lowest ratios of achievements to targets</th>
<th>Indicators and OP with highest ratios of achievements to targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Interventions</td>
<td>4</td>
<td>2</td>
<td>IT, PT</td>
<td>0.25</td>
<td>Number of intangible interventions for promoting the integration of inter-regional touristic offer - Supported actions for qualification and promotion of touristic resources of Oporto/North Region</td>
<td>Supported actions for qualification and promotion of touristic resources integrated into regional development plans</td>
</tr>
<tr>
<td>Additional and/or modernized tourist beds, facilities</td>
<td>31</td>
<td>24</td>
<td>FR, IT, GR, CZ, PL, CY, CB, AT, SI, BG</td>
<td>0.78</td>
<td>Additional host capacity of hotels - Number of new beds - Number of recovered buildings for touristic purposes</td>
<td>Programme opérationnel FEDER Réunion - Por Friuli Venezia Giulia FESR</td>
</tr>
<tr>
<td>Enterprises</td>
<td>8</td>
<td>7</td>
<td>CZ, IT, PL, BE</td>
<td>0.50</td>
<td>Share of entities operating in tourism in the CR, which will be connected to the information system - Number of new/updated touristic enterprises - Number of touristic enterprises benefiting from facilitations - Number of female touristic enterprises benefiting from facilitations</td>
<td>Integrovaný operační program - POR Calabria FESR 2007 - 2013 - POR Molise FESR</td>
</tr>
<tr>
<td>Number of days/nights of tourism presence</td>
<td>22</td>
<td>19</td>
<td>FR, IT, RO, IE, CZ, DE, SI, HU</td>
<td>0.75</td>
<td>Increased number of nights - Days of touristic presence (non-summer time) - Number of touristic presence days - Overnights-staying within the accommodation structures</td>
<td>Programme opérationnel FEDER Guadeloupe - POR Calabria FESR 2007 - 2013 - Por Abruzzo FESR - Regional Operational Programme</td>
</tr>
<tr>
<td>Investments, revenues</td>
<td>9</td>
<td>8</td>
<td>BG, FR, PL, IT, AT</td>
<td>0.66</td>
<td>Net annual revenues from international tourism - Amounts of investment (tourism and tic)</td>
<td>Operational Programme Regional Development - Programme opérationnel FEDER Réunion</td>
</tr>
<tr>
<td>Networks</td>
<td>6</td>
<td>5</td>
<td>CB, BE</td>
<td>0.89</td>
<td>Networks of harbours and touristic services</td>
<td>Number of network of harbours and touristic services</td>
</tr>
<tr>
<td>Number of visitors</td>
<td>33</td>
<td>29</td>
<td>CZ, FR, IT, PL, PT, RO, HU, EE, DE, CB</td>
<td>3.90</td>
<td>Increase in the share of tourists in the number of visitors to the CR - % Of tourists other than metropolitan - Presence of foreign tourists (%) - Additional tourists in area covered by</td>
<td>Integrovaný operační program - Programme opérationnel FEDER Guadeloupe - POR Calabria FESR 2007 - 2013 - Por Veneto FESR</td>
</tr>
</tbody>
</table>

* Ratios of achieved outputs to targets
| Events, initiatives | 10 | 10 | IT, RO, PL, CB, ES, FR | 1.47 | Number of initiatives for touristic offer diversification - Recovery of touristic demand (%) - Promotional campaigns for advertising the tourism brand | Regionalny Program Operacyjny Województwa Zachodni - PO Regional do Norte 2007-2013 - Regional Operational Programme | 0.00 | Poin Attrattoni culturali, naturali e turismo - Por Abruzzo FESR - Regional Operational Programme | Number of thematic touristic packages | 7.90 | Programma Operativo di Cooperazione Transfrontali |
| Products, Services | 44 | 11 | SK, PL, FR, IT, CZ, CB | 1.28 | Number of new and improved services provided in tourism | Regional Operational Programme | New tourism products and/or improved quality of existing products developed by the association | 0.00 | Programme opérationnel FEDER BASSE-NORMANDIE - Program Operacyjny Rozwój Polski Wschodniej 2007-2013 - Regional Operational Programme | No of places for incoming tourists created on both sides of the border due to supported operations | 3.90 | Programma Operativo FEDER Cooperación Transfronteri |
| Sites, monuments and infrastructures | 18 | 17 | FR, PL, RO, DE, CB, LT, PL, CZ | 1.67 | Virtual tourist routes - Number of tourist attractions made available - National Tourism Information and Promotion Centres supported | Programme opérationnel FEDER BASSE-NORMANDIE - Program Operacyjny Rozwój Polski Wschodniej 2007-2013 - Regional Operational Programme | No of places for incoming tourists created on both sides of the border due to supported operations | 0.00 | | | 10.00 | Lithuania - Poland 2007-2013 European Teritorial C |

* non weighted average of the achievements/target ratio for each indicator

Source: Calculated from WP0.
1.3 Conclusions and answers to the evaluation questions

In this section results have been presented for an analysis of: (i) the categorisation of expenditures and (ii) the achievement indicators reported by Managing Authorities in the Annual Implementation Reports as well as the information of relevant indicators available from the database created by WP0.

Separate analyses for culture and tourism were conducted on the five dimensions of the categorisation system and achievements reported in order to seek answers to the ToR evaluation questions.

E. Q 1 What are the main differences in the relative distribution of investments in culture and tourism across ERDF programmes?

Some EUR 14.4 billion of ERDF funds (5.4 % of total ERDF funding) have been allocated to the culture and tourism sectors within the 2007-2013 programming period. The amount allocated to tourism is only slightly larger than that allocated to culture (EUR 6,193 million and EUR 6,035 million respectively). In addition EUR 2,151 million have been allocated to the hotels and restaurants category.

Out of the 317 OPs considered, 252 allocated a part of their ERDF funding to the tourism and culture priority themes. Out of these 252, 165 have allocated more than EUR 15 million to culture and tourism.

ERDF allocations to culture and tourism are highest in in Poland (EUR 2,146.9 million), Greece (EUR 1,823.3 million), Italy (EUR 1,398.1 million), Hungary (EUR 1,174.5 million) and Portugal (EUR 1,113.8). EUR 1,222.4 million have been allocated in the cross-border programmes. Tourism absorbs 43% of the total amount allocated to the sectors under analysis, while 42% is absorbed by culture and 15% by hotels and restaurants not included in 55-60 priority theme codes. A similar composition is registered in Poland, Italy, Spain and Slovenia. The shares of allocations absorbed by culture priority themes are higher than the average in Bulgaria, Malta and Latvia. By contrast, allocations to tourism are higher than average in Hungary, Czech Republic, Romania, France, Lithuania, the United Kingdom, Estonia, Finland and the Netherlands. In Greece, Portugal, Austria, Denmark and Cyprus allocations to the economic activities referred to as hotels and restaurants (not included in 55-60 priority theme codes) are significant.

In Convergence Objective regions, culture and tourism absorbed 4.9% of total ERDF funding, a lower incidence compared to the 6% registered in the Competitiveness & Employment Objective regions.

More than half (58.4%) of the ERDF allocations to the culture sector are focused on the priority theme ‘Protection and preservation of the cultural heritage’ while 35% are focused on ‘Development of cultural infrastructures’.

More than half (55.4%) of ERDF allocations to the tourism sector are focused on the priority themes ‘Other assistance to improve tourist services’ and ‘Protection and development of natural heritage’.

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E.Q.2 What are the economic sectors (distinguishing between public and private) benefiting most from investments associated with culture and tourism?

For both culture and tourism the distribution of allocations by economic activity shows an unusually high incidence of ‘not specified’ or ‘not applicable’ reports (70% for culture and 52.2% for tourism). The Commission's general recommendation is that the economic activity codes be applied based on the sector benefiting from the operation supported. The low use of sector specific codes almost certainly reflects uncertainty in the minds of those applying the codes about how to attribute the economic activity codes, particularly given that the definition of these two sectors is both conceptually and pragmatically challenging.

The highest percentage of allocations associated with culture for which data are available is in ‘Public administration’ (13.8% of all culture allocations, amounting to some EUR 830 million). Other economic sectors with allocations exceeding EUR 100 million are ‘Construction’, ‘Real estate, renting and business activities’ and ‘Education’.

Tourism allocations for which data are available are concentrated in ‘hotels and restaurants’ (14.6% of tourism allocations, amounting to EUR 905 million) and in the ‘Public administration’ sector (12.1%, or some EUR 750 million). Other economic sectors with allocations exceeding EU 100 million are ‘Construction’, ‘Activities linked to the environment’, ‘Social work’ and ‘Real estate, renting and business activities’.

E.Q.3 What is the ‘territorial’ distribution across investments?

ERDF allocations for culture are concentrated in urban areas, accruing an average share around 55% of total allocations. This percentage is higher than the overall value for ERDF allocations in urban areas which is 41.9%. Rural areas absorb an average share of 17.2% of ERDF allocations for culture.

ERDF allocations for tourism are also concentrated in urban areas, with a share of around 45% (compared to 41.9% of total amount of all ERDF allocations to urban areas). Rural areas absorb 22.1% of ERDF allocations for tourism (compared to 17.5% of total amount of all ERDF allocations to rural areas). Allocations for ‘hotels and restaurants’ are particularly high in the island regions (at 12.3% of the total compared with percentages below 3% for tourism as a whole).

E.Q.4 How reliable is the reporting of relevant core indicators across the programmes?

There are no core indicators for culture.

There are only two ERDF core indicators for the tourism sector:
- Indicator number 34: ‘Number of projects in tourism’, defined as the number of projects aimed at developing the tourism industry in the region.
- Indicator number 35: ‘Number of jobs created’, defined as the gross direct jobs created (in full time equivalents) by tourism projects identified under indicator 34.

The analysis shows that the 2007-2013 core indicators have limitations and deficiencies in capturing outputs and that not all OPs report achievements for them when they are making relevant investments. Only 120 out of 252 OPs with allocations in priority themes directly linked to culture and tourism reported data on the 'Number of projects in tourism' (Core Indicator 34), and of these only 101 invested more than EUR 15 millions in culture and tourism. Moreover, only 60 OPs provided data on 'Jobs
created’ (Core Indicator 35), with only 52 investing more than EUR 15 millions. It is worth stressing that 19 OPs with significant ERDF allocations to tourism (more than EUR 15 million) do not report either core indicator.

Core indicator 34 (number of projects in tourism) is rather generic, aggregating very different types of projects, and is therefore not very informative on actual achievements. Core indicator 35 (number of jobs created) has been defined and used in different ways by MAs, resulting in data aggregation problems when calculating the national totals.

Data available for 2013 show that the total number of assisted tourism projects stands at 13,091, equivalent to 64% of the target. Some 17,640 jobs had been created by 2013 by tourism projects. This is equivalent to 78% of the target and 0.6% of total tourism employment.

E.Q.5 What programme specific indicators are used and what are their reported achievements?

MAs have used quite a large number of different programme-specific output indicators for monitoring progress in Priorities and Measures focused on tourism and culture. The specificity of these indicators means, of course, that comparing results across similar measures is extremely difficult.

A number of OPs (61) provide programme-specific indicators relating directly to the culture sector. This is particularly the case among the cross-border programmes and OPs in Poland, Italy and the Czech Republic. However, among OPs replying to the on-line the survey (see Section 2 below), an additional 48 OPs to those listed in the database of WP0 have reported specific indicators for culture.

Commonly used culture programme-specific indicators mainly refer to the improvement of cultural sites or monuments. A number of OPs describe their achievements with indicators such as the number of equipment purchases made, and the number of facilities or cultural assets modernized or newly built. There are some 41 indicators in these categories. Some 14 programme-specific indicators refer to the number of visitors to museums, or to numbers of participants in cultural events. MAs also report achievements in culture in terms of cooperation, networks and jobs created.

Overall, 113 specific indicators related to tourism have been reported by the MAs of around 90 OPs, above all in cross-border programmes, as well as in Italy, Poland, France and the Czech Republic. The on-line survey discussed in Section 2 identified an additional 34 tourism programme-specific indicators.

The programme-specific indicators for tourism particularly focus on the ‘Number of visitors’ (32 different indicators), ‘Additional and/or modernised tourist beds and

48 These are: Program Operacyjny Infrastruktura i Środowisko (PL), PO Temático Valorização do Território 2007-2013 (PT), Regionalny Program Operacyjny Województwa Śląskiego (PL), Operationelles Programm EFRE Thüringen 2007 bis 20 (DE), Programme opérationnel FEDER NORD PAS-DE-CALAIS (FR), Operationelles Programm EFRE Berlin 2007-2013 (DE), Operational Programme for the Development of Livin (EE), Program współpracyrzygranicznej Polska-Słowacja (CB), INTERREG IV France-Wallonie-Vlaanderen (CB), Programme des 2 mers (CB), Programme opérationnel FEDER PAYS DE LA LOIRE (FR), Interreg IV A programme de coopération transfronta (CB), Operational Programme for Social Infrastructure (HU), PO Italia-Francia Alpi (ALCOTRA) (CB), Programa Operativo FEDER Cooperación Transfronteri (CB), Ziel 3-Programm zur grenzüberschreitenden Zusammen (CB), Ziel 3-Programm zur grenzübergreifenden Zusammennar (CB), OP Česká republika - Polsko (CB), Programma per la cooperazione transfrontaliera (CB).
facilities’ (23 indicators), ‘Sites, monuments and infrastructures’ (18 indicators), and ‘Number of nights spent’ (18 indicators).
According to the indicators available in WP0 for culture and tourism, the highest achievement levels relative to targets are found for the ‘Number of visitors’ and ‘Numbers of events and initiatives’. For tourism, ‘Infrastructure investments’ also exhibit high levels of achievement relative to targets.
2. Main features of the adopted strategies and results of ERDF programmes allocating more than EUR 15 million to culture and tourism

This section of the report presents the results of an on-line survey of the MAs of OPs allocating more than EUR 15 million to culture and tourism in the 2007-2013 programming period. The section begins with an overview of the sample conducted before moving on to present the results of the analysis.

2.1 Overview of the sample

In total some 165 OPs were surveyed representing all OPs with more than EUR 15 million in ERDF funding being allocated to culture and tourism\(^49\). The survey was designed to investigate the rationale behind ERDF investments in culture and tourism, as well as to understand the nature of the activities being implemented. Information was also sought on what was being achieved. Out of the 165 OPs, 157 were approached via an on-line survey. The remaining OPs (namely Bulgaria, Latvia, Estonia, Lithuania, Romania, and Slovakia) were approached by way of telephone interviews. The questionnaire was translated into 10 languages\(^50\).

Table 2.1 below provides a number of key statistical details concerning the sample. In particular, the total number of sampled OPs for each member state, the response rate and the total amount of ERDF resources committed to culture and tourism by both targeted and responding OPs.

Figure 2.1 below shows the country-by-country location of the sampled OPs. It is worth noting that 34 out of 165 OPs targeted are cross-border OPs. In addition, Poland, Italy, Germany and France are the countries with the highest number of OPs which have been investing more than EUR 15 million in tourism and culture.

\(^{49}\) In order to select the OPs for the survey, the amount of Structural Funds committed to the categories of expenditures in culture and tourism (55-60 plus hotels and restaurants) was used as the basis. The selected 165 OPs account for 96% of total committed resources to culture and tourism during 2007-2013.

\(^{50}\) Czech, English, French, German, Greek, Hungarian, Italian, Spanish, Polish and Portuguese. To further support the data collection and to avoid having too many uncompleted questionnaires, country experts were mobilised to carry out subsequent telephone calls in order to solicit answers from targeted OPs and provide technical support (in terms of explanations and clarifications) for the completion of the questionnaire.
Table 2.1. Sample sizes, response rates and scale of ERDF allocation

<table>
<thead>
<tr>
<th>Country</th>
<th>Total number of OPs targeted</th>
<th>Total allocation of targeted OPs to tourism, culture and H&amp;R EUR million</th>
<th>Response rate</th>
<th>Share of allocation to tourism, culture and H&amp;R covered by respondents to the survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>19</td>
<td>2,057.9</td>
<td>74%</td>
<td>75%</td>
</tr>
<tr>
<td>Greece</td>
<td>7</td>
<td>1,649.2</td>
<td>71%</td>
<td>72%</td>
</tr>
<tr>
<td>Italy</td>
<td>15</td>
<td>1,083.5</td>
<td>47%</td>
<td>43%</td>
</tr>
<tr>
<td>Portugal</td>
<td>9</td>
<td>1,048.1</td>
<td>33%</td>
<td>46%</td>
</tr>
<tr>
<td>Hungary</td>
<td>9</td>
<td>1,045.2</td>
<td>89%</td>
<td>98%</td>
</tr>
<tr>
<td>Cross-border</td>
<td>34</td>
<td>970.6</td>
<td>24%</td>
<td>18%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>8</td>
<td>940.5</td>
<td>50%</td>
<td>42%</td>
</tr>
<tr>
<td>Spain</td>
<td>10</td>
<td>759.7</td>
<td>90%</td>
<td>98%</td>
</tr>
<tr>
<td>Germany</td>
<td>13</td>
<td>686.5</td>
<td>69%</td>
<td>61%</td>
</tr>
<tr>
<td>Romania</td>
<td>1</td>
<td>679.0</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>France</td>
<td>13</td>
<td>326.5</td>
<td>46%</td>
<td>48%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2</td>
<td>275.6</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1</td>
<td>252.5</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1</td>
<td>214.6</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5</td>
<td>189.4</td>
<td>60%</td>
<td>81%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1</td>
<td>163.9</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Estonia</td>
<td>2</td>
<td>146.6</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Malta</td>
<td>1</td>
<td>101.9</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>3</td>
<td>100.8</td>
<td>33%</td>
<td>40%</td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
<td>90.4</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Finland</td>
<td>3</td>
<td>86.8</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Sweden</td>
<td>2</td>
<td>60.0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Latvia</td>
<td>1</td>
<td>34.5</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Denmark</td>
<td>1</td>
<td>30.7</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Austria</td>
<td>1</td>
<td>28.2</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1</td>
<td>25.0</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>165</strong></td>
<td><strong>13,047.62</strong></td>
<td><strong>58%</strong></td>
<td><strong>68%</strong></td>
</tr>
</tbody>
</table>

Source: Own survey data.

Figure 2.1. The 165 targeted OPs - those investing more than EUR 15 million of ERDF in culture and tourism, 2007-2013

Source: Own survey data.
A total of 95 questionnaires were completed by the closure of the survey\textsuperscript{52}, representing 58% of the full sample. While recognising the relatively high responsiveness of the MAs contributing to the survey, it should be pointed out that questionnaires submitted were in some cases not fully completed. Significant gaps have been found for questions especially in the sections concerning core and specific indicators, and data on the achievements (see Section 2.5 below for more detail).

As shown in Figure 2.3 below, only 24% of targeted cross-border OPs responded to the survey while satisfactory response rates were recorded in Poland (74%), Greece (71%), Germany (69%) and the United Kingdom (60%).

In terms of Structural Funds committed to expenditure in culture and tourism (i.e. 55-60 plus hotels and restaurants), the OPs that responded to the survey account for 62% of the total ERDF allocations (EUR 8,929 million) committed to culture and tourism.

\textsuperscript{51} The map does not include the cross-border programmes. The full list of targeted OPs is provided in Table III of Annex II.

\textsuperscript{52} The survey was launched on the 17th of December and was closed on the 27th of February 2015.
tourism during 2007-2013.

**Figure 2.4. Response rate by volume of resources covered**

![Response rate by volume of resources covered](image)

Source: Own survey data.

Table 2.2 below provides a description of the sample of OPs targeted as well as of respondents to the survey, focusing on the nature of the programmes, including their geographical coverage (i.e. national vs regional, and EU12 vs EU15) as well as the EU objectives through which they are co-financed. Interestingly, the highest numbers of OPs targeted by the survey were regional OPs (104 out 165 OPs targeted) as well as those covered by the Competitiveness and Employment Objective (78 out of 165 OPs targeted). Most are located in the EU15 countries (84 out of 165 OPs targeted). The highest response rates were for OPs co-financed under the Convergence Objectives, for national OPs (84% of the national OPs targeted) and for OPs located in EU12 countries (79% of the OPs targeted in EU12 countries).

<table>
<thead>
<tr>
<th>Nature of the sample: targeted OPs and response rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of OP</strong></td>
</tr>
<tr>
<td><strong>OPs by EU objective</strong></td>
</tr>
<tr>
<td>European Territorial Cooperation Objective</td>
</tr>
<tr>
<td>Competitiveness and employment Objective</td>
</tr>
<tr>
<td>Convergence Objective</td>
</tr>
<tr>
<td><strong>OPs by EU level</strong></td>
</tr>
<tr>
<td>Cross-border</td>
</tr>
<tr>
<td>EU15</td>
</tr>
<tr>
<td>EU12</td>
</tr>
<tr>
<td><strong>OPs by geographical coverage</strong></td>
</tr>
<tr>
<td>Cross-border</td>
</tr>
<tr>
<td>Multiregional</td>
</tr>
<tr>
<td>National</td>
</tr>
<tr>
<td>Regional</td>
</tr>
</tbody>
</table>

Source: Own survey data.

Focusing on the 95 OPs respondents to the survey, it is worth pointing out that the sample is made up of 67 regional OPs (representing 71% of total OPs respondents), but also includes 16 national OPs (17%), as well as eight cross-border OPs (8%) and four multiregional OPs (4%) programmes. In terms of coverage of EU objectives, 59
OP respondents (representing 62% of total respondents) are co-financed through the Convergence Objective, 28 through the Competitiveness and Employment Objective (29%), and eight through the Territorial Co-operation Objective (8%). Interestingly, responding OPs are largely those allocating more than EUR 30 million to tourism and culture (78 out of 95 respondents).

Amongst the respondents, a higher responsiveness of EU12 and EU15 countries with respect to the cross-border programmes is revealed. As shown by Figure 2.5 below, cross-border OPs account for 21% of the targeted OPs while they represent only 8% of respondents. The OPs in EU15 and EU12 countries account for 53% and 39% of the respondents, respectively, while they represent 51% and 28% of the total number of OPs initially targeted by the survey.

Figure 2.5. An overview of the sample, by EU objectives, EU level and geographical coverage

Source: Own survey data.

2.2 Strategies and rationale for investing in culture and tourism

The present section builds on answers provided to questions B1-B9 of the questionnaire.
B.1 Please indicate if there is a specific strategy for CULTURE in your OP, if this strategy is inspired by regional/national strategies on CULTURE or if other rationales apply (indicate in this case how investment priorities are decided and funds allocated)?

B.2 What is the rationale for investing in CULTURE in the strategy?

B.3 Please indicate if there is a specific strategy for TOURISM in your OP, if this strategy is inspired by regional/national strategies on TOURISM or if other rationales apply (indicate in this case how investment priorities are decided and funds allocated).

B.4 What is the rationale for investing in TOURISM in your ERDF Operational Programme?

B.5 To what extent are strategies on CULTURE and on TOURISM integrated? Please, provide a brief description.

B.6 To what extent have strategies on CULTURE and on TOURISM been integrated with other strategies (e.g. with strategies on competitiveness of SMEs, on innovation etc.)? Please, provide a brief description.

B.7: « In the ERDF Operational Programme of your country/region: (more than one response is possible) ». Possible answers included: i) There is a specific priority axis for Culture; ii) There is a specific priority axis for Tourism; iii) Culture and tourism are addressed together in a specific priority axis; iv) There are specific measures for Tourism/Culture within a broader priority axis; v) Tourism/Culture are indirectly addressed in the framework of integrated projects for urban and regeneration; vi) Tourism/Culture are indirectly addressed under other headings; vii) A mix of the above; viii) Other.

B.8 Which are the SPECIFIC OBJECTIVES for CULTURE directly or indirectly addressed by the ERDF Operational Programme of your country/region?

B.9 Which are the SPECIFIC OBJECTIVES for TOURISM directly or indirectly addressed by the ERDF Operational Programme of your country/region?

Note: See the inception report for the full questionnaire.

In particular, one of the key survey objectives was to investigate the strategies for undertaking culture and tourism sector interventions adopted by the targeted OPs, as well as to analyse the logic underpinning the interventions and the specific objectives that were focused on. The following evaluation question particularly addressed this:

E.Q.1 On which socio-economic objectives do the interventions focus on and what is the logic underpinning these interventions? To what extent do interventions address identified market failures?

Evidence collected from the survey shows that OPs identify a wide range of rationales to underpin their ERDF interventions in tourism and culture. Moreover, they have been adopting these strategies closely in coordination with other national and regional policies.
Starting with the **culture sector**

53 Addressed by question B2 of the questionnaire: "What is the rationale for investing in CULTURE in the strategy?"

54 Strategies for culture sector have been investigated through open question B1 - « Please indicate if there is a specific strategy for CULTURE in your OP, if this strategy is inspired by regional/national strategies on CULTURE or if other rationales apply (indicate in this case how investment priorities are decided and funds allocated) ».

...
Crete and the Aegean Islands, Galicia, the cross border OP Italia-Slovenia, etc. There are also a significant number of OPs focusing on economic diversification alone or combining it with a social cohesion strategy.

OPs such as UK North West, FR Bourgogne, and CB Italia-Austria provide examples of strategies focusing on supporting economic development alone, by promoting territorial marketing activities, upgrading and developing accommodation infrastructure or by enhancing the cultural and natural assets.

The OPs DE-Mecklenburg and GR-Digital Convergence are amongst the OPs which have focused primarily on innovation by introducing the use of ICTs in the culture sector. Around 20 OPs out of 95 respondents have adopted a combined strategy designed to support both economic diversification and social cohesion.

The OP CB Poland-Germany provides an example of a combination between two different strategies, namely economic development and social cohesion. The focus here is on protecting cultural and heritage sites, developing a wider public cultural infrastructure, stimulating Polish-German cross-border cultural projects and supporting institutions with the aim of enhancing social and territorial cohesion amongst the two regions.

Turning to the tourism sector, respondents have declared the following main rationales for ERDF involvement: (a) the lack and/or poor quality of infrastructure (e.g. CB - Poland–Germany), (b) the lack of an adequate marketing and promotion of tourist products (e.g. BG - Regional Development, CZ South west, CZ Central Moravia, IT Sardegna), (c) the need to reduce the seasonal peaking of tourist flows and diversifying the offer (e.g. HU - Central Transdanubia, EE – Estonia) (d) the need to revitalize urban and rural areas (e.g. CY - Sustainable Development and Competitiveness), (e) a lack of capital for investment and development of the sector (e.g. CZ Moravia-Silesia, HU Central Hungary), (f) the need to reduce territorial economic disparities (e.g. ES Galicia), and (f) the low capacity for innovation of receptive structures (e.g. IT Campania).

With respect to strategy for the culture sector, there are OPs which have focused solely on one strategy, while others have chosen to combine more than one strategy. As shown in Table 2.4 below, there are OPs (such as DE-Mecklenburg) which have focused solely on a strategy to support the economic diversification of the sector by mostly supporting private initiatives. Similarly, OPs such as Romania, GR-Digital Convergence, PL–Łódzkie, PL–Lubuskie, SK-Western Slovakia, Central Slovakia and Eastern Slovakia have chosen to focus only on the promotion of innovation, by supporting, for instance, measures to reduce the digital divide within the sector. In the OP GR Digital Convergence, tourism measures have been aligned with the Greek national Digital Strategy for 2006-2013.

Table 2.4 shows that as tourism differs from the culture sector in that a more diverse combination of strategies can be observed amongst the OPs. In tourism a lot of OPs have a combined strategy for both economic diversification and innovation. In a similar vein, there are a number of OPs which have supported both the economic diversification of the sector while promoting the economic and environmental sustainability of the sector. This is, for instance, the case in Malta, UK North West, IT POIN (Interregional OP Cultural, Natural and Tourism Attractors”) and the CB Italia-Austria (see Table 2.4 below).

It is also worth noting that while culture strategies are reported to be very heavily focused on regeneration and social inclusion issues (e.g. integrating disadvantaged people within society through culture), interventions financed in the tourism sector are
more often connected with innovation, competitiveness and economic diversification (i.e. rather ‘harder’ economic strategies). This does not mean that social inclusion is wholly disregarded in the tourism strategies. For example, the stated tourism strategy of the CB - Italia-Slovenia programme seeks to target disadvantaged categories of society (e.g. language minorities) through specific interventions for the valorisation of ‘niche’ tourism (e.g. focusing on the natural and environmental resources of the area).
Table 2.3. An overview of culture sector strategies identified by OP respondents

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<tr>
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<tbody>
<tr>
<td></td>
<td>BE - Hainaut</td>
<td>BG - Regional Development</td>
<td>CB - Italia-Austria</td>
</tr>
<tr>
<td></td>
<td>CB - Italia-Austria</td>
<td>CB - Central Baltic</td>
<td>DE - Berlin</td>
</tr>
<tr>
<td></td>
<td>DE - Brandenburg</td>
<td>CB - Poland-Germany</td>
<td>DE - Hessen</td>
</tr>
<tr>
<td></td>
<td>EL - Greece (no Attiki)</td>
<td>CB - Central Baltic</td>
<td>IT - Veneto</td>
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<tr>
<td></td>
<td>ES - Castilla y León</td>
<td>CZ - North-West</td>
<td>NL - West</td>
</tr>
<tr>
<td></td>
<td>ES - Castilla la Mancha</td>
<td>ES - Andalucia</td>
<td></td>
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<tr>
<td></td>
<td>FR - Bourgogne</td>
<td>ES Asturias</td>
<td></td>
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<tr>
<td></td>
<td>PL - Infrastructure</td>
<td>ES - Madrid</td>
<td></td>
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<tr>
<td></td>
<td>PL - Lubuskie</td>
<td>FI - North Finland</td>
<td></td>
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<tr>
<td></td>
<td>PL - Opolskie</td>
<td>FR - Rhone-Alps</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PT - Madeira</td>
<td>IT - Campania</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UK - North West</td>
<td>IT - Sardinia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CY - Sustainable Development and Competitiveness</td>
<td>PL - Lesser Poland</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>PL - Pomerania</td>
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<tr>
<td></td>
<td></td>
<td>PL - Świętokrzyskie</td>
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<td></td>
<td></td>
<td>PL - Zachodniopomorskie</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SK - Western Slovakia, Central Slovakia and Eastern Slovakia</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SL - Slovenia</td>
<td></td>
</tr>
<tr>
<td>1 Economic Diversification</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 2. Social Cohesion | BE - Walonia | CB - Italia-Slovenia | CB - Lithuania-Poland |
|                   | CB - Moravia Silesia | DE - Thüringen | ES - Extremadura |
|                   | ES - Galicia | GR - Crete and the Aegean Islands | IT - Emilia Romagna |
|                   | IT - Piemonte | IT - POIN | LV - Infrastructure and Services |
|                   | OP Romania | PL - Łódzkie | PL - Lower Silesia |
|                   | PL - Podkarpackie | PL - Podlaskie | PL - Warminski-Mazurskie |
| 2. Social Cohesion | | | |

| 3. Innovation | DE - Mecklenburg | GR - Digital Convergence |
|               | | |

Source: Own survey. In bold are OPs suggested for case studies.
Table 2.4. An overview of tourism sector strategies identified by OP respondents

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>2. Social Cohesion</td>
<td>PT - Madeira PL - Opolskie</td>
<td>CB - Poland–Germany PT - Norte</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Sustainability</td>
<td>CB - Italia-Slovenia</td>
<td>IT - Campania</td>
<td>IT – Sardinia</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own survey. OPs picked out in bold type are those suggested as potential case studies.
In general, the survey suggests that the priorities for culture and tourism are generally inspired by national and regional strategies rather than having been specifically designed for the ERDF programme. Box 2.1 below provides some examples, both for culture and tourism, of national or regional strategies drawn up by the OPs. Interestingly, there are examples of OPs which do not include a specific strategy for culture or tourism, but rather include measures which are directly related to the national or regional strategies. This is, for example, the case with OP ES – Extremadura, where the actions described in the OP are part of the Strategic Plan for the Protection of Historical and Artistic Heritage. Another example is the OP ES Castilla-La Mancha, where synergies and complementarities have been stressed by the MA as being part with the Plan de Parques Arqueológicos de Castilla-La Mancha. The OP has been closely aligned with the objectives of the Archaeological Parks Network of the region. These have included improving the protection and transmission to future generations of the archaeological heritage of the region, promoting sustainable development in the field of archaeological parks, and stimulating co-responsibility and collaboration of public agencies with jurisdiction over these areas in order to prevent decline of the heritage.

In the case of connection with national strategies, in some cases a ‘top down’ approach has been identified by respondents. This is, for example, the case with OP Romania, where the National Master Plan for Tourism 2007-2026 and the National Plan for Rural Development 2007-2013 have been used to underpin the logic of the OP strategy. The strategy is based on the creation of a legislative and institutional tourism framework, adhering to EU standards, and aimed at reducing regional disparities whilst simultaneously improving equal opportunities and the capacity to manage cultural goods efficiently.

Box 2.1. Some examples of national and regional strategies linked to 2007-2013 OPs for tourism and culture

**CULTURE:**
- CZ - North-West (Development Strategy of the Czech Republic; National Development Plan 2007-2013; Sustainable Development Strategy of the Czech Republic; Regional Development Program of Karlovy Vary Region; Regional Development Programme of Usti Region. Objectives of ROP Northwest)
- DE - Thüringen (Thüringen Culture Concept 2011)
- ES – Andalucía (Plan for the Conservation and Restoration of the Historic-Artistic Heritage and Archaeological Sites)
- ES - Cataluna (Regional Strategic Plan for Culture 2011-2021)
- ES – Extremadura (Strategic Plan for the Protection of Historical and Artistic Heritage)
- ES - Madrid (PECAM Plan 2012-2015)
- ES- Castilla la Mancha Plan de Parques Arqueológicos de Castilla-La Mancha
- MT - Investing in Competitiveness for a Better Quality of Life (National Strategy for Cultural Heritage)
- PL – Infrastructure and Environment (National Strategy for the Development of Culture 2014)
- PL Infrastructure and Environment (National Strategy for the Development of Culture 2004-2013)

**TOURISM:**
- AT – Burgenland (Tourism Strategy 2011-2015 (2010); Marketing Plan 2012 for Burgenland Tourism)
- CB - Poland–Germany (Development and Action Plan of the Euroregion POMERANIA, Baltic Sea Strategy)
- CZ – Central Moravia (Tourism Development Programme Olomuc 2011-2013)
- CZ – North-West (National Programme 2005-2008; Regional Development Program of Karlovy Vary Region and Usti Region)
- DE - Bayern (Tourism Policy Concept 2010)

\(^{55}\) For culture sector, it was estimated that roughly 40% of the OPs respondents to the survey has been inspired by priorities specifically set at national/regional level. The share of OPs respondents goes up to roughly 60% as far as tourism strategies are concerned.
An interesting finding from the survey has been that in some cases tourism and culture have been integrated. Usually this means that tourism has been regarded as a tool for ensuring sustainable use of cultural resources and heritage (e.g. OP Central Europe), while culture has been deliberately incorporated as part of the tourism strategy. The OPs Romania and Bulgaria are examples of programmes integrating strategies on culture with the tourism sector. The OP Romania includes a priority axis (Priority Axis 5: Sustainable development and promotion of tourism) explicitly dedicated to the promotion of tourism and promoting that part of the cultural heritage which has tourism potential. The OP also seeks to improve the quality of accommodation and the wider leisure and tourism infrastructure. In the case of OP Bulgaria, the cultural sector is supported under Priority Axis 3 (Sustainable tourism development) and Operation 3.1 (Improvement of tourist attractions and related infrastructure). The main objectives are to improve, renovate and expand natural and cultural heritage sites and related public infrastructure, encouraging the development of specialized products such as cultural, ecological, and health tourism. The key cultural and historical monuments, natural attractions, and local customs are deliberately presented as tourist attractions and integrated into the regional tourism product. As far as the tourism is concerned, the aim is to foster sustainable tourism development based on product and market diversification.

As Figure 2.6 below shows, in the culture sector strategies designed to ‘improve urban regeneration and social cohesion’ and to ‘diversify the cultural offer and support cultural services’ are the most commonly specified objectives. ‘Supporting the development of cultural resources and activities’ is another frequently specified objective (by 41% of respondents), whilst ‘encouraging entrepreneurship in the culture sector’ is noted by 22% of respondents. ‘Diversify the economic structure of declining industrial zones and rural areas’ is specified by 22% of respondents and ‘supporting culture to foster innovation and spill-overs’ is specified by a further 14%.

Examples of other objectives include
- OP Bulgaria Regional Development which, amongst others objectives, seeks to ensure a cost effective and educational use of the cultural infrastructure, consistent with future demands in the cities and their surrounding urban areas.
- OPs such as the CB Germany-Austria and the Hungarian OP have focused on
the conservation and sustainable use of the cultural and natural heritage.

**Figure 2.6. Specific objectives for culture sector policy interventions**

- Support the development and networking of cultural resources and activities (50%)
- Encourage the development of entrepreneurship in the cultural sector (40%)
- Develop the culture sector to diversify the economic structure of declining industrial zones and rural areas (30%)
- Support culture sector to foster innovation and spill-over effects to other industries (20%)
- Diversify the cultural offer and support the production/promotion of new culture services (10%)
- Other (0%)

**Source:** Own survey data.

**Note:** 81 out of 95 OP respondents provided an answer to this question, representing 56% of total ERDF allocation to tourism and culture. It should be noted that more than one response was possible by each OP.

Figure 2.7 below sets out the incidence of different specific policy objectives identified by respondents for the tourism sector. The tourism specific objectives seem more varied than is the case for culture, and with no clear priorities. ‘Improving tourism attractiveness of the region’ is the only objective identified frequently amongst the responses (with 71% of total responses). This is followed by ‘diversifying the tourism offer and creating targeted tourism products/packages’ with some 62% of responses.

**Figure 2.7. Specific objectives for tourism sector policy interventions**

- Support the development of sustainable economic activities in natural heritage areas (80%)
- Encourage the development of entrepreneurship in the tourism sector (60%)
- Develop the tourism sector to diversify the economic structure of declining industrial zones and rural areas (40%)
- Diversify the tourism offer and create targeted tourism products/packages (20%)
- Improve the tourist attractiveness of the region and enhance tourism promotion, also through the use of ICT (10%)
- Support the upgrading of hotels and other accommodation facilities (0%)
- Support the development of territorial marketing actions (0%)
- Other (0%)

**Source:** Own survey data.

**Note:** 86 out of 95 OP respondents provided an answer to this question, representing 55% of total ERDF allocation in tourism and culture. It should be noted that more than one response was possible by each OP.

Figure 2.8 presents an analysis of the objectives specified by survey respondents mapped out in terms of the broader EU Priority Objectives (i.e. Convergence, Competitiveness & Employment, and Territorial Cooperation).

- Taking culture first, as can be seen from the figure, the objective of ‘supporting
the networking of cultural resources and activities’ is the most common OP objective embraced by Territorial Cooperation OPs.

- **By contrast**, Competitiveness & Employment Objective OPs mostly seek to develop the culture sector in order to diversify the overall economic structure of declining industrial zones and rural areas.

- OPs covered by both the Convergence and Competitiveness & Employment Objectives also provide support to the culture sector to improve urban and social cohesion and diversify the cultural offer.

An interesting example of diversification of the cultural offer is given in OP Madeira (Portugal, - Convergence Objective region). This involves the construction of a marina hotel, resort and spa in Calheta. The project is a mix of different strategic frameworks within tourism development, which includes ‘cultural and landscape touring’, ‘recovery of historical infrastructures’ and ‘health and wellness tourism’ initiatives.

Among tourism strategies, the survey has revealed that there are some strong contrasts between the OPs covered by the Convergence and Territorial Cooperation Objectives. Whilst both categories tend to share the objective of ‘diversifying the tourism offer and creating targeted tourism products and packages’, the Competitiveness & Employment Objective OPs cite ‘improving the tourist attractiveness of the region and enhancing tourism promotion, also through the use of ICT’ as their most prominent objective.

Comparing EU12 and EU15 countries has highlighted some further important differences between OP survey respondents.

- In the culture sector, EU15 country priorities tend to focus on diversifying the cultural offer, supporting the promotion of new culture services and diversifying the economic structure of declining industrial areas and zones.

- By contrast, OP respondents from EU12 countries mostly support the culture sector as a means of improving urban regeneration and social cohesion. In the tourism sector, OPs from EU12 countries provide support for upgrading hotels and other accommodation facilities. Such differences will be further explored in the case studies.

The analysis of geographical coverage (see Figure 2.8 below again) has identified differences linked to culture sector multiregional and regional OPs. Multiregional programmes mostly tend to focus on diversifying the cultural offer and supporting the promotion of cultural services. Regional OPs however, mostly appear to support the cultural sector in order to improve urban regeneration and social cohesion. Interestingly, no similar disparity seems to exist for tourism sector objectives. However, national and multiregional OPs are mostly focused on improving the attractiveness of the area for tourists, as well as encouraging the development of tourism sector entrepreneurship. Multiregional programmes also supported the development of territorial marketing actions.
Focusing on Culture, Figure 2.8 a) above shows responses to the question by distinguishing amongst the EU objectives covered. In particular, it illustrates answers provided by 81 OPs, of which 22 were covered by Competitiveness & Employment.
Objective, 52 by the Convergence Objective and seven by the Territorial Cooperation Objective. In terms of resources, of the total amount (EUR 7.9 million) allocated to tourism and culture by the OP respondents to this question, 10% were provided under Competitiveness & Employment objective, 88% under the Convergence Objective and 2% under the Territorial Cooperation Objective. Figure 2.8 c) shows answers provided by 33 respondents from EU12, 41 from EU15 and seven Cross-Border OPs. In terms of resources, EU12 accounts for 55% of the total amount allocated to this question, EU15 represents 43% while cross border OPs represent 2%. Finally, Figure 2.8 e) concerns 58 regional OPs respondents to the survey, 13 national, 3 multiregional and seven cross-border OPs; in terms of resources, regional OPs account for 60% of total amount allocated to this question, national OPs account for 32%, multiregional OPS account for 6% and cross border OPs account for 2%.

Turning to the Tourism sector, Figure 2.8 b) above includes responses provided by 86 OPs, of which 24 are covered by the Competitiveness & Employment objective, 56 by the Convergence Objective and six by the Territorial Cooperation Objective. In terms of resources, of the total amount (EUR 7.8 million) allocated to tourism and culture by the OP respondents to this question, 11% are provided under the Competitiveness & Employment Objective, 87% under the Convergence Objective and 2% under the Territorial Cooperation Objective. Figure 2.8 d) concerns 86 respondents, of which 36 are from EU12, 44 from EU15 and six are cross-border OPs. In terms of resources, EU12 accounts for 57% of total amount allocated to this question, EU15 represents 42%, while cross border OPs account for 2%. Finally, Figure 2.8 f) presents answers provided by 86 OPs, of which 62 are regional OPs, 15 are national OPs, three are multiregional OPs and six are cross border OPs. In terms of resources, regional OPs account for 60% of total amount allocated to this question, national OPs account for 32%, multiregional OPS account for 6% and cross border OPs account for 2%.

Figure 2.9 below sets out in detail the objectives identified by each OP in turn. Three main culture policy groupings can be identified.

- The first group consists of OPs focused solely on a single objective. In the culture sector this is the objective of improving urban regeneration and social cohesion (e.g. De – Sachsen, Be – Hainaut, Be – Wallonia, CZ – Moravia Silesia, etc.). The second most common objective is the diversification of the cultural offer and the promotion of new culture services (e.g. FR – Aquitaine, PL – Podlaskieetc).

- The second group consists of OPs targeting two specific objectives. This is usually a combination of diversifying the cultural offer and promoting new products and services, combined with one other objective, which can vary from OP to OP (e.g. DE Thüringen, ES – Madrid, FR – Rhône Alpes).

- The third group consists of OPs with more diversified strategies, addressing three, four or more specific objectives (e.g. MT – Investing in Competitiveness Investing in Competitiveness for a Better Quality of Life, CB – Italia-Austria).

In the tourism sector, there are only a few OPs which exclusively target a single specific objective. As shown in Figure 2.10 below, the most common approach is to combine more than one specific objective. Four main groupings can be identified:

- The first group which can be identified in Figure 2.8 consists of five OPs targeting one specific objective, for example ‘Improving the tourist attractiveness of the region’, or ‘Support the development of territorial marketing actions’ (e.g. HU – Social Infrastructure, PT-Madeira, IT – Piemonte,
etc.).

- The second group consists of OPs focusing on two specific objectives, the most common being ‘Encouraging the development of entrepreneurship in the tourism sector’, ‘Develop tourism sector to diversify the economic structure of declining industrial zones and rural areas’, ‘improve the touristic attractiveness of the region and enhance tourism promotion, also through the use of ICT’ (e.g. GR – Digital Convergence, PL – Opolskie, DE – Sachsen-Anhalt, etc.).

- The third and fourth groups consist of OPs targeting three and four specific objectives respectively (e.g. ES – Madrid, PL – Podlaskie, CB – Italia-Austria, etc.).

- The last group, which comprises the largest number of OPs, comprised those pursuing more than five tourism sector objectives simultaneously. Interestingly, this would suggest a lack of a coherent strategy for tourism, given that they commit their limited resources to pursue such a wide range of objectives (e.g. FR – Rhone Alpes, RO – Romania, MT- Investing in Competitiveness Investing in Competitiveness for a Better Quality of Life, etc.). This aspect will be further explored in the regional case studies.
Support the development and networking of cultural resources and activities
Develop culture sector (including culture industries) to diversify the economic structure of declining industrial zones and rural areas
Support culture sector (including culture industries) to foster innovation and spin-off effects to other industries
Support culture sector (including culture industries) to improve urban regeneration and social cohesion
Diversify cultural offer and support the production/promotion of new culture services
Other

Source: Own survey data.
Note: 81 out of 95 OPs respondents provided an answer to this question. Missing answer from the following OPs: AT – Burgenland; CB - Öresund-Kattegatt-Skagerrak; CZ - Central Moravia; DE - Schleswig-Holstein; EE - Estonia; ES - Comunidad Valenciana; FI - Eastern Finland; FI - Southern Finland; FR - Auvergne; FR - Réunion; GR - Thessaly - Mainland Greece – Epirus; LT - Promotion of Cohesion; SK - Slovakia (Compet.); UK - Northern Ireland.

56 Question B8
**Figure 2.10. Specific objectives for tourism sector strategies: an overview of individual OPs**

Source: Own survey data\(^{57}\)

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\(^{57}\) Question B9
Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and Cohesion Fund (CF) – Work Package nine: Culture and Tourism

Note: 86 out of 95 respondents provided an answer to this question. Missing answers were from the following OPs: CB - Lithuania-Poland, CB - Øresund-Kattegatt-Skagerrak, ES – Andalucía, ES - Castilla y León, FI - Eastern Finland, Fi - Southern Finland, IT – Veneto, "PL - Infrastructure and Environment", GR - Thessaly - Mainland Greece – Epirus.
Turning now to the internal structure of the OP documents, the survey results indicate that the most common approach for supporting interventions in the fields of tourism and culture was through specific measures embedded within a broader Priority Axis (see Figure 2.11 below). **Out of 95 respondents, only six OPs included a specific Priority Axis for culture, and only 18 had a dedicated priority for tourism.** Culture examples of specific Priority Axes include Piedmont (IT), POIN (IT), and Catalunya (ES), while tourism examples include the Hungarian OPs and a large number of eastern European national OPs (e.g. BG - Regional Development, Hungarian OPs, CZ – South East, Sk – Slovakia Competitiveness PL – Podlaskie, etc.). The most common strategy however comprised a mixed approach, combining dedicated measures with horizontal integration within other Priorities (e.g. ES – Madrid, FR - Rhone Alpes, CB - Italia-Austria, etc.).

**Figure 2.11. How tourism and culture are addressed in the OPs**

![Bar chart showing how tourism and culture are addressed in the OPs](image)

- There are specific measures for Tourism/Culture within a broader priority axis: 52 responses
- Tourism/Culture are indirectly addressed in the framework of integrated projects for urban and regeneration: 40 responses
- Tourism/Culture are indirectly addressed under other headings: 33 responses
- Culture and tourism are addressed together in a specific priority axis: 29 responses
- There is a specific priority axis for TOURISM: 18 responses
- There is a specific priority axis for CULTURE: 6 responses

Source: Own survey data.
Note: 95 OPs provided an answer to this question. More than one response was possible from each.\(^{58}\)

Figure 2.12 presents the results of an analysis of how culture and tourism are addressed within the OP documents in terms of broad EU Priority Objectives (i.e. Convergence etc) and in terms of geographical coverage. It is worth noting that in cross-border programmes and in the EU15 member states, tourism and culture are mostly addressed through specific measures within a broader Priority Axis. In the case of the EU15, a higher share of OPs responding to the survey also reported that they sought to attain tourism and culture objectives under headings other than specifically tourist or cultural ones. Interestingly, this approach is shared both by Convergence and Competitiveness & Employment regions (as shown in Figure 2.12.e). As far as the EU12 is concerned, the most common approach used is to combine tourism and culture policies together through a specific Priority Axis or in the framework of integrated projects for urban and regeneration. Again, this approach is commonly shared by all the regions regardless the EU Priority Objective under which OPs are financed.

\(^{58}\) This issue was addressed through closed question B7
Some differences arise when analysing responses from the perspective of the EU objectives across the whole EU (and not just in EU12 and EU15 separately). In particular, it is worth pointing out that the approach adopted by Competitiveness & Employment Objective OPs is similar to those covered by the Territorial Cooperation Objective. This takes the form of adopting specific measures for tourism and culture within a broader Priority Axis. By contrast, among the Convergence Objective OPs the most common approach involves including a specific Priority Axis solely for tourism, or else combining the two sectors within a single broader Priority Axis.

Turning to the national and regional OP differences, the survey results show that the national OPs tend to rather indirectly target the culture and tourism sectors, mostly through Priority Axes that target other things. By contrast, the regional OPs mostly include measures for tourism and culture within a broader Priority Axis or within the framework of integrated projects.

Figure 2.12. How tourism and culture are addressed in the OPs: an overview by EU Priority Objectives and by geographical coverage

Source: Own survey data. Note: 95 OPs provided an answer to this question. More than one response was possible by each OP.59

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59 **Figure a**) Out of 95 respondents to this question, eight are cross-border OPs, 50 are OPs from EU15.
Figure 2.13 examines how tourism and culture are addressed in each of the individual OPs responding to the survey. It is evident that there are OPs addressing tourism and culture both directly through a specific Priority Axis and indirectly through a Priority Axis addressing some other theme. OPs Development of Eastern Poland and Podlaskie, for example, include a specific Priority Axis addressing tourism, as well as indirectly targeting tourism and culture sectors under other headings.

There are, however, other programmes which exclusively address culture and tourism within the framework of a broader Priority Axis. Example include:

- The cross-border programme Italia-Slovenia, which includes specific measures addressing culture and tourism within broader Priority Axes. These include Priority Axis III - Social Integration, and Priority Axis II - Competitiveness and Society Based on Knowledge.
- The cross-border programme Central Europe addresses culture and tourism within Priority Axis 4 - Enhancing Competitiveness and Attractiveness of Cities and Regions.
- The Greek OP Digital Convergence addresses the two sectors under another heading, namely the Priority Axis on the Information Society.

Amongst the respondents there are also examples of OPs addressing culture through its own specific Priority Axis. The OP IT Piemonte for example supports interventions relating to culture through a single dedicated Priority Axis: Priority Axis III - Protection of Environmental and Cultural Heritage.
Figure 2.13. How tourism and culture are addressed in the OPs: An overview of individual OPs

There is a specific priority axis for CULTURE
Culture and tourism are addressed together in a specific priority axis
Tourism/Culture are indirectly addressed in the framework of integrated projects for urban and regeneration
Tourism/Culture are indirectly addressed under other headings

Source: Own survey data. Note: 95 OPs provided an answer to this question.

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60 Based on answers provided to question B7.
Examples of OPs supporting tourism and culture objectives indirectly include

- CB – Poland-Germany, which has financed the building of cycle paths (54.35 km, costing EUR 6.6 million), a type of infrastructure that has an indirect effect on tourism. The implementation of this project has extended and connected cycle paths in the region into broad networks, which include cross-border networks. The development of cycle paths and cycle path networks also has a positive impact on creating new tourist offers across the border.

- OP – Hessen (Germany). The financing of the Melsungen railway station project here is a typical example of an initiative involving both tourism and culture objectives. The railway station of Melsungen was converted into a multifunctional tourism-oriented station, including a traditional German bakery and café and a public music school.

- PT – Norte The regeneration and revitalization of Bridge Park is an example of an intervention with an indirect impact on tourism. Its main objectives were the spatial and functional reorganization of the park in order to enhance attractiveness of the city overall.

2.3 Other support to culture and tourism

The present section builds on answers provided to questions C5 and C.5.1 of the questionnaire.

As Figure 2.14 shows, some 79% of OP respondents stated that tourism and culture sector projects have also received funding from sources other than the ERDF. These include the European Agricultural Fund for Rural Development as well as various national and regional funds. These additional resources have been utilised mostly to finance the protection and conservation of rural heritage (27% of respondents), the renovation and development of rural villages (24%) and to finance SMEs operating in the tourism and culture sectors (22%). Amongst OP respondents, the Czech Republic - South East OP (an EU12 Regional programme, Convergence Objective region) is an example of a rural development project co-financed through ERDF and other funds.
Figure 2.14. Funding opportunities for culture and tourism sectors under other Cohesion Policy funds

Figure a)

If yes, for which categories

Figure b)

Source: Own survey data. Note: 95 OPs provided an answer to question represented in Figure a). Out of the 95 OPs, 67 provided an answer to question represented in Figure b).

The synergies and complementarities amongst interventions financed by ERDF and other funds is an important issue which will be further addressed through the regional case studies.

2.4 Activities supported by the ERDF in the tourism and culture sectors

The survey was designed to explore the nature of activities supported by the ERDF in the tourism and culture sectors. It was also designed to understand whether ERDF resources have been used to finance physical investments such as construction, or

It is referred to question C.5 of the
events, services and support to sector operators. The amount of the financial support provided for each type of activity supported, the nature of the financing (e.g. grants, loans, etc), the number of projects supported and percentage completed to date have also been addressed by the survey.

**E.Q.2.** What is the nature of the activities of the financial support (e.g. services vs. infrastructure, etc.)?

**E.Q.3.** What is the nature of the financial support (e.g. grants vs. financial engineering instruments)?

**E.Q.4.** In the case of business support to private companies (e.g. hotels and restaurants) are the support measures targeted exclusively to tourism enterprises or do these enterprises compete on the same criteria applied to enterprises in other sectors?

### 2.4.1 An overview of the culture sector

This section builds on information provided in answering questions C.1, C.2 and C.3:

**C.1.** «Considering the following typologies of activities, please identify those listed in the ERDF Operational Programme of your country/region and provide an indication of the financial allocation and the number of projects implemented».

**C.2 On the basis of the typologies of activities identified under question C1, please describe the most relevant initiative supported by the ERDF Operational Programme of your country/region to strengthen the development of Culture and Tourism and describe the allocated and expected expenditure and the actual (or expected) results.**

**C.3 Are there projects financed in other policy areas by the ERDF Operational Programme of your country/region with an indirect impact on Culture and Tourism. Please provide a brief description of the main ones.**

**Types of activities in the culture sector**

Regarding types of activities financed, the survey results show that ERDF funds have mostly been used to support physical investments in the culture sector. As shown in Figure 2.15 below, the ‘Construction of, or recovery of culture-related infrastructure (e.g. museums, archives, etc.)’ and the ‘Refurbishment of historical or archaeological monuments’ are amongst the activities most commonly reported by OP respondents. By contrast, the ‘Organisation of cultural events’ and ‘Support to creative industries’ are comparatively less frequently supported.
Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and Cohesion Fund (CF) – Work Package nine: Culture and Tourism

Figure 2.15. Types of activities financed in the culture sector, % on total OPs responding

Source: Own survey data.
Note: Multiple responses were possible by any one OP. Out of 95 OPs respondents to the survey, 78 OPs provided at least one answer to this question. The graph shows the number of OPs reporting the different types of interventions.

Box 2.2 provides some examples of projects financed by the OPs, with references to the activities listed in Figure 2.15 above.

Box 2.2. Examples of ERDF interventions in the culture sector

- Malta: OP - MT - Investing in Competitiveness Investing in Competitiveness for a Better Quality of Life has financed the restoration of Historical Fortifications of Malta and Gozo. The project concerns the restoration of the fortifications of Valletta, Birgu, Mdina and the Citadel in Gozo, at a total cost of EUR 34.4 million. Once restored, the area is expected to offer tourist paths and opportunities for hosting tourist-related activities. The project also includes investment to improve the accessibility of the sites (e.g. repairs to arterial roads, improvement to traffic flow and road safety etc.).

- Poland: OP– Mazovia has supported the construction of an Aviation Cultural Park in Krakow, with the Polish Aviation Museum as the main beneficiary of the EUR 55.9 million in project funding. The new building was awarded a prize in the CEMEX Building competition 2011, and is expected to become an icon for the region.

- Portugal: OP – Norte includes a programme of cultural events called Guimarães: European Capital of Culture 2012, receiving an ERDF contribution of EUR 20.4 million. The Programme consisted of the financing of 58 projects under the following themes: i) Art - Programming Areas: Art and Architecture; Performative Art; Music; Cinema and Audiovisual; ii) Community; iii) City; iv) Thinking; v) Crossed Times; vi) Special Projects; vii) Production; and viii) Management and Evaluation.

- Poland: OP – Infrastructure and environment offers an example of an intervention aimed at diversifying the economic structure of a post-industrial area. The project entails the construction of a new seat for the National Polish Radio Symphony Orchestra in Katowice, considered to be Poland’s leading orchestra and cultural ambassador. The building itself includes a main concert auditorium, chamber hall, public area, recording studio and back-stage facilities. Located in a post-industrial area, it is expected to significantly improve the image Katowice.

Source: Own survey data.

Financial allocations 2007-2014

The survey results show that a number of changes in financial reallocations have occurred between 2007 and 2014. Figure 2.16 below shows that the most changes which were reported were for ‘Refurbishment and protection of historical monuments and sites’ (up 13%), ‘Support to private initiatives in creative industries’ (up 9%) and ‘Construction, extension, recovery of cultural infrastructures’ (up 6%). A significant decrease in resources is recorded for the ‘Organisation of cultural events or performing
arts’ (down 21%).

**Figure 2.16. Reprogramming of culture allocations between 2007 and 2014 by category, EUR million.**

<table>
<thead>
<tr>
<th>Absolute value, Million EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>-60.0</td>
</tr>
<tr>
<td>15%</td>
</tr>
<tr>
<td>10%</td>
</tr>
</tbody>
</table>

**Percentage changes**

**Source:** Own survey data.

Note: Out 95 OPs respondents to the survey, 70 OPs provided information on financial allocation of resources between 2007 and 2014.

**Paid amounts to culture sector by type of activity**

Data provided by the OPs respondents to the survey for 2014 demonstrate that for culture sector interventions (see Figure 2.17 below), 44% of paid public contributions were targeted towards supporting ‘Construction or recovery of cultural infrastructure’, 38% towards ‘Refurbishment of historical monuments’ and smaller amounts to finance the ‘Organisation of cultural events’ (8%) and ‘Private initiatives in creative industries’ (3%).

62 The graph concerns data provided in answering question C.1.

63 Missing information was from CB - Germany-Austria; CB - Öresund-Kattegatt-Skagerrak; CZ - Central Moravia; DE – Sachsen; DE - Schleswig-Holstein; DK - Innovation and Knowledge; EE - Development of the Living Environment; EE – Estonia; ES - Comunidad Valenciana; FR – Aquitaine; FR – Auvergne; HU - South Great Plain; HU - Central Hungary; HU - Central Transdanubia; HU - North Great Plain; HU - North Hungary; HU - Social Infrastructure; HU - South Transdanubia; HU - West Pannon; LT - Promotion of Cohesion; PL - Development of Eastern Poland; PL – Lubuskie; SK - Slovakia (Compet.); UK - Northern Ireland; and UK - West Wales and the Valleys.
As Figure 2.17 shows, grants were the most common instrument used to ‘Support private initiatives in creative industries’ (76%), followed by venture capital. OP respondents have given instruments such as loan interest subsidies and guarantees, and non-financial support less priority when financing interventions in the culture sector. Venture capital was utilised by OP – Berlin in the culture sector. Its VC Creative industries Fund (Venture Capital Fonds Kreativwirtschaft) provided support to the creative economy, especially to newly established SMEs. It also supported investments in areas including film, radio, TV, music, entertainment, fashion, design, architecture, culture and art. The fund was implemented by Land Berlin together with the Berliner Investment Bank (IBB), and utilised EUR 16 million in finance from ERDF and EUR 16 million from the IBB. A total of 119 projects and 38 enterprises have been supported in this way to date.

It is worth noting that the ‘Refurbishment, recovery and protection of historical buildings’ category comprised the largest share (54%) in terms of the number of OPs surveyed, followed by ‘Construction or recovery of cultural infrastructure’ and ‘Support to private initiatives in creative industries’ (14%). The ‘Support to private initiatives in creative industries’ category demonstrates a higher share of projects being financed through grants (64%), followed by Financial engineering instruments (19%) and Non-financial support (15%).

Figure 2.17. Paid amounts of public contributions to the culture sector at 2014 and total number of projects by category
Figure 2.18 shows that within the different types of culture sector interventions the average paid contribution amounted to EUR 414,409. The ‘Construction or recovery of cultural infrastructures’ category consisted of an average amount paid of EUR 999,133, a much higher payment than any other category. By contrast, the ‘Support to private initiatives in creative industries’ average of EUR 100,287 is small when compared to the average of other categories.

Note: as far as financial engineering is concerned, data are missing for the amounts of public contributions paid. Data were, however, provided for allocations and number of projects. The graphs summarise data provided by OPs respondents to question C1 of the questionnaire.

64 See Figure 2.21 for details on OPs providing this information and OPs for which data are missing.

65 Missing information are from CB - Germany-Austria; CB - Öresund-Kattegatt-Skagerrak; CZ - Central Moravia; DE - Bayern; DE - Sachsen; DE - Sachsen-Anhalt; DE - Schleswig-Holstein; DK - Innovation and Knowledge; EE - Development of the Living Environment; EE – Estonia; ES – Asturias; ES - Comunidad Valenciana; FR – Aquitaine; FR – Auvergne; FR – Réunion; HU - South Great Plain; HU - Central Hungary; HU - Central Transdanubia; HU - North Great Plain; HU - North Hungary; HU - Social Infrastructure; HU - South Transdanubia; HU - West Pannon; LT - Promotion of Cohesion; PL - Development of Eastern Poland; SK - Slovakia (Compet.); UK - Northern Ireland; and UK - West Wales and the Valleys.
**Figure 2.18. Average paid amount of public contribution by culture sector project**

<table>
<thead>
<tr>
<th>Category</th>
<th>Avg. Exp: EUR 414,409</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction/extension/recovery of cultural infrastructure or of infrastructure providing cultural or sporting services</td>
<td></td>
</tr>
<tr>
<td>Organisation of cultural events or performing arts</td>
<td></td>
</tr>
<tr>
<td>Refurbishment/recovery and protection of historical monuments, buildings or archeological sites</td>
<td></td>
</tr>
<tr>
<td>Support to private initiatives in creative industries</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own survey data.
Note: The calculations are based on 64 OP respondents to the survey which provided information both on paid amount of public contribution as at 2014 and total number of projects.

Turning to the proportion of projects actually completed by 2014, Figure 2.19 shows that the ‘Organisation of cultural events or performing arts’ category demonstrated a 67% completion rate, performing better than ‘Construction or recovery of cultural infrastructure’ (46%) and ‘Refurbishment, recovery and protection of historical buildings’ (18%). This finding is almost certainly explained by the nature of the activities supported, as more time is needed to complete physical investments as compared to cultural events.

**Figure 2.19. Percentage of culture projects completed by 2014, by type of intervention**

Source: Own survey data
Note: this calculation is based on the 60 OP respondents to the survey who provided information both on total number of projects financed and on number of projects completed.

67 The graph relies on data provided by OPs respondents to question C1 of the questionnaire.
68 The graph summerises information provided by OPs respondents to question C1 of the questionnaire.
69 See Figure 2.22 for details on OPs providing this information and OPs for which data are missing.
Interestingly, differences have been found across the member states targeted by the survey with regard to the degree of project implementation under the different typologies identified. As far as the \textit{organisation of cultural events and performing arts} is concerned, best performers are OPs respondents from Belgium and Greece (100% of projects completed under this category), as well as France (88%) Finland (85%) and cross-border OPs (83%). OPs from Germany and the Netherlands are relatively lagging in the implementation of projects planned under this category (35% and 50% of projects completed respectively).

Moving on to the category \textit{construction/extension/recovery of cultural infrastructure}, OPs from Bulgaria (84% of projects completed under this category) Czech Republic (86%), Finland (81%) as well as the cross border OPs (88%) have reported the highest shares of projects completed. On the other hand, respondents from France, Germany, Greece and the Netherlands recorded the lowest shares of projects completed (below 25%).

With regard to the category \textit{support to private initiatives in the creative industries}, best performances are recorded by OPs from Finland and the cross-border OPs (more than 90% of projects planned have been completed), while OPs from Portugal (14% of projects completed under this category) and the Czech Republic (29% of projects completed) are relatively lagging behind in the implementation of projects planned under this category.

Focusing on the interventions concerning \textit{refurbishment/recovery and protection of historical monuments and building}, the best degrees of completeness are found in countries such as Germany (95% of projects financed within this category have been completed), the Czech Republic (78%) and Austria (76%) as well as with the cross-border OPs (80% of projects completed). Conversely, delays in the implementation of this type of intervention are reported by OP respondents from France (0% completed), Spain (6%), Italy (19%) and Portugal (21%).

The ‘Construction or recovery of cultural infrastructure’ and ‘Refurbishment of historical monuments’ categories of culture sector interventions demonstrate the highest percentages of paid public contributions amongst all categories considered (see Figure 2.20 below). However, it is interesting to note that the ‘Organisation of cultural events and performing arts’ category of interventions is an activity commonly supported by the OPs from the EU15 countries as compared to the EU12 countries. It is also widely addressed in programmes covered by the Convergence and Territorial Cooperation Objectives than in the Competitiveness & Employment Objective OPs. It is also a largely supported activity in Regional OPs than the other categories.

Figure 2.21 extends the analysis of the paid public contributions to those made by each individual OP. This confirms that amongst the survey respondents there were only a small number investing in the organisation of cultural events or performing arts. Examples include the Regional OPs Campania, Rhône-Alpes, Mecklenburg-Vorpommern, Madeira, Piedmont as well as cross-border programmes of Poland-Germany, Central Baltic, and Italia-Austria.

\textit{Projects completed by OP}

In terms of the completion rates for projects in the culture sector, Figure 2.22 shows that the best performing OPs among the survey respondents were the Regional OP Andalusia (investing in the construction and recovery of cultural infrastructure), Mecklenburg-Vorpommern (financing both physical and non-physical interventions), and Castilla y Leon (supporting the refurbishment of historical monuments, buildings
and archaeological sites).

**Figure 2.20. Paid amount of public contribution by category for the culture sector: overview by EU Priority Objectives and geographical coverage**

**Source:** Own survey data.

Note: Out 95 OPs respondents to the survey, 64 OPs provided information on paid amounts of public contribution as at 2014. Out of the 64 OPs, 37 are from EU15 member states, 22 from EU12 and five are cross-border OPs. Amongst the 64 OPs, 46 are regional OPs, nine are national and four are multi-regional. Focusing on the EU objectives, 39 out of 64 OPs respondents are covered by the Convergence Objective while 20 are covered by the Competitiveness & Employment objective.

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70 See Figure 2.21 for details on OPs providing this information and OPs for which data are missing.
Figure 2.21. Paid amounts of public contributions by culture sector category: overview of individual OPs

Source: Own survey data.\(^71\)

Note: Out of 95 OPs respondents to the survey, 64 provided an answer to this question. Missing answers were from the following OPs: CB - Central Europe, CB - Germany-Austria, CB - Øresund-Kattegatt-Skagerrak, CZ - Central Moravia, CZ - South-East, DE - Bayern, DE - Sachsen, DE - Sachsen-Anhalt, DK - Innovation and Knowledge, EE - Development of the Living Environment, EE – Estonia, EL – Attiki, ES - Comunidad Valenciana, FR – Aquitaine, FR – Auvergne, FR – Pays de la Loire, FR – Réunion, HU - South Great Plain, HU - Central Hungary, HU - Central Transdanubia, HU - North Great Plain, HU - North Hungary, HU - Social Infrastructure, HU - South Transdanubia, HU - West Pannon, LT - Promotion of Cohesion, PL - Development of Eastern Poland, PT - Alentejo, SK - Slovakia (Compet.), UK - Northern Ireland, and UK - West Wales and the Valleys.

\(^71\) The graph summarises information provided by OPs respondents to question C1 of the questionnaire.
Figure 2.22. Percentage of projects completed: overview of individual OPs

Source: Own survey data\textsuperscript{72}. Note: Out of 95 OPs responding to the survey, 60 provided an answer to this question. Missing answers were from the following OPs: CB - Germany-Austria, CB - Öresund-Kattegatt-Skagerrak, CZ - Central Moravia, DE - Bayern, DE - Sachsen, DE - Sachsen-Anhalt, DE - Schleswig-Holstein, DK - Innovation and Knowledge, EE - Development of the Living Environment, EE - Estonia, ES - Asturias, ES - Comunidad Valenciana, FR - Aquitaine, FR - Auvergne, FR - Réunion, HU - South Great Plain, HU - Central Hungary, HU - Central Transdanubia, HU - North Great Plain, HU - North Hungary, HU - Social Infrastructure, HU - South Transdanubia, HU - West Pannon, LT - Promotion of Cohesion, PL - Development of Eastern Poland, SK - Slovakia (Compet.), UK - Northern Ireland, and UK - West Wales and the Valleys.

\textsuperscript{72} The graph summerises information provided by OPs respondents to question C1 of the questionnaire.
2.4.2 An overview of the tourism sector

This section builds on information provided in answering questions C.1, C.2 and C.3:

C.1. « Considering the following typologies of activities, please identify those listed in the ERDF Operational Programme of your country/region and provide an indication of the financial allocation and the number of projects implemented».

C.2 On the basis of the typologies of activities identified under question C1, please describe the most relevant initiative supported by the ERDF Operational Programme of your country/region to strengthen the development of Culture and Tourism and describe the allocated and expected expenditure and the actual (or expected) results.

C.3 Are there projects financed in other policy areas by the ERDF Operational Programme of your country/region with an indirect impact on Culture and Tourism. Please provide a brief description of the main ones.

Types of activities in the tourism sector

The survey results show a wider range of physical and tangible activities being financed in tourism than in the culture sector. As shown in Figure 2.23 below, ‘Physical investments for the promotion and development of tourism’, ‘Territorial marketing activities’ and ‘Support to private initiatives’ are the most common activities financed in the tourism sector, followed by ‘Investments to improve safety’, the ‘Promotion of sports’ and ‘Integrated tourism initiatives’.

Figure 2.23. Share of OPs undertaking different categories of activities in the tourism sector

Source: Own survey data.
Note: Multiple responses are possible by any one OP. Out of 95 OP respondents to the survey, 86 OPs provided at least an answer to this question. The graph shows the percentage of responding OPs implementing the different types of investments.
Box 2.3 below sets out a number of examples of projects financed within the categories of activities indicated in Figure 2.23 above.

**Box 2.3. Examples of ERDF investments in the tourism sector**

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Poland</strong></td>
<td>The largest tourism project co-financed by Regional OP Mazovia is the <strong>Land of the Sleeping Volcano</strong> located on the slopes of Mount Wdżar (Małopolska). It is an example of tourism diversification. It is a family ski station in winter “Czorsztyn Ski” and mountain and water sports center, relaxation and fun in summer. There is a six-place ski lift, a new ski slope with snowmaking and lighting system, and an old quarries-led natural trail with bridges, stairs, information boards and tables with benches. The total cost of the project amounted to 2.2 million EUR.</td>
<td>EUR 2.2 million</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>The North West Operational Programme has an example of a territorial marketing intervention. The <strong>Partners for Tourism Growth (PFG) project</strong> is an integrated programme of destination marketing and events designed to improve and increase the profile of Liverpool with key visitor audiences. At a total project cost of around EUR 16.2 million, the project provides marketing support across Merseyside through developing and enhancing strategic events, marketing destinations, addressing strategic and local visitor economy issues and providing specific additional research.</td>
<td>EUR 16.2 million</td>
</tr>
<tr>
<td><strong>Cyprus</strong></td>
<td>The OP - Sustainable Development and Competitiveness is an example of an <strong>incentive scheme for enrichment and upgrading investments in the tourist product</strong>. The scheme focuses on encouraging initiatives by enterprises that intend to upgrade and enrich infrastructure and services regarding the tourist product. These involve existing tourist accommodation (hotels with at least five years of operation). The total budget for the scheme amounts to EUR13.0 million.</td>
<td>EUR 13.0 million</td>
</tr>
<tr>
<td><strong>Cross-border</strong></td>
<td>The programme Italia-Austria is an example of a networked tourist infrastructure operation. The overall objective of the project is to <strong>strengthen tourism in Carinthia (AUT) and Friuli Venezia Giulia (ITA)</strong> through an increase in tourists from neighboring Slovenia. Specific activities include close cooperation among companies in Carinthia and Friuli Venezia Giulia; use of the Slovene language to address guests from Slovenia; development of language competences; tourism quality assurance; and a comprehensive common market presence of the hotels in Slovenia through joint tourism packages and marketing activities.</td>
<td>EUR 13.0 million</td>
</tr>
</tbody>
</table>

Source: Own survey data.

### Financial allocations 2007-2014

Figure 2.24 examines the reported reprogramming of resources for tourism between 2007 and 2014 from the 72 programmes that responded. The figure shows that there were large positive changes in funding for the ‘Promotion of sports and recreational activities and events’ category (up 44%, from roughly EUR 60 million in 2007 to EUR 86 million in 2014), and with smaller increases in ‘Territorial marketing’ activities and ‘Support for private initiatives’ in the tourism sector (up 8% and 3%, respectively). Negative changes were however reported for ‘Physical investments for the promotion and development of tourism sector’ (down 14%) and ‘Investments to improve safety and protection of assets’ (down 15%).
Figure 2.24. Reprogramming of allocations for tourism sector interventions between 2007 and 2014, by category of intervention

Source: Own survey data.
Note: Out of 95 OP respondents to the survey, 72 OPs provided information on financial allocation of resources between 2007-2014.

Paid amounts to tourism sector by type of activity

Figure 2.25 shows that there are wide differences among the different categories of tourism interventions in terms of public contributions paid out by 2014. The 'Promotion of sports and recreational activities and events' (24%), 'Physical investments' (21%) and 'Support to private initiatives' (21%) categories show the highest shares of paid contributions. As with the situation in the culture sector, grants were the most common instrument used to support these private initiative projects (88%).

Roughly 40% of OPs respondents to the survey said that they had supported the 'Upgrading of hotels and other accommodation facilities'. This clearly means that support was provided to the private sector by helping the enterprises of the sector to increase their income. The use of re-payable types of assistance remains very limited.

The survey results show that the largest share of projects was financed through grants.

74 The graph concerns data provided in answering question C.1.
75 Missing information is from CB - Central Europe; CB - Germany-Austria; CZ - South-East; DE - Sachsen; DE - Bayern; DE - Schleswig-Holstein; DE - Berlin; DE - Hessen; DK - Innovation and Knowledge; EE - Estonia; FR - Auvergne; HU - Social Infrastructure; IT - Veneto; LV - Infrastructure and Services; PL - Infrastructure and Environment; PL - Lubuskie; UK - Northern Ireland; UK - West Wales and the Valleys.
in the ‘Private initiatives’ category (57%), followed by ‘Physical investments’ (12%) and then ‘Territorial marketing’ activities (10%).

Figure 2.26 shows that the average paid amount of public contribution in the tourism sector is EUR 439,987, slightly higher than was the case for culture sector interventions. In the tourism sector, the ‘Promotion of sports and recreational activities and events’ category exhibits the largest average paid amount of public contribution (around EUR 3.5 million). ‘Territorial marketing activities’ and ‘Support to private initiatives in the tourism sector’ appear to comprise projects that have lower allocations/paid amounts compared to the sector average.

Figure 2.25. Paid amounts of public contributions at 2014 and total number of projects by category, tourism sector

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Source: Own survey data.

Note: Out of 95 OP respondents to the survey, 63 OPs provided information on the paid amount of public contribution as at 2014. Of the 95 OP respondents to the survey, 70 OPs provided information on the total number of projects.

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76 See Figure 2.21 for details on OPs providing this information and OPs for which data are missing. The graphs summarise data provided by OPs respondents to question C1 of the questionnaire.

Figure 2.26. Average paid amount of public contribution in tourism projects, by category of activity

![Graph showing average paid amount of public contribution in tourism projects, by category of activity.]

Source: Own survey data.
Note: This calculation is based on 63 OP respondents to the survey which provided information both on paid amount of public contribution as at 2014 and the total number of projects.

Turning to project completion rates, the findings show figures which are similar to the culture sector, with no categories showing completion rates lower than 40% (see Figure 2.27). The ‘Integrated tourism initiatives’ category exhibits the highest share of projects completed (around 80%), while the ‘Promotion of sports and recreational activities’ category has a somewhat lower share of completed projects.

Figure 2.27. Percentage of projects completed in the tourism sector, by category

![Graph showing percentage of projects completed in the tourism sector, by category.]

Source: Own survey data.
Note: This figure is based on 70 OP respondents to the survey who provided information both on total number of projects financed and on the number of projects completed78.

78 See Figure 2.31 for details on OPs providing this information and OPs for which data are missing.
Looking in more detail at differences recorded across Member States, it is worth pointing out that major delays in the implementation of investments concerning the improvement of safety and protection of natural assets have been found in Italy (19% of projects completed under this category) and Greece (29%), while respondents from Malta and Czech Republic are the best performers in this regard (100% of projects completed). In addition, OPs from Spain, Greece and Italy are lagging behind in the implementation of physical investments (21%, 18% and 7% of projects completed respectively), whilst simultaneously recording a higher share of completed ‘soft’ projects, particularly territorial marketing activities and the promotion of sports and events (OPs from Italy reported around 61% of projects completed while Spain reported 80%).

Figure 2.28 shows that the ‘Territorial marketing activities’ category is mostly strongly in evidence among Competitiveness & Employment Objective OPs, and among the Territorial Cooperation Objective OPs. Amongst Convergence Objective OPs, a higher paid amount of public contribution is reported for the ‘Promotion of sports and recreational activities’ (33%), ‘Support to private initiatives in the tourism sector’ (27%) and ‘Physical investments for tourism’ (27%). The ‘Physical investments for tourism’ category shows a significantly higher share (44%) amongst Territorial Cooperation Objective OPs than for Convergence or Competitiveness & Employment Objective OPs.

When comparing OPs from EU12 and EU15 countries, it is interesting to note that among EU15 countries, ‘Promotion of sports and recreational activities’ account for the highest share of paid public contribution (51%), followed by ‘Support to private initiatives’ (27%). By contrast, EU12 countries exhibit a higher share for ‘Physical investments for promotion and development of tourism’ (52%), followed by ‘Support to private initiatives’ (27%).

Regional OPs exhibit higher shares of paid contributions for ‘Promotion of sports and recreational activities’ (41%) as well as ‘Physical investments’ (29%), while National OPs exhibit a very high share for ‘Support to private initiatives’ and rather less for ‘Physical investments’ (65%). Multiregional OPs are overwhelmingly focused on ‘Support to private initiatives’ (91%), while cross-border programmes also focus on ‘Territorial marketing activities’ (33%) and ‘Physical investments for the promotion of tourism’ (44%)’.
Figure 2.28. Paid amounts of public contribution by category of activity: overview by EU Priority Objectives and geographical coverage

Source: Survey Data. The graph is based on question C1 by distinguishing according to the nature of the OPs.

Note: Out of 95 OP respondents to the survey, 64 OPs provided information on paid amounts of public contribution as at 2014. Out of the 64 OPs, 37 are from EU-15 Member States, 22 from EU-12 and five are cross-border OPs. Amongst the 64 OPs, 46 are Regional OPs, nine are national and four are multi-regional. Focusing on the EU objectives, 39 out of the 64 respondents are covered by the Convergence Objective and 20 by the Competitiveness & Employment objective.

79 See Figure 2.21 for details on OPs providing this information and OPs for which data are missing.
Figures 2.29 and 2.30 below draw out more of the fine detail for amounts paid and projects completed by giving results for individual OPs. In Figure 2.30 (amounts paid by category of intervention), four groups of OPs can be identified: those investing in one category of activity (group I), in two categories (group II), in three categories (group III), and in more than three categories (group IV).

It is worth noting that ‘Physical investments for the promotion and development of the tourism sector’ have been supported by a high number of OPs (53% of respondents). In addition, investments to ‘Improve the safety and protection of natural assets and territorial marketing activities’ have been supported by most of the OPs respondents (32%). In comparison there are few OPs investing in the ‘Promotion of sports and recreational events’ (e.g. NL – West, DE- Mecklenburg, PL – Opolskie, etc.) and in ‘Integrated tourism activities’ (e.g. CZ Central Moravia, CB – Central Baltic, etc.)

In terms of the completion rates for projects in the tourism sector, Figure 2.30 shows that the OPs with highest financial absorption rates (100%) among the survey respondents were the Spanish regional OPs – Castilla la Mancha, Catilla Y Leon, Andalucia, Comunidad Valenciana – all investing in territorial marketing activities. Amongst those with highest financial absorption rates are also the OPs DE - Mecklenburg and CB – Central Baltic, investing in ‘soft’ measures such as promotion of events and territorial marketing activities.
Figure 2.29. Paid amounts of public contribution by category of activity: overview of individual OPs

Source: Own survey data. Based on answers provided by each OP to question C1.
Note: Out of 95 OP respondents to the survey, 63 provided an answer to this question. Missing answers were from the following OPs: CB - Central Europe, CB - Germany-Austria, CB - Oresund-Kattegatt-Skagerrak, CY - Sustainable Development and Competitiveness, CZ - South-East, DE - Berlin, DE - Hessen, DE - Sachsen-Anhalt, DE - Schleswig-Holstein, DK - Innovation and Knowledge, EE - Estonia, EL - Attiki, FR - Auvergne, FR - Pays de la Loire, FR - Réunion, HU - South Great Plain, HU - Central Hungary, HU - Central Transdanubia, HU - North Great Plain, HU - North Hungary, HU - Social Infrastructure, HU - South Transdanubia, HU - West Pannon, IT - Veneto, LT - Promotion of Cohesion, LV - Infrastructure and Services, "PL – Infrastructure and Environment", PT – Alentejo, UK - Northern Ireland, and UK - West Wales and the Valleys.
Figure 2.30. Percentage of projects completed: overview of individual OPs

Source: Own survey data. Based on answers provided by each OP to question C1.

Note: Out of 95 OP respondents to the survey, 70 provided an answer to this question. Missing answers were from the following OPs: AT – Burgenland; CB - Central Europe; CB - Germany-Austria; CB - Italia-Austria; CB - Oresund-Kattegatt-Skagerrak; CY - Sustainable Development and Competitiveness; CZ - South-East; DE - Bayern; DE - Berlin; DE - Hessen; DE - Sachsen; DE - Sachsen-Anhalt; DE - Schleswig-Holstein; DK - Innovation and Knowledge; EE - Development of the Living Environment; EE - Estonia; EL - Attiki; ES - Asturias; FR - Auvergne; FR - Réunion; HU - South Great Plain; HU - Central Hungary; HU - Central Transdanubia; HU - North Great Plain; HU - North Hungary; HU - Social Infrastructure; HU - South Transdanubia; HU - West Pannon; IT - Veneto; LV - Infrastructure and Services; PL - Infrastructure and Environment; PT – Alentejo; and UK – Northern.
2.5 Overview of the measures of achievement

This section draws from information provided by respondents to questions D1, D2 and B.10 of the questionnaire.

For each of the following typologies of interventions, please specify the most relevant achievement indicators (distinguishing between output and result) adopted in your monitoring system (maximum three), provide a quantitative measure of the achievements to 2014 and describe any other additional evidence available (qualitative or quantitative).

Do indicators listed under question D1 appropriately describe the achievements of tourism and culture interventions? Please identify the strengths and weaknesses of the indicators used.

Have targets been set for each specific objective of the ERDF investments supported by the Operational Programme of your country/region and is progress on achievements systematically monitored?

In particular, the following evaluation question was investigated through these questions.

What are the most commonly used measures of achievement (core indicators as well as programme specific indicators - e.g. capacity of hotels, number of visitors and occupancy rate of facilities)?

The survey results show that programme-specific indicators are the main type of indicators used in practice to monitor achievements in both the culture and tourism sectors.

With respect to the culture sector, OP respondents reported using 134 different indicators. Amongst these, 87 are reported as being ‘output’ indicators while 47 are reported as being ‘results’ indicators. The most commonly used measures of achievements are ‘Number of projects’ (though hardly a good output indicator), the ‘Creation of new enterprises’, ‘New jobs’ and ‘Increase of related tourism activities’ (all results indicators). The indicator ‘Number of projects’ is mostly used to measure achievements in the categories ‘Construction/extension/recovery of cultural infrastructure or of infrastructure providing cultural services’ and ‘Refurbishment/recovery and protection of historical monuments, buildings or archaeological sites’. For the category ‘Organisation of cultural events or performing arts’, OPs mostly measure achievements with the rather vague indicator ‘Number of organised events’. There is evidence from several OPs (e.g. Greece - no Attiki), UK – North West) that sometimes the same indicators (e.g. additional daily visit or visitor expenditure) are used to measures achievements regardless the category of interventions supported.

Turning to the tourism sector, OP respondents have reported around 200 different programme-specific indicators being used. Amongst these, 118 are output indicators while the remaining ones are results indicators. As with the culture sector, the indicator ‘Number of projects’ (an output indicator) is more widely used in the case of physical investments. The use of a wider range of indicators has been observed with regard to other categories of interventions in the tourism sector, such as the organisation of cultural events, support to private initiatives and territorial marketing.
activities.

It is worth noting that an assessment of the aggregate scale of achievements to date is not possible given the huge variety of indicators is used and the large amount of missing data. Table 2.5 below provides examples of measures of achievements in the selected case study OPs. The appropriate indicators will be explored in more depth in the regional case studies.

Table 2.5. Examples of measures of achievement in the selected case study OPs

<table>
<thead>
<tr>
<th>Operational Programme</th>
<th>Culture</th>
<th>Tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES - Madrid</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>FR - Rhone Alpes</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>PL - Podlaskie</td>
<td>Output:</td>
<td>Output:</td>
</tr>
<tr>
<td></td>
<td>• Number of infrastructure projects in the field of culture and cultural heritage protection (target: n.a.; achievement: 12).</td>
<td>• Number of projects in the field of sports and recreation infrastructure (target: n.a.; achievement: 63).</td>
</tr>
<tr>
<td></td>
<td>• Number of new or improved cultural infrastructure (target: n.a.; achievement: 5).</td>
<td></td>
</tr>
<tr>
<td>CB - Italia-Austria</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>MT - Investing in Competitiveness for a Better Quality of Life</td>
<td>Output:</td>
<td>Output:</td>
</tr>
<tr>
<td></td>
<td>• Surface area of rampart elevation plan restored (target: 150,000m2; achievement: 112,142 m2)</td>
<td>• No of marketing measures to penetrate /develop new/established niche markets (target 4; achievement 1).</td>
</tr>
<tr>
<td></td>
<td>Result:</td>
<td>Result:</td>
</tr>
<tr>
<td></td>
<td>• % overall increase in the number of paying visitors at upgraded sites (target 14%; achievement 0.17%)</td>
<td>• No of project implemented by enterprises (target 110; achievement 101).</td>
</tr>
<tr>
<td></td>
<td>• % of total tourists visiting upgraded cultural sites (target:14%; achievement: 0.19%)</td>
<td>Result:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• No of enterprises adopting new products and processes (target 90; achievement 53)</td>
</tr>
</tbody>
</table>

Source: Own survey data.

It was stressed by some of the respondents (i.e. OPs BE – Hainaut, BE – Wallonia, CB - Italia-Slovenia), that some of the common indicators in use (e.g. number of projects and number of jobs created) are not exhaustive. The diversity of culture and tourism interventions means that specific project indicators are needed to completely describe the effects of the interventions. However, there is also evidence from the survey that wrongly selected programme-specific indicators can sometimes be used (e.g. CB – Central Europe) or about targets which have not been realistically set. For example, the cross-border OP Central Baltic uses the indicators “number of sustainable co-operations and networks when ERDF funding ends” and number of “Joint cultural events performed” to measure the achievements related to the organisation of cultural events. As reported by the Managing Authority answering the survey, these indicators are not matching the type of activities finance and the main results obtained with programme.

As pointed out by some of the OP respondents (e.g. DE – Thüringen; DE – Brandenburg), there are programme-specific indicators which should only be interpreted with great caution in both the tourism and the cultural sectors. A good example of this sort of indicator is the ‘Number of visitors’, a very vague indicator indeed. The total number of visitors to a facility or event may well be systematically collected, but from the available information no conclusions can be drawn about the additional number of visitors actually stimulated as a result of the investment. Moreover, the positive effects of construction activities can be only identified after a
long period of time, and the construction work can even lead to a reduction in the number of visitors in the short term.

The OP Romania MA argues that the most challenging task for an MA is to quantify the number of persons benefitting from an infrastructure project. This is a crucial issue especially in the case of cultural heritage investments (such as churches, fortress, etc) where it’s extremely difficult to have correct measurements of the number of visitors and users\(^{80}\).

2.6 Beneficiaries supported in tourism and culture

This section builds on the answers provided to the following questions:

<table>
<thead>
<tr>
<th>E.1</th>
<th>Who are the main beneficiaries of the interventions implemented?</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.2</td>
<td>How are beneficiaries selected?</td>
</tr>
<tr>
<td>E.3</td>
<td>What are the most common selection criteria for beneficiaries?</td>
</tr>
<tr>
<td>C.4</td>
<td>In the case of business support to private operators in the Culture and Tourism sectors (e.g. hotel and restaurants or support schemes for culture industries), are support measures targeted exclusively to tourism/culture operators or do these operators compete for the same support measures applied to operators in other sectors?</td>
</tr>
</tbody>
</table>

In particular, the nature of the selection processes and the selection criteria commonly adopted for choosing beneficiaries of financial support were aspects investigated in the survey (see evaluation questions below).

| E.Q.6. | Who are the main beneficiaries of the financial support (e.g. services vs. infrastructure, public vs. private, etc.)? |
| E.Q.7. | What is the nature of the selection process? Do selection processes, selection criteria and the choice of indicators address the assessment of the financial sustainability of projects? |

Figure 2.31 sets out a breakdown of the different types of beneficiaries\(^{81}\) in the two sectors. It is worth noting that in both tourism and culture sectors, individual public bodies account for the largest share of all the types of activities supported, with the sole exceptions of ‘Support to creative industries’ and ‘Support to private initiatives in the tourism sector’ (mostly represented by individual SMEs). SMEs are likely to represent a sizeable share of final beneficiaries even when the direct beneficiaries (i.e. entities receiving the funds) are public bodies. This issue will be better explored in the case studies.

\(^{80}\) This is an issue for the new common indicators to be used in 2014-2020 where different approaches have been discussed.

\(^{81}\) They are institution or public and private company taking the advantage of European funds on the basis of Contract for co-financing for the project and on the basis of a decision made by a competent Minister if he performs a function of Managing Authority or Intermediate Body, or by the voivode if he performs a function of Intermediate Body (definition available from European Funds portal https://www.poig.2007-2013.gov.pl/english/strony/main_definitions.aspx)
**Figure 2.31. Beneficiaries by category of activities**

*Figura a) CULTURE*

- Construction/extension/recovery of cultural infrastructure or of infrastructure providing cultural services
- Refurbishment/recovery and protection of historical monuments, buildings or archeological sites
- Organisation of cultural events or performing arts
- Support to creative industries

*Figura b) TOURISM*

- Physical investments for the promotion and development of the tourism sector or recreational touristic infrastructures and services
- Territorial marketing activities
- Investments to improve the safety and protection of natural assets
- Promotion of sports and recreational activities and events
- Support to private initiatives in the tourism sector

Source: Own survey data.

Note: More than one response is possible. Out of 95 OP respondents to the survey, 76 provided an answer to question represented in Figure a) and 80 to the question represented in Figure b).

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82 Figures show results provided to question E1.

83 No answer was provided by the following OPs: CB - Öresund-Kattegatt-Skagerrak; CZ - Central Moravia; DE - Bayern; DE - Schleswig-Holstein; EE - Estonia; ES - Andalucía; ES - Castilla y León; ES - Comunidad Valenciana; ES - Galicia; FI - Eastern Finland; FI - North Finland; FR – Auvergne IT-Basilicata; LT - Promotion of Cohesion; NL – West; PL - Development of Eastern Poland; SK - Slovakia (Compet.); UK - Northern Ireland.
Selection processes

With respect to the selection processes, Figure 2.32 shows the different processes and how they apply to different types of organisations. For all of the types of beneficiaries considered the open competitive procedure is the most common approach applied. Direct appointment procedures are more frequently chosen in cases of individual public bodies, but they are used also in the other cases. In general, consortiums of beneficiaries (i.e. private, public or mixed) demonstrate a slightly higher share of ‘negotiated procedure’ selection processes, compared to beneficiaries of other types.

Figure 2.32. The selection procedures for beneficiaries

Source: Own survey data. Note: More than one response is possible. 85 OPs out of 95 respondents to the survey provided an answer to this question.

Selection criteria

Figure 2.33 examines the nature of the selection criteria applied to identify beneficiaries. In some 80% of cases, the ‘financial robustness’ of beneficiaries is ‘always’ taken into account as a selection criteria. The ‘technical quality’ of beneficiaries is also an important selection criterion, and is always taken into account in around 65% of cases. Additional criteria such as ‘innovativeness’ and ‘capacity to cooperate/build networks’ are taken into account in under 30% of cases. The case studies will help to understand to what extent the criteria adopted for the selection of

84 No answer was provided by the following OPs: CB - Central Europe; CB - Öresund-Kattegatt-Skagerrak; DE - Bayern; DE – Berlin; ES – Andalucía; ES - Castilla y León; ES - Comunidad Valenciana; ES - Galicia; FI - Eastern Finland; FI - North Finland; HU - Social Infrastructure; IT – Veneto; NL - West "PL – Infrastructure and Environment"; SL – Slovenia.

85 The graph shows results provided to question E.2.

86 No answer was provided by the following OPs: BE – Hainaut; CB - Öresund-Kattegatt-Skagerrak; CB - Poland–Germany; DE - Bayern; DE – Berlin; ES - Comunidad Valenciana; FR – Auvergne; FR – Bourgogne; FR – Réunion; PL – Łódzkie.
beneficiaries are linked to the objectives of the programme as well as to assess how social inclusion impact factored into selection criteria of culture projects.

**Figure 2.33. Selection criteria for beneficiaries**

![Graph showing selection criteria for beneficiaries](image)

Source: Own survey data. Note: More than one response is possible. 82 OPs out of 95 respondents to the survey provided an answer to this question.

In the specific case of support to private operators, surveyed OPs were asked to indicate whether their ERDF support was targeted exclusively at tourism enterprises or whether these enterprises were competing within the same criteria applied to enterprises in other sectors. Figure 2.34 shows that 44% of OP respondents were targeting business support exclusively at operators in the tourism sector, while 38% applied the same criteria to all sectors.

**Figure 2.34. Business support to private operators**

![Graph showing business support to private operators](image)

Source: Own survey data. Note: Out of 95 OP respondents to the survey, 68 provided an answer to this question.

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87 The graph shows results provided to question E.3.

88 No answer was provided by the following OPs: BE - Hainaut ; CB - Öresund-Kattegatt-Skagerrak ; CB - Poland–Germany ; DE - Bayern ; DE – Berlin ; DE - Sachsen-Anhalt ; EE - Development of the Living Environment ; ES – Andalucía ; ES - Castilla y León ; ES - Comunidad Valenciana ; FR – Bourgogne ; IT- Basilicata ; PL - Łódzkie.

89 The graph presents answers provided to question C4 : « In the case of business support to private operators in the Culture and Tourism sectors (e.g. hotel and restaurants or support schemes for culture industries), are support measures targeted exclusively to tourism /culture operators or do these operators compete for the same support measures applied to operators in other sectors? ». 
2.7 Concluding remarks

Results from the survey show that ERDF investments in culture and tourism are explained by several rationales and are implemented through a combination of different types of strategies.

The main rationales for interventions in culture declared by the Managing Authorities surveyed are the following: (a) lack of culture infrastructures, (b) a shortage of skills and human capital in the management, marketing and promotion of activities, (c) the need to reduce disparities in economic development between the urban centre and the rest of the region, (d) the lack of public and private resources for the preservation and conservation of declining cultural and natural assets, and (e) the need to reduce digital divide of the sector.

For the tourism sector, in the stated rationales supporting ERDF interventions, there are: (a) the lack and/or poor quality of infrastructures, (b) the lack of an adequate marketing and promotion of tourist products, (c) the need to reduce seasonality in tourist flows and diversifying the offer, (d) revitalization of urban and rural areas, (e) lack of capital for investments and development of the sector, (f) reducing territorial economic disparities, and (g) low capacity for innovation.

In terms of the strategies, findings from the survey show supporting regeneration of the sector and enhancing social and territorial cohesion are the most common strategies for culture sector interventions. For tourism, the strategy mostly widely adopted by the OPs is focused on improving innovation and competitiveness capacity within the sector. In both sectors, this strategy is mostly combined with ERDF in an attempt to support the economic diversification of the sector in response to deindustrialization or economically declining rural areas.

With respect to the objectives of ERDF interventions, the most common specific objectives in the culture sector include, improving urban regeneration and social cohesion together with diversifying the cultural offer and supporting cultural services. For tourism, a slightly higher percentage of respondents indicated that ERDF interventions have been specifically committed to improving the tourist attractiveness of the area together with diversifying the tourism offer and create targeted tourism products/packages.

The most common approach adopted by the OPs to implement strategies for culture and tourism is through the inclusion of specific measures within a broader Priority Axis and/or in the framework of urban and regeneration projects. Policies for both sectors are also indirectly linked into the framework of other policy areas as well as supported with funds in addition to the ERDF (e.g. EAFRD, national and regional funds).

Focusing on activities supported, there is a predominance of physical investments as distinct from services provided and less tangible types of interventions. This is the case for both sectors. However, this predominance is most marked in the culture sector, where few OPs appear to be supporting private initiatives in creative industries and/or cultural events and programmes. Interventions in the tourism sector support a wider range of activities, including also territorial marketing services, sports and recreational activities and events. In both sectors, grants still form the most common types of financial support, followed only at some distance by financial engineering instruments.

Turning to measures of achievements, the majority of OPs indicated that they have mainly been setting programme-specific targets in both sectors. There is evidence from several OPs that sometimes the same indicators are used to measures
achievements regardless the category of interventions supported. The most commonly used measures of achievements are ‘Number of projects’. Both for culture and tourism sectors, this indicator is more widely used to measure achievements in the case of physical investments. However, the fact that a large number of different programme-indicators have been used, varying from OP to OP, means that aggregation of results and comparisons across the different categories of activities supported is extremely difficult.

Finally, when the pattern of beneficiaries is analysed, individual public bodies account for the most categories of activities supported in both the tourism and culture sectors. The only exception is in respect of support to private operators, where individual SMEs are the largest category represented. Whatever the type of beneficiaries, the open competitive procedure is stated the most common approach adopted by the OPs during the selection processes. As far as selection criteria are concerned, the majority of respondents to the survey reported that financial robustness and technical quality are always or often taken into account. This issue will be further explored in the case studies in order to assess to which extent these criteria are actually introduced and implemented in the selection procedure.
3. Classification of regions/programmes with similar features and preliminary identification of nine programme case studies and 18 mini case studies for field work. Brief description of each proposed programme.

3.1 Classification of regions/programmes

The aim of this section is to cross-analyse the outcomes of Task 2a (the statistical analysis of allocations and reported outputs) and 2b (the survey of MAs) in order to classify EU programmes according to the different culture and tourism strategies identified in the literature review (Task 1) and the survey.

The resulting multi-dimensional analysis forms the basis for the selection of nine regional or programme case studies and 18 project mini case studies (two for each of the nine regional and programme strategies proposed). Six of the nine proposed regional or programme case studies will be then identified with their associated pair of mini case studies, in agreement with the European Commission. These six will be subject to in-depth analysis as described in Task 3.

The selection criteria adopted for the regional case studies are:

- The strategy adopted in the Programmes (the underpinning rationale).
- The relevance of culture and tourism sectors for the regional economy, as identified through a cluster analysis (see section 3.1.2);
- Programme coverage: at least one cross-border programme and a combination of Convergence Objective and Competitiveness & Employment Objective regions, weighted in accordance with the financial allocations in the two groups of regions;
- Geographical distribution: north, south, central and eastern Europe, as well as representation across old/new member states
- Topographical characteristics of regions: urban, rural, mountain, coastal, and others.

In addition to these criteria, the identification of the case studies has also taken into consideration the availability of information on outputs and results achieved, as well as details of the strategy adopted (as provided by the MAs in their questionnaires).

Underpinning the selection of the mini case studies is the need to include both successful and less successful practices, as well as outcomes from the literature review and the results of the survey of the MAs.

By 'successful practices' is meant innovative projects that achieved:

- Good financial and physical performance results;
- Sustainable results that contributed to the tourism and/or culture sectors and so to the region’s socio-economic development;
- Improvements in the capacity to capitalize on the results produced (e.g. exploit infrastructure created).
Other ‘successful practices’ criteria include:

- Adoption of an integrated strategy;
- Pluralism and stakeholder participation;
- Grounding and transferability.

‘Less successful’ practices are those characterized by financial/physical/partnership issues that resulted in the impairment or blocking of the development of the project, or where a major challenge had to be overcome in the implementation of the project.

In addition, the selection process also paid attention to projects that are relevant to strategy objectives. Selected projects should be representative of the different types of strategies identified during the literature review, combined with information derived from the survey of MAs.

### 3.1.1 The strategies adopted

The literature review carried out in Part I identified four main types of strategies:

- Economic diversification;
- Regeneration and social cohesion in urban or rural areas;
- Innovation and competitiveness in the tourism and culture sectors;
- Socio-economic and environmental sustainability.

Table 2.1 and Table 2.2 in Section 2.2 of Part II of the report have classified the OPs surveyed by the strategy adopted. This classification has been used as the basis of proposed case study selection.

### 3.1.2 The relevance of culture and tourism to the regional economy: a cluster analysis

Cluster analysis is a type of data classification carried out by separating the data into groups. The aim of the analysis is to categorize n objects (in this case the EU regions) into k (k>1) groups, called clusters, by using p (p>0) clustering variables.

The cluster analysis was carried out in order to classify regions according to the relevance of culture and tourism sectors in the regional economy. All EU27 countries were analysed at NUTS2 level, except for Germany and United Kingdom where data at NUTS1 level was used.

The analysis has been performed on culture and tourism indicators ordinarily in evidence in the wider literature and data-bases and available at regional level. As noted in Part I of the report, analysis of context is affected by a lack of regional comparable data on culture, in contrast to tourism where a number of indicators are available.

In order to derive at the most parsimonious and easily interpreted model, we considered two main types of indicator:

**Employment indicators:**
- The percentage of employment in the cultural sector, 2008-2013 period

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90 Annex II (Chapter 3) presents the methodological details of the cluster analysis and table II.22 the list of available indicators at regional level that were collected.
average\(^{91}\);  
- The percentage of employment in the tourism sector, 2008-2013 period average;  
- The average annual change in cultural employment, 2008-2013 period;  
- The average annual change in tourism employment, 2008-2013 period.

Indicators specific to tourism which were used were:  
- Tourism establishments (per 1000 inhabitants), 2013 – as a proxy for the number of the business units;  
- Number of nights spent per arrival, 2013;  
- Nights spent by non-residents (as % of total nights), 2013.

Due to differences in units of measurement for the variables used and in order to better assess the results of the analysis, we standardised the indicators. This is a routine procedure in cluster analysis. This was done by indexing the EU average as 1.0, and using this as a baseline for the individual regions’ results. To derive average annual change in employment, we used the difference (in percentage points) from the EU27 value.

Table 3.1 presents the results of the cluster analysis and Figure 3.1 maps the EU27 regions by cluster. Table II.23 in Annex II provides a detailed list of regions by cluster.

**Cluster 1 - High flying cultural cities**  
This cluster comprises 28 regions where culture plays an important role in the local economy. In these regions, the average percentage of culture employment is 4% (compared to an EU27 average of 2.3%). These regions have large cultural cities, such as Lazio-Roma, Ile de France-Paris, London, Vienna, Attiki-Athens, Brussels, Berlin, Prague, Lisbon, Catalonia-Barcelona, and Madrid. The percentage of nights spent by non-residents in these regions (55.5%) is higher than the EU27 average of 44%, while the average number of nights spent by arrivals (2.4) is lower than the EU27 average of 3.0.

**Cluster 2 – Regions with an unusually high density of tourism establishments**  
This cluster comprises seven small mountain regions, characterised by a very high number of tourism establishments compared to the number of permanent inhabitants (8.5, in comparison to the EU27 average of 1.0). The number of nights spent by non-residents is higher than the EU27 average (56.2% vs 44.0%) as is the average number of nights spent per arrival (3.9 vs 3.0).

**Cluster 3 – Economies not based on culture and tourism**  
This large cluster comprises 131 regions where culture and tourism sectors are less important to the local economy than they are in the EU27 average. These tend to be located in Continental and Eastern Europe.

**Cluster 4 – Tourism-related economies**  
This cluster comprises 46 (particularly Mediterranean) regions for whom the tourism sector is important. In these regions, the incidence of tourism employment is higher than the EU27 average (6.2% vs 4.4%). The number of establishments per 1,000 inhabitants in the tourism sector is also higher (2.7 vs 1.0). These regions also have a lower percentage of nights spent by non-residents than the EU27 average (35% vs

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\(^{91}\) Due to the poor reliability of the estimates of the number of persons employed in the culture and tourism sectors at regional level we used the average value for the 2008-2013 period instead of the latest available data (2013). For the same reason, and in order to define a trend, we used the average annual change instead of the 2008-2013 change.
Cluster 5 - Tourism-based economies
This cluster comprises 15 coastal and small maritime regions where the percentage of total employment in tourism is much higher than the EU average (10.3% vs 4.4%). The employment trend is positive and higher than the EU27 average. The number of tourism establishments per 1,000 inhabitants is also higher than the EU27 average (3.2 vs 1.0). In addition, the number of nights spent by non-residents (66.6%) and the average number of nights spent per arrival (5.2) are among the highest of the five clusters.

Figure 3.1. EU regions by cluster

Cluster 1 - High flying cultural cities
Cluster 2 – Regions with an unusually high density of tourism establishments
Cluster 3 – Economies not based on culture and tourism
Cluster 4 – Tourism-related economies
Cluster 5 – Tourism-based economies
Source: Own analysis based on Eurostat data.
Table 3.1. Cluster analysis results

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Cluster description</th>
<th>Employment in culture</th>
<th>Employment in tourism</th>
<th>Employment trend in culture</th>
<th>Employment trend in tourism</th>
<th>Nights spent by non residents</th>
<th>Number of nights spent per Arrival</th>
<th>Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster 1 - 28 regions</td>
<td>High flying cultural cities</td>
<td>% on overall employment</td>
<td>Standarised value</td>
<td>% on overall employment</td>
<td>Standarised value</td>
<td>Average annual change</td>
<td>Standarised value</td>
<td>Average annual change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.0</td>
<td>1.71</td>
<td>4.8</td>
<td>1.09</td>
<td>0.01</td>
<td>0.01</td>
<td>-0.02</td>
</tr>
<tr>
<td>Cluster 2 - 7 regions</td>
<td>Regions with an unusually high density of tourism establishments</td>
<td>2.0</td>
<td>0.88</td>
<td>8.6</td>
<td>1.94</td>
<td>0.06</td>
<td>0.06</td>
<td>-0.03</td>
</tr>
<tr>
<td>Cluster 3 - 131 regions</td>
<td>Economies not based on culture and tourism</td>
<td>1.8</td>
<td>0.73</td>
<td>3.5</td>
<td>0.80</td>
<td>-0.01</td>
<td>-0.01</td>
<td>0.00</td>
</tr>
<tr>
<td>Cluster 4 - 46 regions</td>
<td>Tourism-related economies</td>
<td>1.6</td>
<td>0.67</td>
<td>6.2</td>
<td>1.42</td>
<td>0.02</td>
<td>0.02</td>
<td>0.00</td>
</tr>
<tr>
<td>Cluster 5 - 15 regions</td>
<td>Tourism-based economies</td>
<td>1.5</td>
<td>0.64</td>
<td>10.3</td>
<td>2.33</td>
<td>-0.03</td>
<td>-0.03</td>
<td>0.16</td>
</tr>
</tbody>
</table>

| EU27 average | 2.3 | 4.4 | 0.01 | 0.05 | 44.0 | 3 | 1.1 |

Source: Own analysis based on Eurostat data.
3.2 Proposed selection of case studies

Nine proposed OP case studies have been identified. Their key characteristics are summarized in Table 3.2. The proposed case studies also include also OP Puglia previously selected as a pilot case study.

The proposed OP case studies ensure a good geographical coverage of all EU areas and a reasonable representativeness of both EU15 and EU12 member states:

- **Central EU15 member states**: Rhone-Alps (FR) and Mecklenburg-Vorpommern (DE), CB Italia-Austria (AT);
- **Northern EU15 member states**: CB Central Baltic (FI and SE);
- **Mediterranean EU15 member states**: Madrid (ES), Puglia (IT), Malta and CB Italia-Austria (IT);
- **Eastern EU12 member states**: Romania and Podlaskie (PL);
- **Northern EU 12 member states**: CB Central Baltic (LV and EE).

Furthermore, they also cover the key different types of regions from the topographical point of view:

- **Costal/island areas** (Malta, Puglia, Mecklenburg-Vorpommern, Romania and Central Baltic);
- **Mountain areas** (Rhone-Alps, Romania, Podlaskie, Italia-Austria);
- **Lowland areas** (Romania, Podlaskie, Central Baltic).

All of the proposed case studies include both urban and rural areas, with the exception of Madrid which includes interventions only in an urban area.

Most of the OPs fall within the Convergence Objective (Romania, Podlaskie, Mecklenburg-Vorpommern and Puglia), except for Madrid and Rhone-Alps which are included in the Competitiveness & Employment Objective. Two of the proposed OPs fall within the Territorial Cooperation Objective: CB Italia-Austria and CB Central Baltic.

The proposed OPs represent all five of the identified clusters:

- Cluster 1: High flying cultural cities (Madrid);
- Cluster 2: Regions with an unusually high density of tourism establishments (CB Italia-Austria);
- Cluster 3: Economies not based on culture and tourism (Romania, Podlaskie, Mecklenburg-Vorpommern, Rhone-Alps, Central Baltic)
- Cluster 4: Tourism-related economies (Puglia)
- Cluster 5: Tourism-based economies (Malta).
Table 3.2. The key characteristics of the eight proposed case studies

<table>
<thead>
<tr>
<th>Mini case studies proposed by the MA</th>
<th>Madrid - ES</th>
<th>Malta</th>
<th>Rhone-Alps - FR</th>
<th>Mecklenburg - Vorpommern - DE</th>
<th>Romania</th>
<th>Podlaskie - PL</th>
<th>CB Italia- Austria</th>
<th>Central Baltic</th>
<th>Puglia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centro Cultural Distrito Centro de</td>
<td>Restoration and Rehabilitation of Historical Fortifications of Malta and Gozo</td>
<td>Espace de restitution de la Caverne du Pont d'Arc</td>
<td>Tourist promotion of Mecklenburg-Vorpommern</td>
<td>The establishment of the route of the January Uprising in Knyszynska Forest</td>
<td>A-A Alpen Adria Tourism project</td>
<td>&quot;Fostering geotourism on Central Baltic islands&quot; Sustainable Management of Historic Rural Churches in the Baltic Sea Region</td>
<td>Buy Puglia Open Days Puglia Tourist information points Murgia of the Trulli and Valle d'Itria Medimex Teatri Abitati</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcobendas Entorno Matadero Centro Cultural de Madrid</td>
<td>Tourism Zone Upgrade</td>
<td>Arts et Sciences</td>
<td>Ahrenshoop Art Museum</td>
<td>Infrastructure for wellness and spa tourism in the Turda-Sângeroz area</td>
<td>Centre for Education and Culture of the Muslim Tatars in Kruszyniany</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centro Cultural Distrito Centro de</td>
<td>Restoración y Rehabilitación de Fortificaciones Históricas de Malta y Gozo</td>
<td>Espacio de restauración de la Cueva del Puente del Arc</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo de la Caverna del Puente del Arco</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo del Centro Cultural de Alcobendas</td>
</tr>
<tr>
<td>Alcobendas Entorno Matadero Centro Cultural de Madrid</td>
<td>Tourism Zone Upgrade</td>
<td>Espacio de restauración de la Cueva del Puente del Arc</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo de la Caverna del Puente del Arco</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo del Centro Cultural de Alcobendas</td>
<td>Museo del Centro Cultural de Alcobendas</td>
</tr>
</tbody>
</table>

Legend: T=Tourism; C=Culture
Type of strategy: 1= Economic diversification; 2= Regeneration and social cohesion of urban or rural areas; 3=Innovation and competitiveness in tourism and culture sectors; 4=Socio-economic and environmental sustainability
Cluster: 1= high flying cultural cities; 2= regions with an unusually high density of tourism establishments; 3=economies not based on culture nor tourism; 4=tourism-related economies; 5= tourism-based economies.
As noted in Table 3.3, the proposed OPs cover all types of strategies identified in the study for culture and tourism.

Of the selected OPs, Romania, Malta and Mecklenburg-Vorpommern focus on a single specific strategy in the cultural sector (social cohesion in Romania; economic diversification in Malta; and innovation and competitiveness in Mecklenburg-Vorpommern). The other proposed case study OPs (Madrid, Rhone-Alps, Podlaskie, CB Central Baltic and CB Italia-Austria) have mixed cultural strategies.

All the proposed case study OPs have mixed strategies in the tourism sector, except for Mecklenburg-Vorpommern and Central Baltic, which are focused solely on economic diversification.

The selected OPs also have all demonstrated a good level of completion of the funded interventions in both the culture and tourism sectors:

- **Culture:**
  - 3 OPs (CB Italia-Austria, CB Central Baltic and Mecklenburg-Vorpommern) have completed all of their funded interventions;
  - 2 OPs (Rhone-Alps and Podlaskie) have completed over 80% of the funded interventions;
  - 2 OPs (Madrid and Puglia) have completed 50% of the funded interventions;
  - 1 OP (Romania) has completed less than 50% of the funded interventions.

- **Tourism:**
  - 2 OPs have completed all of their funded interventions (Central Baltic and Mecklenburg-Vorpommern);
  - 3 OPs have completed around 70-90% of the funded interventions (Rhone-Alps, Malta, Puglia);
  - 1 OP has completed 50% of the funded interventions (Podlaskie);
  - 1 OP has completed less of 50% of the funded interventions (Romania).

The survey did not provide information on the projects completed in tourism by the CB Italia-Austria and Madrid OPs.

**Table 3.3. The different culture and tourism strategies pursued by the selected OPs**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Economic diversification</td>
<td>• Mecklenburg-tourism</td>
<td>• Madrid - culture</td>
<td>• Podlaskie - culture</td>
<td>• Malta - tourism</td>
</tr>
<tr>
<td></td>
<td>• CB Central baltic-tourism</td>
<td>• Rhone-alps - culture</td>
<td>• CB Italy-Austria culture</td>
<td>• CB Italia-Austria-tourism</td>
</tr>
<tr>
<td>2. Social cohesion</td>
<td></td>
<td>• Romania - culture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Innovation</td>
<td></td>
<td></td>
<td>• Mecklenburg-culture</td>
<td>• Madrid - tourism</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Romania - tourism</td>
<td>• Rhone-alps - tourism</td>
</tr>
<tr>
<td>4. Sustainability</td>
<td></td>
<td></td>
<td></td>
<td>• Podlaskie - tourism</td>
</tr>
</tbody>
</table>

All the proposed case studies include examples of successful practices to be analysed within the mini case studies. As expected, MAs have rarely provided information on
'less successful practices'. Among the proposed OPs, only the Romanian MA provided such examples. Therefore, during the case study analysis, we will deal with the issue within each mini case study by carefully identifying elements of success and weaknesses within each of them.

Table 3.4 below sets out a brief overview of the set of proposed mini case studies. This is based on information provided by the MAs responding to the survey questionnaire. More detailed information is provided in a set of OP fiches in the Annex III.

Table 3.4. Overview of the proposed mini case studies

<table>
<thead>
<tr>
<th>Case study</th>
<th>Successful practice</th>
<th>Less successful practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centro Cultural Distrito Centro de</td>
<td>The project involves the construction of the Centro Cultural Distrito Centro de Alcobendas. The centre aims to encourage public access to contemporary culture, and it is an example of participatory dialogue between stakeholders at local and national level.</td>
<td></td>
</tr>
<tr>
<td>Alcobendas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Madrid - ES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entorno Matadero Centro Cultural de</td>
<td>Matadero Madrid Centre for Contemporary Creation is housed in a former slaughterhouse, built between 1908 and 1928 and designed by Luis Bellido for Madrid's livestock market. Located in the Arganzuela industrial district of Madrid, the building has been refurbished to become a centre for research and creation around culture, with activities to promote participation</td>
<td>Restoration and Works to the Historical Fortifications of Malta and Gozo This project includes restoration of fortifications in Valletta, Birgu, Mdina and the Citadel in Gozo, at a total cost of EUR 34.4 million. Once work is complete, the area is expected to offer tourist paths and opportunities for hosting tourist activities.</td>
</tr>
<tr>
<td>Madrid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malta</td>
<td>Restoration and Works to the Historical Fortifications of Malta and Gozo This project includes restoration of fortifications in Valletta, Birgu, Mdina and the Citadel in Gozo, at a total cost of EUR 34.4 million. Once work is complete, the area is expected to offer tourist paths and opportunities for hosting tourist activities.</td>
<td>Tourism Zone Upgrade This project provides landscaped urban space with seating and sea views in three tourism zones; Qawra, Pembroke and St. Paul's Bay, at a total cost of EUR 14.4 million. Additional facilities financed include a public aquarium with a marine visitor attraction and ancillary facilities such as restaurants, souvenir outlets and parking spaces. Further facilities include a diving institute and car parking in Qawra and a cycle track at Garigue Heritage Park in Pembroke.</td>
</tr>
<tr>
<td>ERDF244: Fort St. Elmo Heritage Experience – Museum and Rampart Walk This project involves works to the Fort St. Elmo Heritage Experience that include (i) a Military history museum (including the current National Museum) and Story of Valletta, and (ii) a rampart walk along Caraffa Enceinte.</td>
<td></td>
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</tr>
<tr>
<td>Rhone-Alps - FR</td>
<td>Espace de Restitution de la Caverne du Pont d’Arc The project is structured around two cultural poles: i) Fac-similé reproduces the elements of a cave; ii) le centre de découverte is an 800m2 permanent exhibition showing human development from our origins.</td>
<td></td>
</tr>
<tr>
<td>Mecklenburg-Vorpommern</td>
<td>Tourism Promotion of Mecklenburg-Vorpommern</td>
<td></td>
</tr>
<tr>
<td>Case study</td>
<td>Successful practice</td>
<td>Less successful practice</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td><strong>- DE</strong></td>
<td>This project seeks to promote the Mecklenburg-Vorpommern region at the national and international levels. The objectives of territorial marketing activities (e.g. trade fairs and exhibitions) include acquiring a strong market position against competing German holiday regions, improved service quality and the development of new market segments.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Ahrenshoop Art Museum</strong></td>
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<tr>
<td></td>
<td>The construction of a Museum of Art in Ahrenshoop seeks to develop art and culture tourism, which should in turn reduce the seasonality of tourism in the region.</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td><strong>Refurbishment of the Historic Urban Centres of Alba Iulia and the Alba Carolina Fortress</strong></td>
<td><strong>Infrastructure for Spa and Wellness Tourism in the Turda-Sângelorz Area</strong></td>
</tr>
<tr>
<td></td>
<td>This project, implemented between 2009 and 2014, involves both tourism and culture more generally. It was financed within Axis 1 ('Integrated urban plans'), and consists of the refurbishment of the 46.294 square metre Alba Carolina historical complex, at an overall cost of EUR 41.3 million. The completed restoration works resulted in the fortress becoming the most attractive tourism site of its kind in Romania.</td>
<td>This project includes restoration and modernisation works to the existing spa and wellness infrastructure, as well as restoration in the urban area and transport system improvements that increase accessibility. The main problem faced by the project was related to changes in Managing Authority procedures which resulted in the blocking of project funds allocated.</td>
</tr>
<tr>
<td></td>
<td><strong>Refurbishment of the historic centre of Arad Municipality</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The general objective of the project is to increase the attractiveness of Arad Municipality as a destination for tourism, through the restoration and sustainable valorization of historic and cultural heritage and related infrastructures. The completed project is expected to bring about a 27% increase in the number of tourists visiting Arad, an additional 1,488 visitors to the Museum &quot;Preparandei&quot;, and the creation of 15 jobs.</td>
<td></td>
</tr>
<tr>
<td>Podlaskie - PL</td>
<td><strong>The Establishment of the Route of the January Uprising in Knyszynska Forest</strong></td>
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<tr>
<td></td>
<td>This project was focused on the building of a tourist trail through the Knyszynska Forest, based on the events of the 1863 'January Uprising' against Russian invading forces.</td>
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<tr>
<td></td>
<td><strong>Centre for Education and Culture of the Muslim Tatars in Kruszyniany</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The project includes a large Muslim education and cultural centre with related facilities, created by the local Muslim community. The Kruszyniany historic mosque was declared a Historic Monument in 2013 by UNESCO, and the area has a large presence of Polish Tatar residents.</td>
<td></td>
</tr>
<tr>
<td>CB Italia-Austria</td>
<td><strong>A-A Alpen Adria Tourism Project</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The overall objective of this project is to strengthen tourism in Carinthia (AUT) and Friuli Venezia Giulia (ITA) by increasing visitors from neighbouring Slovenia. The strategy itself involves close cross-border cooperation to improve accommodation facilities, cooperation between businesses, language competency and tourist quality assurance.</td>
<td></td>
</tr>
<tr>
<td>Central Baltic</td>
<td><strong>Fostering Geotourism on Central Baltic islands</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>‘Fostering geotourism on Central Baltic islands’ is a project that seeks to promote and create opportunities for tourism development on the central Baltic islands and coastal areas. These can be used by local authorities, tourism experts and educational leaders to create and continue to manage site-specific and cross-border tourism activities. The project is committed to boosting economic growth, increasing employment and to enhance living standards in the central Baltic</td>
<td></td>
</tr>
</tbody>
</table>
### Case study

<table>
<thead>
<tr>
<th>Successful practice</th>
<th>Less successful practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>coastal areas and islands.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable Management of Historic Rural Churches in the Baltic Sea Region</strong></td>
<td></td>
</tr>
<tr>
<td>Historical rural churches are landmarks that are deeply connected to the culture and history of all the countries around the Baltic Sea. The main objective of this project is to raise awareness in congregations and local communities about the need to improve the management of historical rural churches and to exploit their economic potential as tourist attractions. To reach this objective, guidelines and long-term management plans were developed.</td>
<td></td>
</tr>
<tr>
<td><strong>Buy Puglia – Meeting &amp; Travel Experience</strong></td>
<td><strong>Teatri Abitati</strong></td>
</tr>
<tr>
<td>This is a project aiming at enabling international buyers to learn about the different offers of leisure products in Puglia. The promoted events take place annually (the second of these took place in 2014) at La Fiera del Levante di Bari, giving Puglia operators (primarily accommodation and intermediate tourism operators) the opportunity to present their services to a selection of foreign operators from about 30 European and Extraeuropean markets.</td>
<td>This is a project that gives 13 regional theatre companies the opportunity to showcase their artistic and organizational skills for the organization of exhibitions, promotion and education of the public, production of a performance, cultural animation of the territory, technical and administrative management of performance venues with activities extending beyond the municipal boundaries with hospitality towards (and in partnership with) other regional theater companies. The project is a case of success even though some difficulties were encountered recently with respect a reduction of financial resources at disposal of local administrations.</td>
</tr>
<tr>
<td><strong>Puglia Open Days</strong></td>
<td></td>
</tr>
<tr>
<td>It is the project for the enhancement and increased quality of local tourism. Each year (in 2014 the third of the events took place), in particular in the spring-summer period, though extending also into the winter period, the project organizes events and initiatives throughout the regional territory, in particular free guided tours to the most important attractions, sometimes taking advantage of extraordinary openings.</td>
<td></td>
</tr>
<tr>
<td><strong>Medimex – Music Innovation Expo</strong></td>
<td></td>
</tr>
<tr>
<td>This is a three-day Music Salon for an audience of music lovers and an international market fair targeted at Italian and international music operators. Medimex offers its visitors a wide exhibition area, live music shows, meetings with top artists, panels, conferences and a number of activities to get in contact with the different aspects of the music world while giving artists and operators an opportunity to meet and exchange views on the future of the music industry.</td>
<td></td>
</tr>
</tbody>
</table>

### Brief description of the proposed case studies

This section sets out a brief description of the proposed OP case studies and of the main reasons for their selection. More details are provided in the OP fiches included in the Annex III.

#### 1) Operational Programme Comunidad de Madrid

This OP is situated in an EU15 EU member state. It is in the Mediterranean region, and is within the Competitiveness & Employment Objective category.
The OP is a representative example of the 'High flying cultural cities’ cluster (cluster 1). It is characterized by a cultural sector with strong importance for the local economy. Tourism in Madrid is generally considered to be centred around cultural activities, with culture being utilized as a means of attracting tourists.

The level of employment in the cultural sector (3.2%) and the tourism sector (6.0%) is higher than the EU average (as shown by the cluster analysis). In fact, tourism sector employment levels here are among the highest of all the OPs included in cluster 1.

An aspect of the Madrid OP of particular note is that tourism and culture are an integral part of OP urban development priorities, with the aim of enhancing sustainable economic development, urban regeneration and social cohesion.

While the OP strategy for the culture sector focuses on social cohesion, in the tourism sector the focus is on economic sustainability and innovation. The Madrid OP in particular promotes interventions aimed at encouraging ICT use and entrepreneurship in tourism, areas which are less pronounced in the other surveyed OPs.

In line with most OPs surveyed, this OP includes mainly infrastructure interventions in both the culture and tourism sectors. In the cultural sector, 60% of the interventions are for infrastructure and the refurbishment of historical monuments. The remaining 40% are based around the construction of cultural or sports infrastructure. In the tourism sector all interventions (100%) undertaken by the OP have included investment in the promotion and development of the tourism sector, or in services and infrastructure for recreational tourism.

The level of achievement for the Madrid OP is good, with 50% of the funded cultural projects having already been completed.

Additional reasons for selecting the Madrid OP are related to the feasibility of the case study in the foreseen time span:

- information is available (especially from the MA survey); this is indicative of the MA’s interest in the evaluation. The MA also provided information on mini case studies to select: the Centro Cultural Distrito Centro de Alcobendas project and the Entorno Matadero Centro Cultural de Madrid project (for more details see the OP fiche in the Annex);
- excellent language skills and knowledge of the Spanish context is available within the working team. The case study is also highly feasible in the available time span as many of the members of the working team have carried out case studies on Spain as part of other ERDF evaluations.

2) Operational Programme Investing in Competitiveness for a Better Quality of Life, Malta

The Malta programme is a Convergence Objective programme representing an insular and coastal region. The economy is heavily dependent on tourism (24% of GDP). Malta is one of the regions included in cluster 5 (‘tourism-based economies’). In Malta, the employment in tourism (8.2%) is more than twice the EU27 average (4.0%) and the employment trend in tourism is positive. The percentage of nights spent by non-residents compared to the total (96.1%) is higher than the cluster 5 average.
The OP includes a dedicated axis for tourism and culture. The strategy for tourism is designed to enhance the diversification of the offer and the sustainability of the sector, while the interventions in the cultural sector are designed to promote social cohesion and urban regeneration.

With respect to the types of interventions promoted, the OP mainly focuses on refurbishment, recovery and protection of historical monuments (80% of the expenditure in the cultural sector) and on tourism infrastructure (around 70% of the expenditure in the tourism sector). Other interventions include construction of cultural infrastructure (20%) and support to private initiatives in tourism (20%).

The degree of finalization of the funded projects is quite low for culture (20%) but high for tourism (80%).

Another reason for selecting the Malta OP is because of the availability of detailed information provided by the MA survey questionnaire, which is indicative of the MA's interest in the evaluation. In addition, some members of the work-team have mother-tongue language skills and excellent knowledge of the context.

The MA has proposed three mini case studies: Restoration and Rehabilitation of Historical Fortifications of Malta and Gozo, Tourism Zone Upgrade and ERDF244: Fort St. Elmo Heritage Experience – Museum and Rampart Walk (for more details see the OP fiche in annex).

3) Operational Programme Rhône-Alps

The Rhone-Alps OP is situated within the EU15 group of countries. The Rhone-Alps region is categorized as cluster 3 that is without a specific focus on tourism and/or culture. Nevertheless, Rhone-Alps has higher than cluster 3 average figures in the number of nights spent by non residents (29.8%), the number of nights per arrival (3.0) and the trend of employment in both culture (0.1) and tourism (0.5)

The tourism and culture strategy is part of a broader framework. The main aims of the cultural interventions are social cohesion, urban regeneration and economic diversification. For tourism, the aims are support for innovation and competitiveness. The cultural strategy is focused on economic diversification in rural areas, which differentiates it from other OPs. In fact, only 23% of OPs surveyed chose to focus on this objective as part of their cultural strategy.

As with the Madrid OP, this OP is unusual as regards tourism in the fact that it seeks to enhance competitiveness and innovation through encouraging entrepreneurship and the use of ICT. These two objectives were rarely selected by the OPs surveyed.

The Rhone-Alps OP is one of few OPs surveyed that invested in the organization of cultural events or the performing arts, representing 60% of the interventions undertaken in the cultural field, compared to an average of less than 20% in the other surveyed OPs.

With regard to tourism, the OP is characterised by the integration of different types of interventions. Physical investments have been used to seek the promotion and development of the tourism sector, and have also been focused on infrastructure and services for recreational tourism. Investment also went into territorial marketing, improvements in the protection of natural assets, and the promotion of sports and recreational activities and events.
The OP is characterised by a good level of achievement. In the tourism sector 70% of the financed projects are completed, while in the cultural sector this percentage has reached 80% of the financed interventions.

There are also several feasibility reasons for selecting it as a case study:

- **availability of information** (from the MA survey). This is indicative of the MA’s interest in the evaluation. The MA also provided information on mini case studies to select: Espace de restitution de la Caverne du Pont d’Arc; Arts et Sciences (for more details see the OP fiche in the Annex III).
- **mother tongue language skills and excellent knowledge of the Rhone-Alps context.** The case study is also highly feasible in the available time span as the team includes a French researcher previously involved in other evaluations of the Structural Funds. Moreover, the consortium members have already carried out evaluations of Structural Funds in the Rhone-Alps area, and have good contacts with MAs and other officials.

4) OP ‘Mecklenburg-Vorpommern’ - Germany

The OP falls under the Convergence objective of a Central European region. The region is included in cluster 3, among the economies not based on tourism and culture. The primary objective of the OP is a sustainable increase in economic growth, by improving companies' innovativeness, entrepreneurial competitiveness and the attractiveness of the region as a place to do business. In this context, culture and tourism (representing 4% of the total budget) are a part of the overarching strategy and are addressed within a broader Priority Axis. The rationale for the intervention in culture seems clearly focused on innovation, while the tourism element seeks to foster economic diversification, with part of the expenditure being dedicated to the promotion of sports and recreational activities and events.

The Mecklenburg-Vorpommern OP is unusual in that it is one of the few OPs that invest in cultural events and the performing arts and in the promotion of sports/recreational events.

The degree of completion of the interventions is already 100% in both the cultural and tourism sectors.

Feasibility reasons for the selection of this case study include:

- **availability of information** (from the MA survey), indicative of the MA’s interest in the evaluation. The MA provided some examples of good practice: Touristic promotion of Mecklenburg-Vorpommern and Ahrenshoop Art Museum (for more details see the OP fiches in the Annex III);
- **good contacts with German experts** that could be involved in the case study.

5) Romanian Regional Operational Programme

The Romanian Regional OP is situated within the EU12 area in Eastern Europe, and is a Convergence Objective OP. The OP is unusual in that due to the administrative organization of the country, it is a national rather than a regional OP. Romania has no regions as defined at EU level. Regional Development Agencies are, however, involved in the implementation of Structural Funds.
All Romanian regions in which the ERDF ROP operates are within cluster 3, without a specific focus on tourism and/or culture. Some Romanian regions targeted by the OP do however exhibit higher than cluster 3 average values with regards to the number of nights spent by non-residents (Bucuresti – Ilfov); the number of nights per arrival (Muntenia and Sud-vest Oltenia) and employment trends in the tourism sector (Centru).

The Romanian OP is part of only a small group of OPs that directly address tourism and culture within a specific axis. Axis 5 (‘Sustainable development and promotion of tourism’) is explicitly dedicated to tourism promotion through the enhancement of the cultural heritage and natural resources with tourism potential. It also focuses on the improvement of the quality of accommodation and the leisure tourist infrastructure. Moreover, tourism and culture are also directly addressed within urban development plans and indirectly within competitiveness policies.

The main focus of the Romanian tourism and culture strategy is on social cohesion and innovation in the tourism sector. Additional objectives include promotion of female employment in this sector and the creation of regional and local economic growth opportunities. The contribution of natural and cultural assets to job creation in each of the eight Romanian development regions is also an objective, and includes cultural assets in marginal economically and socially disadvantaged areas.

With respect to tourism interventions, this OP is characterized by the integration of infrastructure and territorial marketing.

Around 25% of the cultural projects and 35% of the tourism projects in this OP have been already completed. The percentage of tourism projects completed may however have been underestimated as MA monitoring data do not include the number of projects completed for all of the categories of financed interventions.

Feasibility reasons for selection include:

- availability of detailed information (the MA survey data), which is indicative of the MA interest in the evaluation. The Romanian MA is among only a few that included information on bad as well as good practices. The MA provided evidence for mini case studies to select: Refurbishment of the historic urban center of Alba Iulia and Alba Carolina fortress (interesting especially for the integration of the EU funds with UN and World Bank funds); Refurbishment of the historic centre of Arad Municipality and Infrastructure for wellness and spa tourism in the Turda-Sângeorz area (for more details see the OP fiche in annex)
- mother tongue language skills and excellent knowledge of the Romanian context within the work team make this case study highly feasible in the available time span. The internal work team includes a Romanian native researcher with experience in the evaluation of Structural Funds for the development of tourism sector in Romania.

6) Operational Programme 'Podlaskie'

This Polish ERDF programme is situated within the EU12 area in Eastern Europe, and is a Convergence Objective OP.
The Podlaskie Region OP falls within cluster 3; that is, regions without a specific focus on tourism and/or culture. Cluster analysis has shown that the number of nights spent by non-residents is 20.6, while the number of nights per arrival is 1.7. Even though levels of tourism and culture sector employment are currently below the cluster 3 average, the employment trend in both sectors is higher than the cluster 3 average: 0.1 in the culture sector (compared to 0.01 for the cluster 3 average); and 0.2 in the tourism sector (compared to 0.00 for the cluster 3 average).

The Podlaskie OP is part of the small groups of OPs that include a specific axis for tourism and culture. In addition, culture and tourism are also indirectly addressed under other headings.

The cultural strategy promoted by this OP seeks to diversify the economic structure of the region, especially within the declining industrial and rural areas. The tourism strategy focuses on both economic diversification and innovation in the tourism sector. Podlaskie OP is one of only a few OPs surveyed that chose to focus specially on economic diversification in industrial and rural areas, as well as tourism sector development through ICT and encouraging local entrepreneurship.

The OP is unusual in the interventions that are promoted in the culture and tourism sectors. It is characterised by an integration of infrastructure interventions with interventions of other types, both in the tourism and culture sectors. With respect to tourism, territorial marketing and support for private initiatives is integrated with physical investments for the promotion and development of the tourism sector, and with investment in recreational tourism services and infrastructure.

For the culture sector, infrastructure interventions are integrated with support for private initiatives (this makes up around 25% of all initiatives financed). The Podlaskie OP is one of only 4% of the surveyed OPs that include private initiatives in the creative industries as part of support provided to the culture sector.

The OP is also characterised by a good level of achievement. Some 50% of the tourism projects financed and 85% of those in the cultural sector are already complete.

Another reason for selecting the Podlaskie OP is the availability of detailed information (from the MA survey), an indication of MA interest in the evaluation. The MA also provided some examples of good practice: The establishment of the route of the January Uprising in Knyszynska Forest and Centre for Education and Culture of the Muslim Tatars in Kruszyniany (for more details see the OP fiches in the Annex III).

7) Cross-Border Operational Programme INTERREG IV A Italia-Austria

This case study is an ETC Programme. The Programme INTERREG IV A Italia-Austria involves six regions (the Province of Bozen, Veneto and Friuli Venezia Giulia Regions and the Landers of Salzburg, Tirol and Kartnen) that contain a high density of tourism establishments, especially in mountain areas. The programme is representative of cluster 2. Establishments per 1,000 inhabitants are extremely numerous in the Bozen Province (19.0 per 1,000 inhabitants, compared to the cluster average of 8.5 and the EU27 average of 1.0), but in fact all the regions of the OP have over 5.1 establishments per 1000 inhabitants.

The programme targets culture and tourism through a large number of measures within a broader Priority Axis. In such a mature tourist area, the OP strategy aims to foster diversification, deseasonalization, innovation, and also sustainability. For the
culture sector the goals refer to support for entrepreneurship and innovation. An interesting aspect of the strategy is that it is intended to take advantage of the cross-border resources (such as the large endowment of hiking trails) and promote spillovers among regions and sectors (such as sporting resources and cultural events).

Turning to the types of promoted interventions, the OP mainly supports private initiatives in creative industries for culture and territorial marketing activities for tourism. Italia–Austria CB is unusual in that it is one of the few surveyed OPs that invest in the organization of cultural events and performing arts.

All funded interventions in the cultural sector are now completed. Information (collected through the survey) is incomplete for tourism. However, the 2012 Annual Implementation Report indicates a good level of realization of projects in the tourism sector. This is also shown by the communication documents on the completed projects issued by the Programme. Other reasons for selecting the CB Italia-Austria are related to the case study feasibility in the available time span. The team has mother-tongue language skills and excellent knowledge of the context is also held by the work team. The MA proposed one mini case study: A-A Alpen Adria Tourism project (for more details see the OP fiche in the Annex).

8) INTERREG IVA Programme 2007-13 Central Baltic

The case refers to an ETC Programme. INTERREG IV A Central Baltic includes coastal areas and islands belonging to four countries overlooking the Baltic sea: Finland, Sweden, Estonia and Latvia. Even though the territory is diversified, most of the regions belong to cluster 3 (regions whose economy is not based on culture and tourism). The OP brings together regions belonging to both EU15 and to EU12 member states.

The OP is particularly interesting because it represents a case of a ‘pure’ economic diversification strategy. Through cross-border cooperation, the programme seeks to create a globally recognized tourist area, linked by a common identity. The interventions fostering innovation in the cultural sector are an essential component of the strategy. The OP is one of the only surveyed OPs that focused on promoting innovation in the cultural sector.

Tourism and culture are interventions are grouped within a broader Priority Axis. With respect to the types of interventions promoted, the OP mainly supports the development, diversification and social cohesion for culture and territorial marketing activities and diversification of the offer for tourism. In the cultural sector, it is one of the few OPs investing in the creative industries and in the organization of cultural events and performing arts.

The degree of completion of the interventions is 100% for both the culture and tourism projects.

The MA provided some examples of good practices: Fostering geotourism on Central Baltic islands and Sustainable Management of Historic Rural Churches in the Baltic Sea Region (for more details see the OP fiche in Annex).

92 See for example: http://www.provincia.bz.it/europa/it/finanziamenti-ue/it-at-mitteilungen-news.asp?aktuelles_action=4&aktuelles_article_id=376739
Part III – Task 3 - Upcoming activities

1. Refining of the case studies and mini case studies methodology

Following the results of Task 1 and Task 2 and of the draft of the Puglia regional case study, we are refining the case study template and the mini case study template accordingly to the DG Regio suggestions.
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