



**European Committee
of the Regions**



EU financing for innovation in tourism

Wednesday, the 27th of September 2017

European Committee of the Regions

Building Van Maerlant (van Maerlant 2 street, 1040 Brussels)

Room VMA 1

DISCUSSION PAPER

Background

The conference “EU financing for innovation in tourism” aims at reinforcing the regional innovation capacity and strengthening cooperation between EU regions to facilitate EU-wide and interregional public-private investments to support innovation projects in tourism.

Either based on open innovation infrastructure or new technology the challenges of today’s tourism industry, when investing in new products, services and premises, are to be solved by smart destinations through innovative policies properly financed and in close cooperation with the tourism value chain.

Following the success of the high level event “Making the best use of EU Funds for Regional Growth and Jobs through Tourism” held on the 27th of September 2016, the cooperation NECSTouR-European Committee of the Regions, with support of DG GROW of the European Commission, wish to pursue the tradition of celebrating the International Tourism Day in Brussels, offering the room for debate and partnership to leverage investment in tourism, while demonstrating the important contribution of this sector to the wellbeing of the European citizens and EU economy.

This event is part of the NECSTouR working group “EU Funds for Tourism”, which has the objective of supporting regions, and its tourism SMEs, in accessing to the EU financial instruments as a mean to foster regional investment in sustainable and competitive tourism initiatives.

The gathering will bring together stakeholders from the tourism public and private sector and related industries; policy makers, business, research, technology and education providers as well as managing authorities. These are the stakeholders called to build EU - regional innovation ecosystems.

The lessons learnt and trends arising from this discussion are particularly relevant in the preparation of the new generation of European Funds post 2020, where tourism requires a more visible and accessible budget line.



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Session I: Building regional partnership for innovation in tourism through the industrial modernisation platform

The objective of this section will be to discuss how interregional cooperation can help fostering investments in the tourism sector, particularly in the framework of the Smart Specialisation Platform on Industrial Modernisation. This bottom up initiative aims to facilitate the process from interregional cooperation up to the development of concrete investment projects. To this end, a number of EU support actions developed under different EU programmes are mobilised and coordinated by involving different Commission services. The discussion will help identify good practices, difficulties and gaps on financing investment projects and explore new funding opportunities particularly under EFSI and in combination with other funding instruments.

Session II: Financing projects for innovation in tourism through EU programmes and financial instruments

This session aims at discussing the challenges that regional tourism authorities and tourism SMEs face when financing innovation in tourism by the means of the EU instruments. Indeed, despite the range of European Programmes available for SMEs, namely COSME, Horizon2020, tourism professionals and its clusters still find challenging applying and implementing grants, because of the multi-sectorial approach of those but also because of the broad sectors that tourism is connected to.

On the other hand, while the EIB has traditionally financed tourism-related projects based on infrastructure, its three other priorities for investment, namely: innovation, SMEs and environmental sustainability, are strictly in line with the new tourism needs and products due to its transversal nature.

As such, the financial blending approach might reply in many cases to the needs of the tourism industry innovation, yet more examples on successful business cases overcoming the current challenges must be shared.

Regional Tourism Authorities have a sound knowledge of their partners from the tourism value chain. Thus, they are well placed to facilitate the development of tourism innovation ecosystems and apply for “cascade-investment” systems, which would turn feasible long-term strategic projects, serving better their investments needs through opportunities of simultaneous use of financial instruments (loans) with grants.

European Tourism Manifesto for Growth & Jobs

Tourism is an important driver of economic and social development. The sector stimulates economic growth by generating income, employment and investment in Europe, and through its exports to origin markets worldwide. It helps to sustain our cultural and natural heritage, provides revenue to fund facilities and infrastructure enjoyed by visitors and residents, and promotes an awareness of a common European identity and citizenship distinguished by its diversity.

Europe is the world's number one tourist destination with a market share of 50% in 2016¹. The tourism industry generates (directly and indirectly) 10.2% of total EU-28 GDP, a figure which is forecasted to rise to 11.2% of GDP by 2027².

In the EU, the travel and tourism sector supports almost 26.5 million people and visitor exports generate 375.1 billion EUR. The role of tourism becomes increasingly important when we consider that, by nature, it is a labour intensive sector built primarily by SMEs, and has high female and youth employment ratios.

In times when unemployment rates have increased dramatically, evidence indicates that the travel and tourism sector remains one of the leading job creators both in Europe and worldwide.

Taking into account these facts, **European public and private tourism stakeholders, as well as stakeholders with a high interest in tourism**, have united and with a common voice present this European Tourism Manifesto. The document highlights the EU policy priorities for the sector in the coming years.

OUR MESSAGE

In order to formulate effective tourism policies, a holistic European approach is needed taking into account the multiple impacts of the sector as well as the wide spectrum of stakeholders involved or affected by tourism. This was recognised by the Treaty of Lisbon, which by article 195 of the TFEU gives to the European Union the responsibility to promote the competitiveness of the European tourism sector by creating a favourable environment for its growth and development and by establishing an integrated approach to the travel and tourism sector.

¹ World Tourism Organization (2017), Tourism Highlights 2017 Edition, UNWTO, Madrid

² World Travel & Tourism Council (2017), Travel & Tourism Economic Impact 2017 European Union, WTTC, London

OUR PRIORITIES

Competitiveness

1. Achieve smarter Schengen visa policies and processes to minimise the deterrence to legitimate travellers whether for leisure or professional purposes.
2. Reduce administrative and fiscal burdens, support business creation and promote cross-border sales and service provision.
3. Promote smarter tax policies and better coordination between EU, national, regional and local authorities to ensure Europe remains a competitive destination to visit and in which to do business. VAT, levies, local taxes and air passenger taxes should be included within the scope of the review of the regulatory framework.
4. Ensure level playing field and fair competition for all tourism service providers.

Digitalisation

5. Develop EU financial support for the digitalisation of the tourism sector and the creation of expert forums in order to promote good practice.
6. Ensure transparency and neutrality for online consumers and businesses. Online search and peer-to-peer platforms should be included within the scope of the review of the regulatory framework.
7. Encourage further price caps on data roaming charges, free WiFi for visitors, and more multi-lingual content related to attractions and events in destinations.

Good Governance

8. Develop a dedicated EU Tourism strategy with clear aims, objectives, indicators and actions for tourism in the EU involving all tourism stakeholders.
9. Prevent regulatory duplication and remove regulatory contradictions within the single market for tourism services, by ensuring better coordination of policies and regulations affecting tourism among DGs.
10. Provide appropriate notice (minimum 24 months) for any changes to relevant regulations (tax or other) affecting tourism.
11. Ensure transparency in the collection and subsequent use of tax income arising from the visitor economy*.
12. Simplify tax and consumer protection law and ensure consistent enforcement.
13. Identify and promote good practice in tourism reflecting the aims and actions proposed in this Manifesto (e.g tourism regulation management and corporate social responsibility).

14. Ensure systematic involvement of tourism's private-sector stakeholders as well as tourism authorities at all levels of governance.

15. Regularly monitor and evaluate the performance and impact of the visitor economy (e.g. on EU economic performance in terms of accurate sustainability and employment data).

16. Facilitate access to smart and sustainable EU funding for tourism stakeholders in relation to growth and job creation.

17. Project funding should take into account the needs of European citizens, visitors, workers, enterprises and the European organisations.

Joint Promotion

18. Support the development and ongoing promotion of the diversity of tourism offers in Europe, including pan-European thematic tourism products (e.g. cycle routes, gastronomy, culture, nature, performing arts, spa & wellness, etc.).

19. Provide funding for long-term joint promotion activities for destination Europe in origin markets, thereby adding value to the efforts of the National and Regional Tourism Organisations and other relevant organisations.

20. Facilitate private sector collaboration, promote public private initiatives (e.g. matching funding and marketing programmes) and support cross-sectoral partnerships.

21. Support and promote third-party European quality schemes where a general benefit is clear (e.g. accommodation, gastronomy, arts & heritage, destinations, thematic products etc.).

Seasonality

22. Promote good practice in extending the season and capacity (e.g. better staggering of school holidays, increased opening hours) and diversification (e.g. developing visitor opportunities for more people, such as those on low incomes, and those not tied to school holidays.)

23. Encourage development of year-round tourism by diversifying the offer, especially in destinations traditionally better known for their seasonal appeal (e.g. winter walking holidays in southern Europe; cycling holidays in skiing resorts) or their year-long attraction based on natural resources such as countryside and active tourism.

24. Support the creative promotion of the available tourism offer throughout the year.

Skills and Qualifications

25. Promote the recognition of relevant qualifications, knowledge, skills and experience throughout the single market.

26. Raise awareness of careers within the visitor economy*.

27. Encourage a more productive relationship

between training/education providers and industry.

28. Make a broader use of existing Europe-wide programmes for youth employment and develop new programmes.

29. Enhance lifelong learning schemes for people working in the tourism sector, and make them available online.

30. Support the improvement of language skills amongst tourism professionals and promote their freedom of movement.

31. Encourage cultural awareness training to improve the services provided for visitors from all origin markets.

Sustainability

32. Environmental sustainability: create strategic plan for an environmentally sustainable tourism industry (including systems, technology and infrastructure) in order to contribute to climate and sustainable job creation goals, in cooperation with all relevant DGs and international bodies as appropriate.

33. Economic and operational sustainability: ensure EU financial support for long and mid-term tourism initiatives on the European level covering the whole value chain. Ensure fair benefit from tourism for businesses in origin and destination markets, including for local communities and those who work in the sector.

34. Identify and support good practice in capacity and destination management so that supply adapts successfully to demand, and ensure that the quality of the visitors' experience goes hand in hand with the quality of life of local communities.

35. Social and cultural sustainability: manage impact on local culture and communities in destinations; maintain long-term employment in the tourism sector with fair working conditions for all, especially in key sub-sectors where recruitment and retention remain a challenge (e.g social protection, remuneration, equal opportunities, equal treatment etc.)

36. Support the concept of tourism as a right for everybody. Give a chance to every European citizen to travel, including those with low income or disabilities.

Transport Connectivity

37. Promote consumer oriented public-private platform(s) for multi-modal mobility (through improved cooperation among DGs and service providers).

38. Improve tourism and transport infrastructure, including in remote, rural, mountain, insular and coastal areas.

39. Develop a European strategy to increase connectivity of all transport modes in a sustainable way, including adapting infrastructure and information to cope with the specific needs of all travellers.

40. Improve the quality and coordination of dedicated passenger transport corridors (e.g. railway, roads, cycle routes, maritime waterways, walking paths, Single European Sky, etc.) through EU-funding.
41. Promote fair and equal access to relevant data by travel and transport operators to facilitate digital multimodal practices, including end-to-end ticketing.
42. Encourage better accessibility and in-destination facilities near tourist attractions to facilitate access and minimize disruption, as well as to eliminate language barriers.
43. Promote liberal aviation agreements at EU level opening up market access with the EU's major trading partners, address the looming airport capacity crunch and achieve the Single European Sky in order to reduce travel distances, times, costs and CO2 emissions.
44. Ensure sufficient and predictable rail infrastructure funding to increase the attractiveness and quality of rail services, as a catalyst to unleash the potential of tourism development in line with EU's modal shift targets towards rail.

**The visitor economy includes value generated by provision of tourism-related goods and services, and the value of indirect contributions from other sectors that rely on tourism including its supply chain. This includes the impact of capital investment and government expenditure related to tourism.*

For more information on the initiative and on how to join, please visit www.tourismmanifesto.eu