

**The Capital Gathered by the Programme
and its Tourism Projects
During their Implementation until the Year 2013
And Possible Use of this Capital for the ENI 2014-2020**

Thematic Study Report



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List of Acronyms and Abbreviations

BRIC	Brazil, Russia, India, China
BSR	Baltic Sea Region
CBC	Cross border cooperation
CRP	Cultural Route Programme
DG ENT	[European Commission's] Directorate-General for Enterprise and Industry
DMO	Destination Marketing Organisation
EBLER	Project “Enjoy the best in Latvia, Estonia and Russia”
EC	European Commission
ECD	European Cooperation Day
EE	Estonia
EHNGR	Project “Exploring the history of narrow gauge railway”
ENI	European Neighbourhood Instrument
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EPA	Enlarged Partial Agreement
EstRusFortTour-2	Project “Unique Estonian-Russian fortresses ensemble development as a single tourist product. Stage II”
ETC	European Territorial Cooperation
EU	European Union
Eurostat	Statistical Office of the European Union
EUSBSR	European Union Strategy for the Baltic Sea Region
FDI	Foreign direct investment
HCR	Hansa (Hanseatic) Cultural Route
HD	The Hanseatic Day
HL	The Hanseatic League
ICT	Information Communications Technology
INTERACT ENPI	EU project to support the management and implementation of ENPI CBC programmes
ILO	International Labour Organization
JTS	Joint Technical Secretariat
LP	Lead Partner/Beneficiary
LSP	Large Scale Project
LV	Latvia
MED	[CBC in the] Mediterranean
MICE	Meeting, Incentive travel, Conferences, Exhibitions
MS	Member States
Narva-Ivangorod LSP6	Project “Development of unique Narva - Ivangorod fortresses ensemble as a single cultural and tourism object” (Large scale project)
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development
PPP	Public-private partnerships
PPPP	Public-private-people partnerships

Programme/ESTLATRU	CBC Programme Estonia - Latvia - Russia within the ENPI 2007-
S	2013
River promenades II	Project “Development of historical riverside protection area in Narva/Estonia and Ivangorod/Russia II stage”
RU	Russia
SME	Small and medium-sized enterprises
SVS ACTIVETOUR	Project “Establishment of environment in Võru(EE), Sigulda(LV), St.Petersburg (RU) for development of tourism”
Tour	Project “Tour de Latgale & Pskov”
TSR	Thematic Study Report
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization
Via Hanseatica	Project “Advancing remote areas by development of cross-border VH tourism route on basis of local resources”
VH	Via Hanseatica
VHTR	Via Hanseatica Tourism Route
WTTC	World Travel and Tourism Council

Executive summary

Background, objectives, content

European Neighbourhood and Partnership Instrument Cross Border Cooperation (hereinafter referred to as the ENPI CBC) is a key component of the European Neighbourhood Policy (ENP) which aims to “avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union”¹.

The CBC Programme Estonia - Latvia - Russia within the ENPI 2007-2013 (Programme/ESTLATRUS) is one of the 13 ENPI CBC programmes.

The Programme provides an important ground for national, regional and local public authorities, NGOs, public equivalent bodies, educational organisations as well as entrepreneurs thereby promoting joint cooperation, exchange of experience and transfer of new technologies in border regions.

The Thematic Study Report (TSR) aims to provide observations on:

- Whether the Programme as a whole has a notable impact on tourism development in the Programme’s territory;
- Whether the Programme has a likely impact on the common socio-economic development of the Programme’s territory in relation with the Via Hanseatica Tourism Route (VHTR) prospects;
- Interconnectedness and complementariness of the Programme’s 1st Call for Proposal Projects and Large Scale Projects (LSP);
- Results of capitalisation experiment within the tourism projects; and
- Lessons learned and possible use of the gathered capital for the European Neighbourhood Instrument Programming 2014-2020.

At this relatively early stage of projects’ implementation review of 1st Call for Proposal Projects and LSP, and assessment whether the Programme contributes to the tourism and socio-economic development in the Programme’s territory and whether there are some synergies among the projects was based only on the relevance and impact criteria. External factors and risks of implementation are expected to be adequately addressed by the project management during remaining implementation stage, and are not investigated in this TSR.

The main findings and recommendations of the study were presented at the Programme’s annual event “Enjoy the Hansa route through Latvia, Estonia and Russia!” on June 10-11, 2013 in Sigulda, Latvia.

The TSR has five parts. They are arranged as follows:

¹European Commission, 2003, Com (2003) 104, Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours.

Part 1. *Introduction and background* summarizes the brief background information on the Programme, context of respective EU and regional policies and Hansa related issues.

Part 2. *Survey of tourism projects' beneficiaries and main findings* highlights the results of the survey and gives an overview on main findings.

Part 3. *Review of 1st Call for Proposal Projects and Large Scale Projects* provides an overview of the reviewed projects, their interconnectedness and complementarity and findings.

Part 4. *Potential impacts of the Programme* addresses the possible impacts of the Programme both on tourism and common socio-economic development of the Programme's territory, in particular in relation with the Hansa theme.

Part 5. *Summary of conclusions and recommendations* highlights the main conclusions and recommendations aroused from the assessment.

TSR also includes *Annexes*, presenting the list of reviewed documents and references, pictures and tables, as well as questionnaire and Map of the Tourism Routes, Objects and Instalments supported by the Programme.

Methodology

The intention of the TSR was to find the specific impact-based relevance using the Projects' gathered potential (capital) during their implementation until the June 1, 2013 and predicting its likely use for the ENPI's next programming period planning. The TSR is focused on tourism sector as one of the main Programme's priorities which is most actively developed by the financed projects. Furthermore, this priority was most demanded within the 1st Call for Proposal and main portion of the submitted project applications addressed this priority.

This thematic priority- tourism - was also defined by the Joint Technical Secretariat for the use in the Annual Event of the Programme and therefore all tourism projects contracted during the 1st Call for Proposals was conducted to identify how do they reflect and supplement the Programme's objectives and vice versa and to provide information on accumulated capital and likely impacts which may be useful when defining more precisely the tourism measures for the new ENI Latvia-Estonia and Estonia-Russia CBC programmes.

Because of the lack of appropriate methodology and respective quantitative data for such complex evaluation at this stage both for projects and Programme itself (conformity assessment of intended indicators or indicators of sufficient quality informing output, outcome and impact levels along with their sources of verification and assumptions will occur later), as well as the Programme's impact on tourism and socio-economic development within its territory, and future prospects of the Via Hanseatica Tourism Route, evaluation was based only on the qualitative data.

The methodology of the analytical summary included the elements as follows:

- ***Review of the literature***

An extensive desk review of the publicly available Programme's documents, Projects' portfolios, relevant EU policy papers concerning the neighbourhood policy, field of tourism, culture and regional development has been conducted. Regional and/or local (or national in case of missing regional and/or local) development planning documents (or respective summaries in English) both common and tourism-specific were reviewed, too. Insight into the previous studies and

policy papers covering the Baltic Sea Region (BSR) was made as a supplementary of the above mentioned reviews.

The known background material was also complemented with an Internet searches and review of the several websites - particularly on the Hansa issues to identify how the Hanseatic heritage and modern Hansa is disclosed.

Annex 1 provides the List of the reviewed documents. Where information from these sources is used in the report references are made. Annex 2 contains the List of the main Internet resources.

- ***Survey***

The survey was conducted via a questionnaire designed by the JTS and sent out to the Beneficiaries of tourism projects.

Design of the questionnaire with a focus on capitalization was based on the several criteria prepared by the ENPI CBC MED programme's capitalization experts in 2009 and adopted to the Programme, e.g. involvement of partners and stakeholders in the project preparation phase, governance of the project, integration-mainstreaming, partnership and networking, sustainability, transferability and dissemination of the results, etc.

The questionnaire aimed to capture information on possible good practices in eight key dimensions (criteria), including identification of synergies among the tourism projects, establishment of small tourism cluster within the Programme.

All questions the questionnaire encompassed were closed-ended questions without a rating scale - respondents were asked to tick 3 most relevant possible answers -supplemented by one semi-open question ("Other(s)") for the majority of criteria.

The information provided by the respondents during the survey that has been summarized in this TSR is individual thoughts and views of the respective Beneficiary persons depending on their understanding and openheartedness.

Results of the online survey were discussed and analyzed more detailed.

The questionnaire is given in the Annex 3.

- ***Logframes***

"Interlocking" or "nested" logframes were used to seek how the objectives of local/regional/national tourism policy, respective tourism development programme and a specific tourism development project might be linked.

- ***Telephone communications with the JTS staff***

This method was used just for minor clarifications.

- ***Analysis of the gathered data***

All the data were analyzed. Based on the analysis of the gathered data and the main findings, conclusions have been drawn. For those conclusions requiring possibly further action particularly

regarding the next programming period, recommendations have been proposed in the form of proposals for possible further discussions and decisions to be made.

The main constraint is that the Programme is still ongoing and progress in the implementation of Programme's projects varies significantly, ranging from the projects in an advanced or mid-stage of implementation and the projects approaching already the final stage. As a consequence of this relatively early stage of projects' implementation the general focus of this study is on relevance and likely impact criteria without any rating.

As all factors mentioned above have had an influence on findings they characterize only the relevance and likely impacts of all issues covered.

Main findings

The study disposes a high degree of the Programme's positive impact to the contribution both for the tourism development and the socio-economic development of the Programme's territory.

In some extent the synergy among Programme's projects particularly among its tourism projects as well as among tourism projects and projects contributing to the development and improvement of public infrastructure appears.

Some capitalisation opportunities have emerged as a result of the valuable outcomes of the tourism projects.

The Programme's on-going tourism projects, namely Via Hanseatica, Narva-Ivangorod LSP6, EstRusFortTour-2 and River Promenades II complementing each other can be a solid basis for the further tourism development in the Programme's area.

Hansa Cultural Route (HCR), accumulated results of the previous tourism project "Via Hanseatica: The Crossroads of the Baltic Nature and Culture" (BSR Interreg III B) and the on-going "Via Hanseatica Tourism Route" have highlighted as an excellent prerequisites for the strengthening and further development of this thematic tourism route in the nearest future, particularly in the area of eastern Baltic countries.

Key conclusions and recommendations

All reviewed projects to be properly implemented and results completely achieved are in line with the Programme's objectives and contribute to the achieving Programme's priorities, as well as make certain contribution to the achievement of the EU policy objectives for cross-border cooperation and good neighbourhoods, tourism and culture development.

Integration of the quite strong and well-known Hansa brand, certified Hansa Cultural Route of the Council of Europe, accumulated results of the previous tourism project "Via Hanseatica: The Crossroads of the Baltic Nature and Culture" (BSR Interreg III B) and the results of the four above named projects to be completely and properly achieved disposes both as a solid basis and a great opportunity for the development of the internationally recognized, high quality sustainable thematic tourism route - *Via Hanseatica Tourism Route*- during the coming programming period.

The first results for this year and expert's views show that tourism in Programme's participating countries are well back on track and indicate some progress of development and growth despite the continuing economic uncertainties and low investor and consumer confidence.

In the long run the VHTR would aim to receive the European Tourism Heritage Label and proposed European Tourism Quality Label², but the Programme's territory - image and status not only of the competitive, highly demanded and sustainable tourist destination but also of the good place to live, study, work and do business.

To achieve this much more should be done further. Namely few suggestions are to:

- Mainstream tourism policy into the integrated development policies/strategies at a local or regional level (derived from national level);
- Built on public-private-people partnerships (PPPP);
- Capitalize on Programme and other EU supportive programmes and instruments both for cross-border cooperation and tourism development in order to minimise the differences among regional economies;
- Require demonstration of added value and knowledge of parallel/complementary initiatives in project applications;
- Develop impact indicators that will allow the measurement of impact on an on-going basis;
- Raise awareness of tourism's strategic importance and communicate it to all levels of government, industry and local communities as well to consult with full spectrum of stakeholders and create a common tourism policy;
- Secure permanent cross-border cooperation legally and institutionally;
- Find an appropriate solution for the joint sustainable management of the destination and to establish the joint destination marketing organization ensuring clear branding and specific preferences of selected source markets;
- Establish partnerships with Scandinavian countries which are highly relevant as north starting or ending points for cross-border tours through the Baltic Sea Region;
- Provide all available supportive instruments to the tourism and tourism-related SMEs with particular emphasis on micro-sized enterprises (e.g. start-ups, tax rebates, incubators, joint ventures, market information and marketing, access to the effective and high-speed ICT infrastructure and software applications, networking and clustering) - the only revenue generators;
- Enhance tourism sector and tourism-related sectors cross-sectoral co-operation including harmonisation of legislation (particularly in the field of consumer protection and transportation), approximation towards the EU and international standards, as well as quality and environment labels' and awards' schemes;
- Set up a linked network of different modes of transport and implement an universal design facilitating physical accessibility of destination, particularly along the *Via Hanseatica Tourism Route*; and
- Strive to expand *Via Hanseatica Tourism Route* as transnational/trans-European tourism route.

²EC is currently working on proposals for European tourism label for quality schemes: http://ec.europa.eu/enterprise/sectors/tourism/quality-label/index_en.htm

1. Introduction and background

1.1. Introduction

This report presents results of the thematic (“tourism”) study on capitalization experiment within the Programme. The objective of this study is to present Programme’s impact on the tourism development in the Programme’s territory, impacts of Programme on the common socio-economic development of the Programme’s territory in relation with the Via Hanseatica Tourism Route prospects and possible use of the gathered capital for the European Neighbourhood Instrument (ENI) 2014-2020.

TSR includes results of the capitalization exercise of the Programme’s Tourism Projects and the review of the Programme’s 1st Call for Proposal Projects and Large Scale Projects with a view to their relevance to the tourism development and the socio-economic development of the Programme’s territory.

Capitalisation within the EU programmes’ framework is a relatively new word characterizing building on lessons learnt and knowledge acquired, as well as jointly reached results.

In this context capitalisation is understood as a process of collecting, analysing, transferring and disseminating good practices as well as the thematic knowledge gained from projects working on the same or similar topic for the benefit of all stakeholders and local and regional authorities. The lessons learnt help to increase the effectiveness of regional and local development policies in the selected fields of cooperation, increase the visibility of the Programme and its impact on the policy making process at regional, local, national and European level to ensure coherence and higher effectiveness of future programmes, as well as to inform the general public of what exactly is being achieved by the EU and local public money spent.

The study could be considered as a complementary of the Programme’s on-going evaluation to contribute to improvement of the Programme’s implementation during the remainder of the present programming period and to the discussions on the future ENI programming.

1.2. Background information

In this section the background to the TSR is reviewed. EU neighbourhood policy and due to thematic approach of the study EU policies related to tourism, culture and regional development are discussed in brief.

1.2.1. Programme

The overarching strategic objective of the Estonia-Latvia-Russia CBC Programme within ENPI 2007-2013(approved by the European Commission on 17 December 2008 by the decision No C(2008)8332) is to promote joint development activities for the improvement of the region’s

competitiveness by utilizing its potential and beneficial location in the cross roads between the EU and Russian Federation. The specific objective is to make the wider border area as an attractive place for both its inhabitants and businesses through activities aimed at improving the living standards and investment climate. To achieve this aim, the Programme foresees support to joint actions of different partners from the region in three priority support areas - socio-economic development, addressing common challenges and promoting people-to-people cooperation.

Programme Priorities

Priority I. Socio-economic development

Priority is dedicated to strategic development of border region's competitiveness through support to business and labour market development, improvements in communication networks and exploring region's potential for tourism as well as maintaining efficient and safe borders.

Measures:

Measure 1.1 Fostering of socio-economic development and encouraging business and entrepreneurship;

Measure 1.2 Transport, logistics and communication solutions;

Measure 1.3 Tourism development.

Priority II. Common challenges

Priority aims at addressing common problems and initiating and continuing joint actions in the areas of common interest on both sides of the border.

Measures:

Measure 2.1 Joint actions aimed at protection of environment and natural resources;

Measure 2.2 Preservation and promotion of cultural and historical heritage and support of local traditional skills;

Measure 2.3 Improvement of energy efficiency and promotion of renewable energy sources.

Priority III. Promotion of people to people cooperation

Priority is focusing on small scale activities for improving the cooperation of the border region supporting wide range of activities to be performed by regional and local municipalities and various actors of the society, which have been identified as being of crucial importance to a more integrated region.

Measures:

Measure 3.1 Development of local initiative, increasing administrative capacities of local and regional authorities;

Measure 3.2 Cooperation in spheres of culture, sport, education, social and health.

Eligible Programme area

Estonia: Kirde-Eesti, Lõuna-Eesti, Kesk-Eesti; adjoining area: Põhja-Eesti.

Latvia: Latgale, Vidzeme; adjoining areas: Riga City and Pieriga.

Russia: Leningrad region (oblast), Pskov region (oblast), St.-Petersburg City.

Financing

The total funding of the Programme is 65 319 629 EUR, of which 47 774 729 EUR is EU funding, 15 909 000 EUR is Russian funding, 1 635 900 EUR is co-financing ensured by the Member States of EU participating in the Programme to the Technical Assistance. Programme's ENPI co-financing rate is up to 90%. National public co-financing from the beneficiaries and project partners for the projects is min 10%, and co-financing from private

enterprises' is min 50%. Additional financing made available from Estonian State budget for large-scale cross border projects involving partners from Estonia and Russia³ is 9 081 558 EUR.

Types of interventions

There are two types of interventions within the Programme:

- **Calls for proposals:** projects are selected on a competitive basis through the calls for applications;
- **Large-scale cross-border projects:** the projects of strategic importance for the development of the whole cross-border area and agreed among all participating countries, directly awarded of funds.

Size of grant for the 1st Call for Proposals:

	Minimum EUR	Maximum EUR
Priority 1. Socio-economic development	50 000	2 000 000
Priority 2. Common challenges	50 000	2 000 000
Priority 3. Promotion of people to people cooperation	10 000	300 000

Project duration

The maximum duration of the project may not exceed 36 months.

The 1st Call for Proposals was opened from August 23, 2010, the deadline for the submission of Application was November 29, 2010. First Grant Contracts with 1st Call Projects were signed on November 16, 2011.

Main features of the Large-scale projects

Large scale cross-border project (LSP) is a strategic investment project contributing to socio-economic development of the whole cross-border area and having a strong political support at the national level.

LSP is directly related to the Programme objective and fit the Programme Priority I – Socio-economic development or Priority II – Common challenges, and also coherent with state/regional development strategies.

LSP is contracted through the direct award procedure. It has the Lead Partner, clearly identified as the only one being able to implement the LSP. Project size is over MEUR 2.

1.2.2. EU policy context

European Neighbourhood Policy

The European Neighbourhood Policy (ENP) originates from the Article 8⁴ of the Treaty on European Union. ENP was developed in 2004 as a response to the enlargement of the EU from

³Deputy Head of the EU's Delegation to Russia, Michael Webb, at the international conference "Cross-border cooperation: the Russian Federation, the European Union and Norway" (Pskov, 2012) has highlighted the importance of cross-border cooperation and that the Russian co-financing was extremely important to move the cooperation forward.

⁴1. The Union shall develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation.

2. For the purposes of paragraph 1, the Union may conclude specific agreements with the countries concerned. These agreements may contain reciprocal rights and obligations as well as the possibility of undertaking activities jointly. Their implementation shall be the subject of periodic consultation.

15 Member States to 25. Its primary aims are to “avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union”⁵ and it covers 16 partner countries to the East and South of the EU’s borders⁶.

Under the ENP the EU offers its neighbours a privileged relationship, building upon a mutual commitment to values and principles such as democracy and human rights, the rule of law, good governance, market economy principles and sustainable development, including climate action. The policy also provides for political association and deeper economic integration, increased mobility and enhanced people-to-people contacts.

The ENP is funded by a financial instrument, the ENPI, with already mentioned partner countries and Russia.

CBC has a special focus within the ENP and the EU’s strategic partnership with Russia as well as the Euro-Mediterranean partnerships with countries on the EU’s southern borders in Northern Africa and the Middle East and the Northern Dimension involving the EU relations with Norway, Iceland and the Russian Federation.

The Programme has been prepared in accordance to the ENPI Cross-Border Cooperation Strategy Paper 2007-2013 (Strategy Paper) - a document that provides the strategic framework for EU support for cross-border cooperation.

According to the Strategy Paper the core policy objectives of the ENPI CBC are to support sustainable development along both sides of the EU’s external borders, to help decrease differences in living standards across these borders and to address the challenges and opportunities following from EU enlargement or otherwise arising from the proximity between regions across land and sea borders. The main objectives are to:

- Promote economic and social development in regions on both sides of common borders;
- Address common challenges, in fields such as environment, public health and the prevention of and fight against organised crime;
- Ensure efficient and secure borders; and
- Promote local cross-border “people-to-people” actions.

During the Programme’s preparation the horizontal EU policies on sustainable development, equal opportunities for all social groups, competition, and public procurement were taken into account, too. The Programme also ensures complementarity to actions implemented in the EU Member States’ (MS) countries under the Convergence objective.

There are 13 ENPI CBC programmes currently being implemented and the Estonia-Latvia-Russia Programme is one of them.

At the same time all three countries are participating in another ENPI CBC programmes, namely Kolartik (Finland, Norway, Russia, Sweden), Karelia (Finland, Russia), South-East Finland-Russia, Latvia-Lithuania-Belarus and Lithuania-Poland-Russia. Additionally, the transnational Baltic Sea Region 2007-2013 Programme (where Estonia and Latvia are eligible with entire

⁵European Commission, 2003, Com (2003) 104, Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours.

⁶ Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine.

territories while regions of the Russian Federation that are part of this Programme are also eligible) are being implemented although it was not officially adopted by the Russian Federation.

EU Tourism policy

The EU despite of a number of challenges, including the economic and the Euro zone crisis, demographic change, globalization and natural disasters, has remained the world's number 1 tourist destination and the first results available for 2013 indicate that international tourism has continued to grow and the sector is forecasted to increase its influence and contribution to the overall employment rate in the EU, as well as to economic development and social cohesion.

The EU tourism industry in its strictest sense (traditional providers of holidays and tourism services) is made up of around 2 million companies, primarily SMEs. It contributes 5% to GDP and accounts for 5.2% of the total labour force (around 9.7 million jobs). Indirectly, when its close links with other economic sectors are taken into account, this figure becomes roughly twice higher (10% of GDP and 12% of total employment /around 24 million jobs/) and therefore European tourism represents the third largest economic sector in the EU.

Because of its multifarious nature, provisions on the free movement of people, goods and services, on SMEs, consumer protection, the environment and climate change, as well as on transport and regional or even space policy, are all relevant to tourism. Measures taken in these policy areas can have direct or indirect repercussions for tourism within the EU.

Tourism's legal basis and the increased role of the EU within the area of tourism were secured by the ratification and implementation of the Treaty of Lisbon (Article 195)⁷.

In line with the Treaty of Lisbon and the *Europe 2020 Strategy for Growth and Employment* a new political framework for tourism in Europe - the EC Communication: *Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe*- COM(2010)352 final, identified four priority areas (axes of action) for the tourism sector:

- Stimulate competitiveness⁸ in the European Tourism sector;
- Promote the development of sustainable, responsible and high quality tourism;
- Consolidate the image and profile of Europe as home to sustainable and high-quality destinations; and
- Maximise the potential of EU policies and financial instruments.

Cultural tourism is one of the largest and fastest-growing global tourism markets. Culture and the creative industries are increasingly being used to promote destinations and enhance their competitiveness and attractiveness.

⁷ 1. The Union shall complement the action of the Member States in the tourism sector, in particular by promoting the competitiveness of Union undertakings in that sector. To that end, Union action shall be aimed at:

(a) encouraging the creation of a favourable environment for the development of undertakings in this sector;
 (b) promoting cooperation between the Member States, particularly by the exchange of good practice.

2. The European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish specific measures to complement actions within the Member States to achieve the objectives referred to in this Article, excluding any harmonisation of the laws and regulations of the Member States.

⁸Tourism competitiveness for a destination is about the ability of the place to optimise its attractiveness for residents and non-residents, to deliver quality, innovative, and attractive (e.g. providing good value for money) tourism services to consumers and to gain market shares on the domestic and global market places, while ensuring that the available resources supporting tourism are used efficiently and in a sustainable way (OECD).

In 2011, Decision No 1194/2011/EU established a European Heritage Label (EHL) in order to increase the role of heritage in the economic and sustainable development of the regions, with specific reference to cultural tourism. In February 2013 EC launched the European Tourism Indicators System for sustainable management of destinations and is elaborating the European Tourism Quality Label.

EU Regional Policy

The Regional policy of the European Union is a policy with the stated aim of improving the economic well-being of regions in the EU and also to avoid regional disparities. The mission of the EU regional policy is to strengthen economic, social and territorial cohesion by reducing disparities between the levels of development of regions and countries of the EU. Reducing disparities requires a cohesion policy promoting constant improvements in competitiveness and employment. In doing so, EU regional policy is geared towards making regions more competitive, fostering economic growth and creating new jobs. The objective of economic and social cohesion was introduced in 1986 with the adoption of the Single European Act. The policy was finally incorporated into the EC Treaty itself (Articles 158 to 162) with the Maastricht Treaty (1992). The policy also has a role to play in wider challenges for the future, including climate change, energy supply and globalisation.

EU regional policy is an investment policy. By co-financing infrastructure projects, developing the information society, accelerating the transfer of know-how, supporting investments in people and stimulating cross-border cooperation, the EC Directorate-General for Regional and Urban Policy helps regions that are less prosperous or are suffering from structural problems to improve competitiveness and to achieve a faster rate of economic development in a sustainable way. These investments support the delivery of the Europe 2020 strategy.

Regional policy expresses also the EU's solidarity with less developed countries and regions. It aims to reduce the significant economic, social and territorial disparities that still exist between Europe's regions. The funding helps, for example, to improve transport and internet links to remote regions, boost small and medium-sized enterprises in disadvantaged areas, invest in innovation and a cleaner environment, energy efficiency and improve education and skills.

In relation to tourism, the regional policy could capitalise on the benefits from tourism for specific regions, in order to minimise the differences between national and regional economies. The main regional policy aspects of relevance for tourism are the strategies for different macro-regions, some of which include specific reference to developing tourism, such as the strategies for BSR and Danube Region.

The Commission's Communication "European Union Strategy for the Baltic Sea Region" (EUSBSR), COM (2009) 248 final has included tourism as a priority area in maintaining and reinforcing the attractiveness of the BSR. The EUSBSR proposes and encourages the implementation of environmentally-friendly tourism actions amongst the Baltic Sea countries, including Russia. The EUSBSR is accompanied by the Action Plan which includes a list of different projects.

EU Cultural Policy

The Commission's Communication "Promoting cultural and creative sectors for growth and jobs in the EU", COM(2012) 537 final emphasizes that culture and creativity have also direct impacts on sectors such as tourism and are integrated at all stages of the value chain of other sectors.

In the same way as tourism also culture is highlighted in the Treaty of Lisbon.⁹

Culture and heritage have an important role to play when it comes to building a more economically sustainable and cohesive EU. The role cultural heritage plays for economic and social development is being more and more considered in local and regional development. EU actions are complementary to national or regional actions in protection, conservation and renovation of cultural heritage. Investments include research, innovation, SMEs competitiveness and entrepreneurship in cultural and creative industries, or the protection and enhancement of cultural heritage and landscapes.

1.2.3. Estonia, Latvia and Russia policy context

Taking into account the large number of partners and the respective policy planning papers as well as their hierarchy review of only a few selected policy papers are described in this chapter.

Estonia

Regional Development Strategy of Estonian 2005-2015

The general objective is ensuring sustainable development of all regions. Among the measures there are: increasing people's mobility; ensuring better quality of the living environment; increasing of opportunities related to employment, education, various services and self-actualisation; increasing the economic development in all regions and enhancing its sustainability; enhancement of ties of Estonian regions with cross-border regions and the rest of the Europe as well as of the cross-border cooperation between the regions.

Estonian National Tourism Development Plan for 2007-2013 aims to ensure competitiveness and sustainable development of the Estonia's tourism industry by, for instance, creating high quality, diversified Estonia's tourism products and services in accordance with the principles of sustainable development, providing updated and easily accessible to all tourist information, effective and continuous cooperation between stakeholders.

South-Estonia Tourism Development Plan till year 2020

The goal of this plan is to build up the region of South Estonia as well-known and recognized tourist destination in the Baltic States with permanent growth of incoming tourism and prolonged visits by development of diverse products of the recreation tourism, historical and cultural tourism, nature tourism, business tourism, and health and wellness tourism based on historical and cultural heritage, the natural environment, outdoor exercise opportunities, events, etc. It

⁹"Article 3.3. ...The Union shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced".

foresees also to develop city of Tartu as the best known Baltic's destination for medical tourism, educationally-scientific tourism, and research.

One of the *Narva City Development Plan's (2008-2017)* strategic objectives is tourism development by creating favourable environment and conditions, development of the old town, tourist attractions and their accessibility, as well as promotion of the destination.

Ida-Virumaa Development Strategy (2005-2013) also points out tourism development, including the development of Narva Castle and the old town of Narva as an essential tourism objects.

Latvia

Sustainable Development Strategy of Latvia until 2030 foresees the use of the potential of cultural heritage (both tangible and intangible) and cultural landscape for the development of creative tourism, which is considered as an opportunity to support local economies, to preserve cultural environment, to develop craftsmanship and creative industries. Strategy points out the necessity to promote the development of service industries' export - e.g., environmentally friendly tourism, leisure, recreation and also highlights the development of rural tourism. Necessity to promote SMEs and improve traffic and tourism infrastructure on the seacoast, as well as ensure rational use of the coastal territories, preserving the special natural and cultural values and diverse landscape as well as development of the thematic planning for the seacoast tourism infrastructure and landscapes is also stressed. Riga is foreseen to be an important cultural, tourism and business centre in the North Europe.

Vidzeme Planning Region Development Programme aims to enhance the business development by building up new enterprises, increasing the competitiveness of existing ones, development of the areas used for business. Tourism is nominated as one of the primary business industries and especially promotion of the development of cultural tourism and water tourism is highlighted. The region will strive to use the special advantages offered by the Latvian-Estonian and Latvian-Russian border.

Territorial Plan of Vidzeme Planning Region 2007-2027 declares that the development of territory is based on agriculture, forestry and tourism. Diverse spectrum of tourism and recreation infrastructure to be created or improved, advantages of the Latvian-Estonian and Latvian-Russian border areas to be used (e.g. new possibilities of tourism and economic cooperation by the development of the border areas' accessibility and of new services, as well as 3 tourism development areas: eco-tourism area, areas for the diverse active tourism and the tourism development corridors like Via Hanseatica tourism development zone and Euro Velo routes /by creating regional branches/) are the main pillars of the plan regarding tourism development.

Riga Planning Region Development Strategy 2000-2020 determines the main directions of the region's (which is the key provider of services in the tourism sector interests in the international arena: the North-South traffic, development of tourism and other economic activities by the strengthening cooperation within the Via Baltica spatial development zone. One of the objectives is to create an attractive environment for leisure and tourism which is formed by cultivating the existing traditions and preserving the natural and cultural values.

Latgale Programme 2010-2017 includes the Action Programme „Lakes” (Tourism and Nature Programme) providing for development of niche tourism products (which won't give a significant contribution to the region's economy, however, will contribute to the maintenance of rural lifestyle and landscape conservation), based on the region's scenic resources, biological diversity, multicultural environment and the treasures of traditions' and culinary heritage, as well

as the proximity of Lithuania, Belarus and Russia. As eligible measures are named e.g., lake and fish resources management; development of recreation activities, bathing-places, fishing and angling, water transport and water sports, and rural tourism activities; use of nature protected areas for economic activities, sport, and active recreation; tourism events (fairs, festivals, tours, competitions, etc.) and co-operation networks.

Russia

Long-term target program "Development of tourism and recreation Leningrad Region for 2010-2015". The purpose of the program is formation of a common set of the tourism development of the Leningrad region, stimulating the processes of building, reconstruction and rational use of tourism infrastructure, and creation on its base industry contributing to the budget revenues. Among the main objectives of the programme is a creation of the conditions for the provision of quality tourism services. Among the main activities are: integrated development of tourism infrastructure, providing of the informative support of tourism development and promotion of the region, employees' training, applied research in new areas of tourist activity, further development of the tourism and recreational zoning, development of standards for tourist services; development of the scheme of public-private partnership and start its implementation.

Program for development of St. Petersburg as a tourist center for 2011-2016.

The aim of the program is to create favorable conditions for the sustainable development of tourism in St. Petersburg aimed at reviving the economy of St. Petersburg through the creation of modern, effective and competitive tourist market, providing broad opportunities for meeting the needs of Russian and foreign citizens in tourist services, increasing employment, income growth and improving public health, conservation and rational use of the historical-cultural and natural potential of St. Petersburg.

The main areas for programme's implementation are: implementation of the marketing strategy; providing information support to tourists and tourism industry; ensuring safety; development of accommodation sector; improving transport infrastructure and modernization of public passenger transport; modernization of the objects of tourist interest and increasing the efficiency of their use; organization, development and support of cultural, recreational, MICE, social, water tourism, and domestic tourism; development of international and interregional cooperation; training of competitive labour force; and support research in the field of tourism.

Long-term target program „Development of cultural-cognitive tourism in the Pskov region (2010-2016). Objectives of the program emphasis on the enhancement of the attractiveness of the Pskov region as a unique North-West Russia centre of cultural tourism, offering visitors the quality and variety of services and products in the field of culture, entertainment, local arts and crafts as well as on the diversification of the tourism product.

Among the main tasks there are: development of the tourist-and-recreational cluster "Pskov" (with sub-tasks: development of tourist infrastructure, reconstruction of public spaces), development of the cluster of creative industries, promotion of tourism product and development of event tourism.

Tourism-recreational cluster „Pskov". Aim of the cluster is to improve the competitiveness of the tourist market of the Pskov oblast, whereas the main task is diversification of the tourism product - development of the infrastructure for health, business and other types of tourism.

1.2.4. Hanseatic: then and now

1.2.4.1. “Old” Hanseatic League

Despite the many sources on the history of Hansa there is no single “birth date” of it. Historians generally trace the roots of the Hanseatic league to the rebuilding of the North German town of Lübeck by Henry the Lion, Duke of Saxony, and the treaty signed among Saxony, Bavaria and the “Coast of Gotland” in 1161 which formed the basis of network of the North German towns and German merchant communities abroad aiming to pursue and protect joint commercial and trade goals, establish a safe and secure transportation system, in particular at sea, and risk-sharing because the trade in the middle ages was a dangerous and risky business.

The year 1259 when Cologne, Rostock and Wismar joined the network is widely regarded as the origin of its formalization and of the official name “Hanseatic League” (HL).

The area of the HL stretched from the Dutch Lake of Zuidersee to Baltic Estonia and from Sweden’s Visby to the Cologne-Erfurt-Breslau-Krakow axis. Today that territory comprises seven European states.

After remarkable expansion and zenith in the late 14th century (hundreds of cities and trade organizations holding power and control over trade in area which today comprises 20 European countries) at the beginning of the 16th century the HL was in a much weaker position than it had known for many decades.

Decline was caused mainly by changed economic and political climate, and internal contradictions and struggles. The last formal HL council meeting, or Hanseatic Diet, took place in Lübeck in 1669 with only nine participating members.

The history and cultural legacy of the medieval HL forms an important part of the Baltic region’s history.

1.2.4.2. “New” Hanseatic League

In 1980 the idea of the Hanseatic medieval network was revived and the first modern Hanseatic Day was held in Zwolle (The Netherlands). Membership of the modern-day HL has grown rapidly in recent years, particularly since the fall of the “Iron Curtain” in 1989 and following collapse of the Soviet Union. Today the new Hanseatic League or Hanse consists of 181 member cities/towns from 16 countries with more than 20 million people. The purpose and goals of the modern-day HL are formulated in its legal statutes¹⁰.

The Hanse could be seen as a medieval forerunner to the European Union and is the largest association of towns and cities in the world established on the voluntary basis. At the same time, it is an exclusive circle: only cities which had once been part of the historical HL, had been closely connected to it or had been trading posts, such as Novgorod in north-west Russia, for a

¹⁰The purpose of Die Hanse shall be to act in the spirit of the border-transcending idea of the Hanseatic League and the associated historical experience, in order to revive the spirit and the ideas of the European city/municipality, to promote the self-awareness of the Hanseatic cities, and to develop cooperation between them, with the goal of making a contribution to the economic, cultural, social and governmental unification of Europe, thus strengthening their self-awareness so that they can play their part as a place of living democracy.

longer time or housed branches of the HL are accepted as members. With its numerous activities the modern-day alliance endeavours to contribute to deepening and strengthening the European integration process at the socio- economic and cultural field in all levels of cooperation, beginning with transnational and ending with regional/local level. The headquarters of the New Hansa is in Lübeck, Germany.

Main activities of the new Hanseatic League are as follows:

- **Annual Hanseatic (Hansa) Day and Convention.** The annual Hanseatic (Hansa) Day (HD) combines the formal annual meeting for all the members of the HL with a three-day cultural festival designed to promote and celebrate Hansa heritage. This event also comprises Hansa market, an art show, HANSEartWORKS (since 2006), and the Kalmar International Environmental Award. The HD is seen as a good means of promoting local and international tourism;
- **Local Hansa Day.** HL cities are holding their own local HD (traditionally in May) to generate and maintain greater awareness of the Hansa heritage within their own communities. Local HD's festivals are like the same but of smaller scale;
- **Hansa Youth League.** The Hansa Youth League organises projects to encourage intercultural links between the youth and youth organisations of different Hanseatic cities. Recent projects have included sailing trips between Hanseatic towns on the Baltic, special youth festivals, excursions, camps and music festivals, held as part of the annual HD;
- **Hanseatic Parliament.** Hanseatic Parliament is a non-profit association of representatives of business organizations and other institutions of SME's in Northeastern Europe founded in 2004 (57 members from 12 countries). The Hanseatic Parliament has implemented various projects and in cooperation with the Baltic Sea Academy is organising Hanseatic Conferences;
- **Hanse Business.** The objective of the project "HANSE BUSINESS reloaded" is to reform and restructure the Hanse, currently focusing on touristic and cultural activities, into a strong international business network by creating opportunities for setting up new business, generating new business ideas. The project unites 26 project partners and 29 cities in 8 countries;
- **Tourism and heritage promotion.** A lot of efforts have been and still are paid to tourism development and promotion within the Hansa network. Main activities are related to the road shows both for mass media representatives and tour operators often supported by the airBaltic which operates on several routes between Hanseatic cities. The development of biking routes is also an important measure. Among popular attractions is a hiking trail Hansaweg. Within the indicative "HANSE PASS" private activities with the aim to promote travel activities to the Hanseatic cities and to revive the ideas and the spirit of the European city on the basis of the cross-border concept of the HL and its historical experience are documented. An active network of museums in Hansa cities implements joint projects around areas of shared heritage. A new Hansa museum is being established in Lübeck to promote the international Hansa heritage. The construction of the thematic leisure park basically oriented to the families - the "HANSA-PARK" and highlighted to the topic "The Hanseatic League in Europe"- continues to expand right by the Baltic Sea in the Bay of Lübeck.

1.2.4.3. The Hansa Cultural Route

Cultural Routes of the Council of Europe

The Hansa Cultural Route is one of the 24 cultural routes¹¹ awarded the certification “Council of Europe Cultural Route” within the Cultural Routes Programme of the Council of Europe (CRP)¹² which was launched in 1987. CRP main objective was to demonstrate, by means of a journey through space and time, how the heritage of the different countries and cultures of Europe contributes to a shared cultural heritage.

In December 2010, the Committee of Ministers of the Council of Europe adopted the Resolution CM/Res(2010)53 establishing an Enlarged Partial Agreement (EPA) to enable closer co-operation between states particularly interested in the development of Cultural Routes. The EPA seeks to reinforce the potential of Cultural Routes for cultural co-operation, sustainable territorial development and social cohesion, with a particular focus on themes of symbolic importance for European unity, history, culture and values and the discovery of less well-known destinations. It contributes to the preservation of a diverse heritage through theme-based and alternative tourist itineraries and cultural projects.

Taking into account the thematic richness and geographical scope of the Cultural Routes, their strong tourism potential, still mostly unexplored, EC acknowledged the Cultural Routes as an important asset for European tourism in terms both of their cultural and symbolic significance, the potential number of tourists they could attract and the innovative approaches in tourism development. They are also regarded as being a sustainable, ethical and social model, because they build on local knowledge, skills and heritage assets, they often promote lesser known European destinations (moreover, 90% of their trails are in rural areas).

The EC and the Council of Europe are closely cooperating through a several-year joint management. The 3rd Council of Europe/European Commission Joint Programme was signed in December, 2012. Both institutions jointly provided the carrying out of the “Study on European Cultural Routes impact on SMEs innovation, competitiveness, and clustering” (2010)¹³.

Last year the EC undertook the new initiative - annual event “Crossroads of Europe” aiming to promote the European cultural itineraries, cooperation and exchange and to raise awareness of their potential for a new kind of tourism among stakeholders and businesses, destination managers, national and local authorities - by organizing the first European festival dedicated to cultural routes in the EU. The EC is implementing a number of activities to support transnational tourism products based on specific themes, culture being one of them, and has already co-financed several interesting and innovative projects¹⁴.

¹¹ Cultural Route: a cultural, educational heritage and tourism cooperation project aiming at the development and promotion of an itinerary or a series of itineraries based on a historic route, a cultural concept, figure or phenomenon with a transnational importance and significance for the understanding and respect of common European values (Statute of the Enlarged Partial Agreement on Cultural Routes, 2010).

¹² Programme participating countries are: Belgium, Estonia, Finland, Germany, Latvia, Lithuania, Netherlands, Norway, Poland, Russian Federation, Sweden, and United Kingdom.

¹³ Aim of the study was to provide insights on the effects produced by the CoE Cultural Routes Programme on SMEs performance, network and cluster development. The study sought also to examine the potential of the Cultural Routes for promoting sustainable and quality tourism in Europe, strengthening European identity, disseminating the richness of European cultures and fostering the intercultural dialogue and mutual understanding. In particular, the Study tends to analyse how much Cultural Routes networks can benefit SMEs, especially in less-known destinations, where the local culture and heritage are the main resource for development, and how SMEs' clusters can create a solid basis for promoting Europe as “the world's No 1 tourist destination”.

¹⁴ “CERTO- Cultural European Routes: Tools for a coordinated communication & marketing strategy” is one of the most known projects.

The Hansa Cultural Route of the Council of Europe

The Cultural Route “The Hansa” (HCR) was incorporated into the CRP “The Council of Europe Cultural Routes” in 1991 and certified as major Cultural Route in 2004 (Poland).

This network of cities is based on a historic and heritage brand of Hansa rather than a linear route or single “product”. After the fall of “Iron Curtain” more and more cities rediscovered their Hansa “roots”. Particular attention is paid still to the promotion of network’s common cultural heritage through the annual HD and many different cultural project-based activities. Use of the “Hansa brand” as a mark of quality and reliability with significant symbolic value has risen potential for new transnational /transregional/regional and cross-border wide range cooperation opportunities never to be underestimated.

Main findings of the study on impact of European Cultural Routes¹⁵ relevant to the Hansa

Among the case studies within the study on impact of European Cultural Routes was the Hansa Cultural Route.

Cultural impacts and transnational co-operation

The hosting of an annual HD acts as an impetus for the development of new cultural attractions within the host city. The HD also stimulates transnational cultural exchange and innovation, raises the profile of the towns and generates a greater awareness of Hansa heritage. The impact on business and international trade has been much less.

Economic impact and impact on small business innovation and competitiveness

The hosting of a HD is also likely to boost tourism numbers on a longer term basis as a result of the town’s increased profile. For smaller towns with fewer competing attractions, a HD is likely to have a proportionally greater impact on visitor numbers. However, no attempt seems to have been made by the Hansa to measure the longer term impact of hosting or participating in a HD on tourism numbers. Participation in the HD and the other activities of the Hansa has stimulated several cities to develop new tourism products which have since become successful businesses. Involvement in the Hansa has also inspired the development of initiatives to support traditional handicrafts in other Hanseatic cities, thereby generating new business and employment opportunities.

The Hansa brand and network

The Hansa is a well-established brand, which has been in widespread use long before the revival of the Hanseatic League. The history and cultural legacy of the medieval HL forms an important part of the Baltic region’s history. In the former eastern bloc countries there is less interest in the Hansa heritage and brand as their experience was one of dominance by the Hanseatic merchants. Nevertheless throughout the BSR a wide range of corporate businesses and SMEs, as well as towns and cultural attractions, have been using the Hansa brand as part of their promotional strategy. The term “Hansa” is incorporated in the use of several Hanseatic towns’ name and into the names of a wide range of businesses.

Hansa tourism

Survey suggested that the Hansa theme was not a top attraction for any of the towns and cities that were members of the Hansa. Thus towns and their tourist offices differ in the extent to which they promote their Hansa heritage. A number of the Hanseatic towns have also been branded World Heritage sites. Smaller towns with limited alternative attractions tend to highlight the importance of their Hansa heritage more than larger towns which may have a range of competing

¹⁵Impact of European Cultural Routes on SMEs’ innovation and competitiveness.Council of Europe, 2010.

sites and activities to offer visitors. Despite numerous examples of regional tourism collaborations little or no evidence of joint products or joint marketing being developed through international collaborations between members of the Hansa was founded - only private sector tour operators such as Via Hansa¹⁶ appear to offer this.

Conclusions

The Hansa brand is well established.

The Hansa Cultural Route has achieved a significant impact and progress, particularly in terms of raising the profile of Hansa towns and cities and their common/shared cultural heritage, and in encouraging international collaboration amongst its members. Hansa is also having a positive impact on small business innovation and competitiveness, which can be expected to lead to business and employment growth. The potential for greater regional co-operation between smaller clusters of towns and tourist attractions should be explored. The potential for tourism collaboration across state boundaries linking clusters of Hanseatic towns in close proximity could be explored.

2. Survey of the Tourism Projects' Beneficiaries and main findings

This survey was based on a questionnaire elaborated and distributed among the Beneficiary organisations involved in the implementation of the investigated projects. The questionnaire tried to capture information on possible good practices in eight key dimensions, including identification of synergies among tourism projects, establishment of small tourism cluster within the Programme and serves for future capitalisation activities.

Eight key dimensions are as follows:

- **Partnership:** featuring the most important aspects of selecting project partners in order to develop effective results and create sustainability for the field of action;
- **Networking:** present added value and create sustainability for the cross border cooperation;
- **Governance:** the mobilization of relevant actors during the project implementation;
- **Innovation:** the project may present innovation for the field of action or promotion of new approaches, strategies or methodologies in terms of practices, outputs and results;
- **Integration-Mainstreaming:** possibilities to forward project results into existing policies like regional competitiveness, employment and environmental programmes;
- **Sustainability:** focus on project continuity and duration of the results over the end of funded actions;
- **Transferability:** the deliverables, outputs and tools of project can be implemented in different contexts; and
- **Capitalization:** the capitalization itself can be considered as necessity to capture common good practices, exchange methodologies and experiences, as well promote synergies among projects.

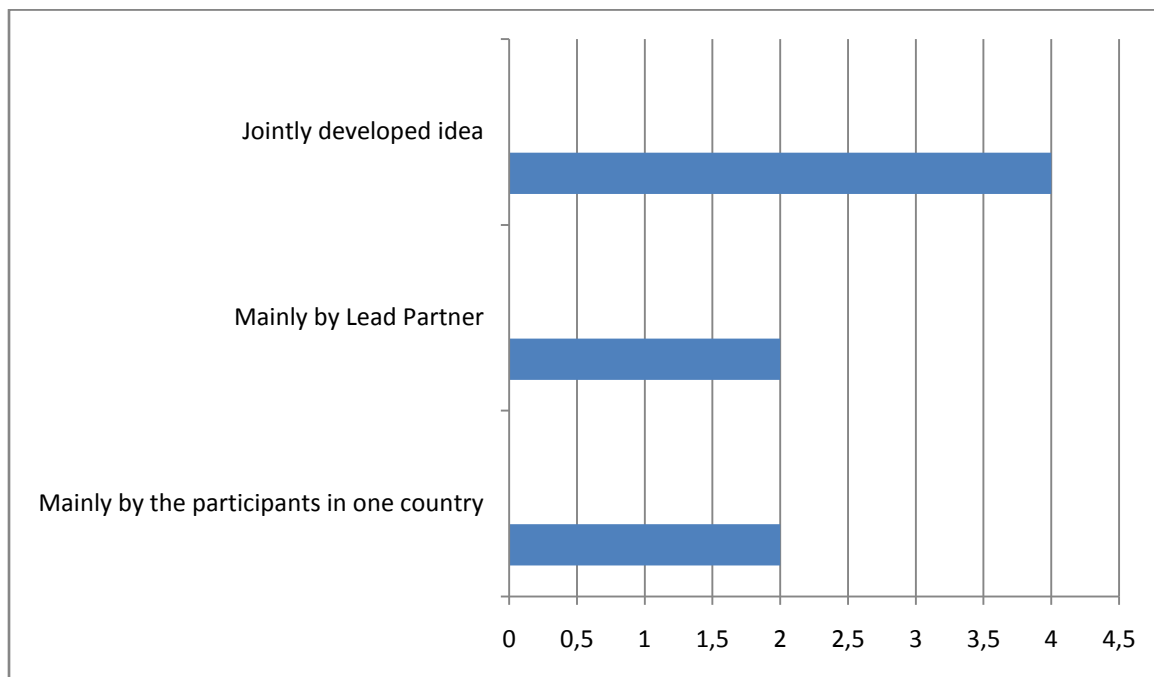
¹⁶Via Hansa- the Baltic Sea Hospitality Group - is a tour operator, destination management company, hospitality service provider and lifestyle company, established in 1994 as the 1st pan-Baltic company, which has declared: "In medieval times a word between two Hanseatic traders was a firm accord. Today we are still trading in the best of the Hanseatic traditions".

Progress in the implementation of the Programme's projects varies significantly, ranging from projects in an advanced stage of implementation to the projects approaching to the final stage.

As questions didn't provide a rating scale it wasn't possible to achieve a more detailed and focused responses. Responders' variations in understanding of questions also might have affected the results.

2.1. Project preparation

Figure 1. Generation of the Project Idea was done



As it is seen from the figure project idea was mostly generated jointly.

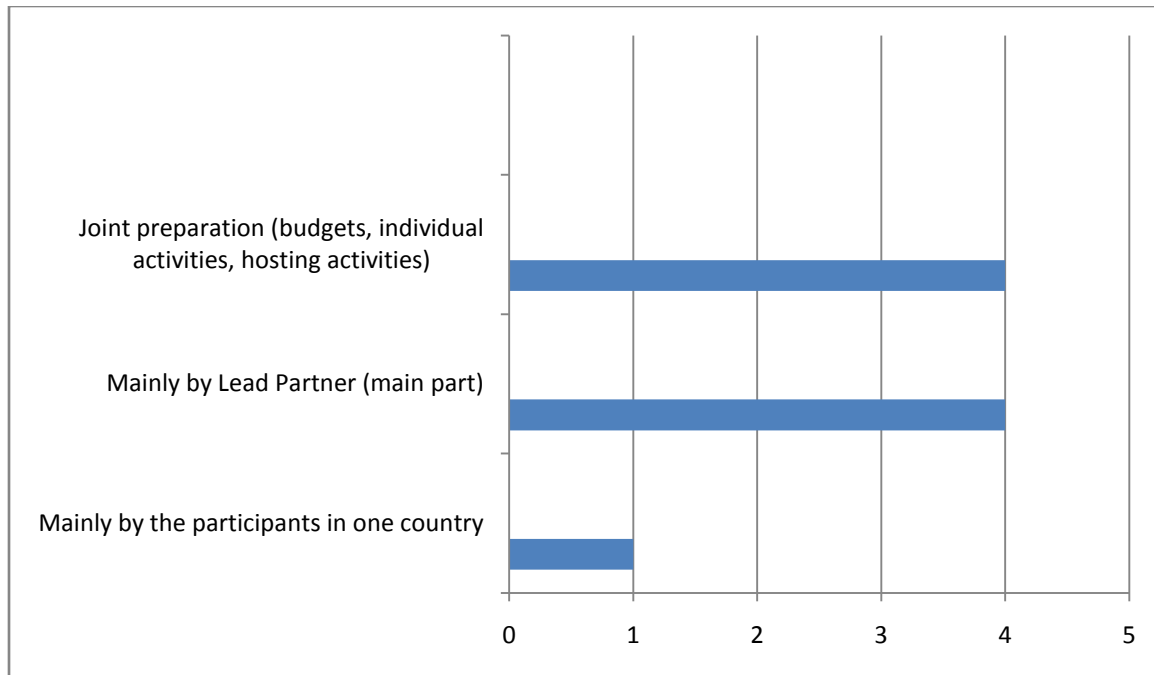
Figure 2. Preparation of the Grant Application was done

Figure shows that the grant application was mostly prepared jointly or mainly by the Lead Partner or Applicant.

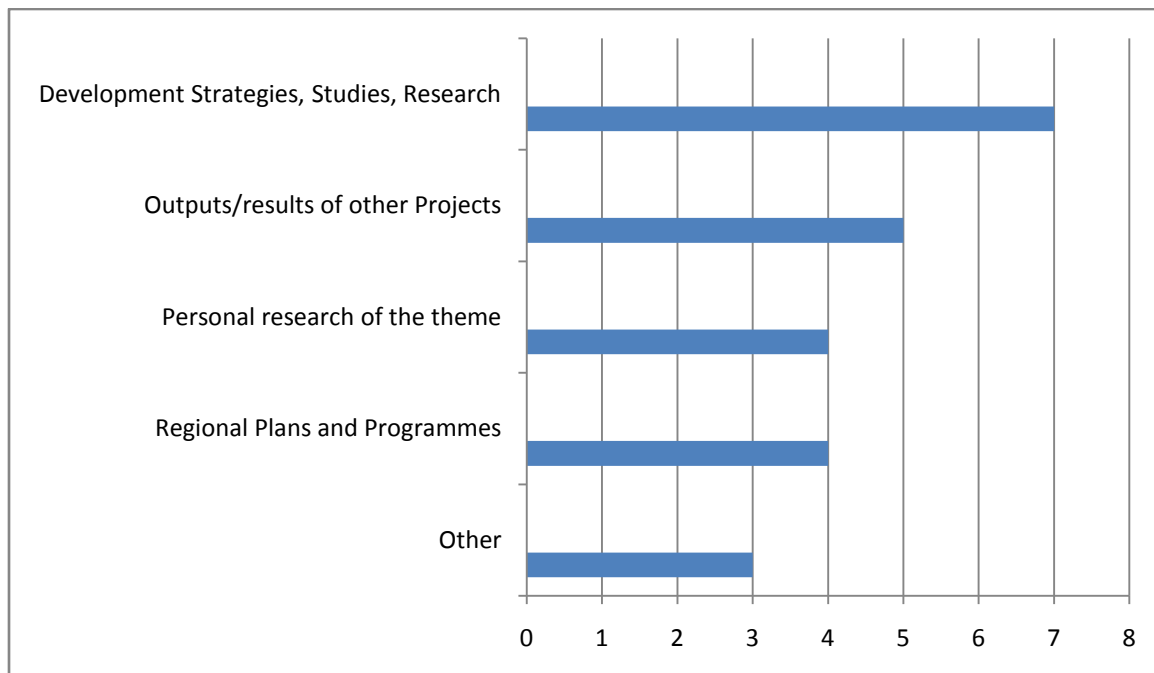
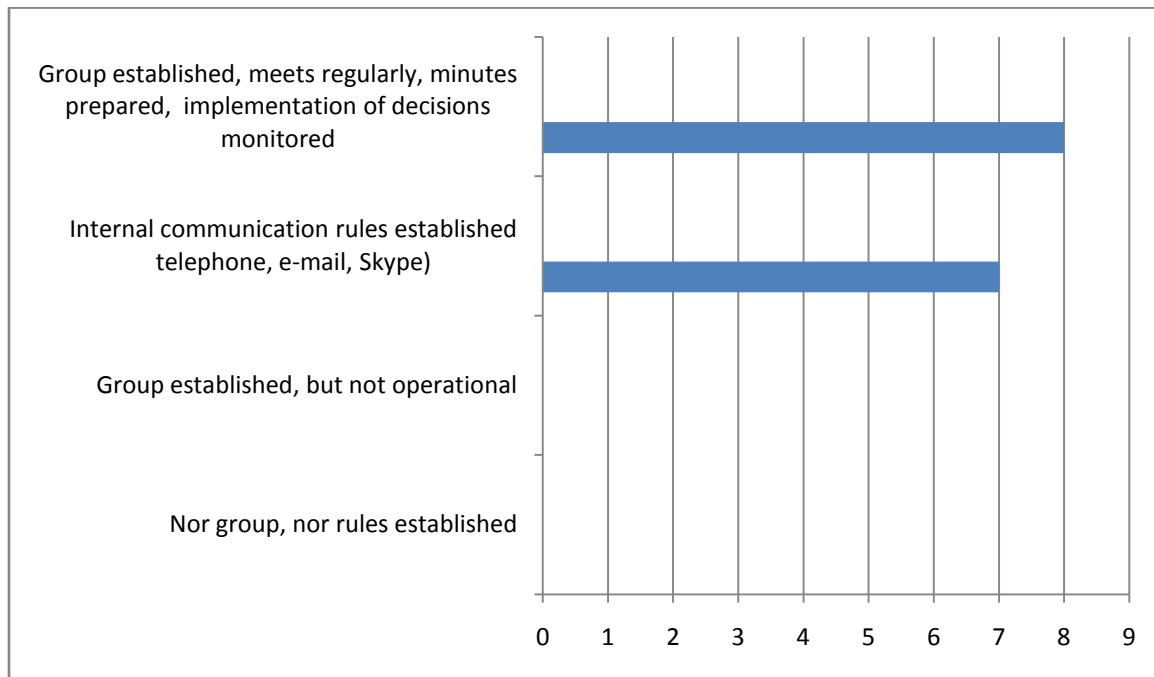
Figure 3. Data used during the idea/ preparation phase

Figure reflects the domination of development strategies, studies, research as the most valuable data source during the both idea and preparation phase.

Three respondents indicated use of other data source - construction projects (two respondents) and marketing activities- without any clarification.

2.2. Project management

Figure 4. Establishing the Project Steering Committee/Management Group

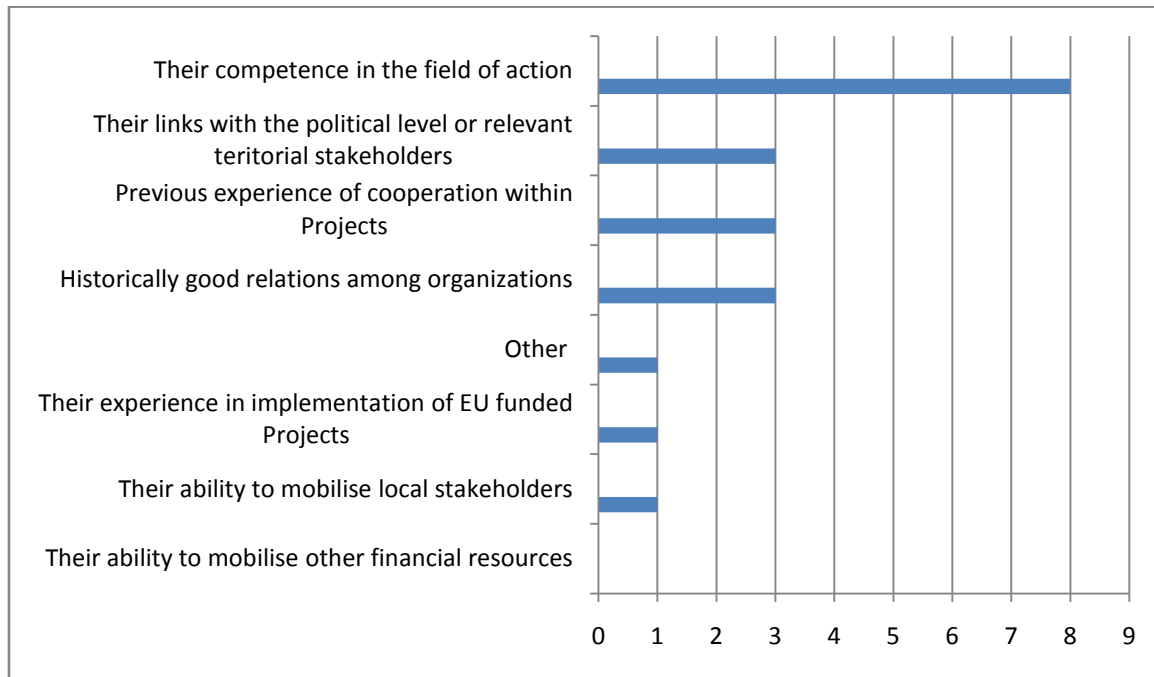


Not surprisingly figure clearly shows that the all projects have the respective body for guiding, controlling and managing all activities during projects implementation as well as the use of the modern ICT for communication.

Two respondents elaborated their management structure.

2.3. Partnership

Figure 5. Partners were chosen because of ...



As it's seen from the figure, partner's competence is the dominating criteria, followed by even references to ties with the politicians/stakeholders, previous experience of cooperation and good relations.

One respondent pointed at the current project as a follow-up of the previous one.

2.4. Networking

Figure 6. Which is the cross border added value of your Project?

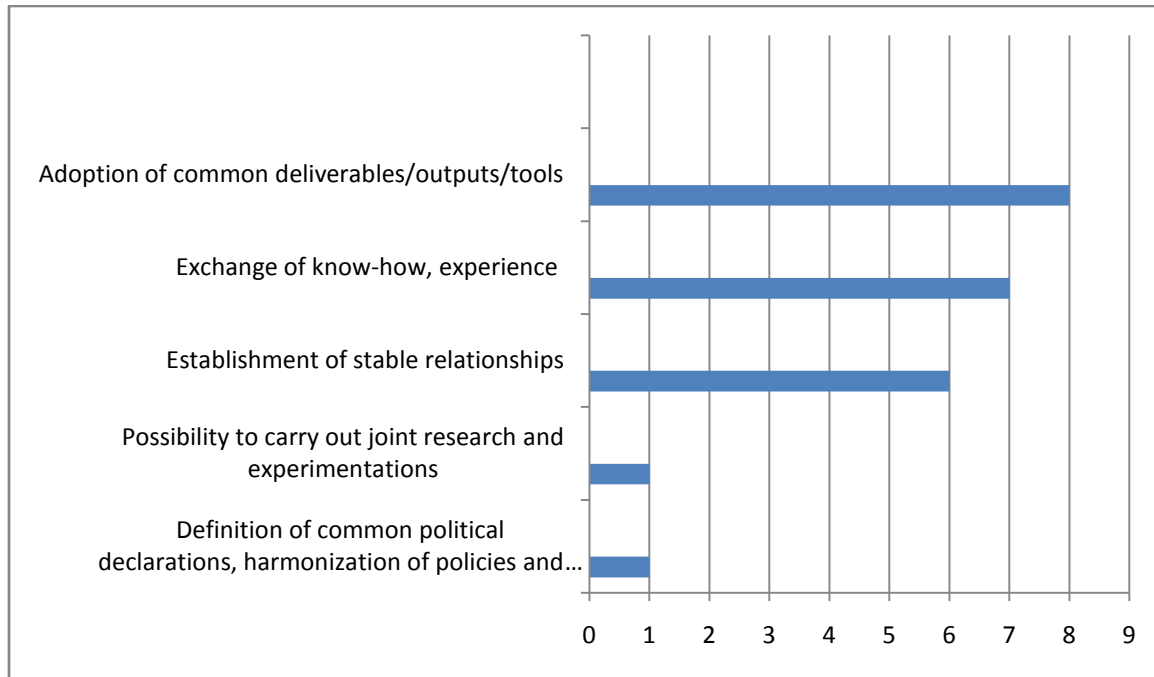


Figure shows that as cross border added value of the respective project respondents in almost the same level of importance have indicated adoption of common deliverables/outputs/tools, exchange of know-how, experience as well as establishment of stable relationships.

The question was complemented with the request: *“Please explain and indicate sources of information (with reference to deliverables)”*. Four of the LP responded to it by indicating mutual process of learning from each other (characterised as interesting and attractive for tourism development), web addresses, cross-border tourism packages to be created and what is most important - network to be established for maintaining the project results.

2.5. Governance

Figure 7. Did you manage to mobilise other relevant actors during the implementation of the Project?

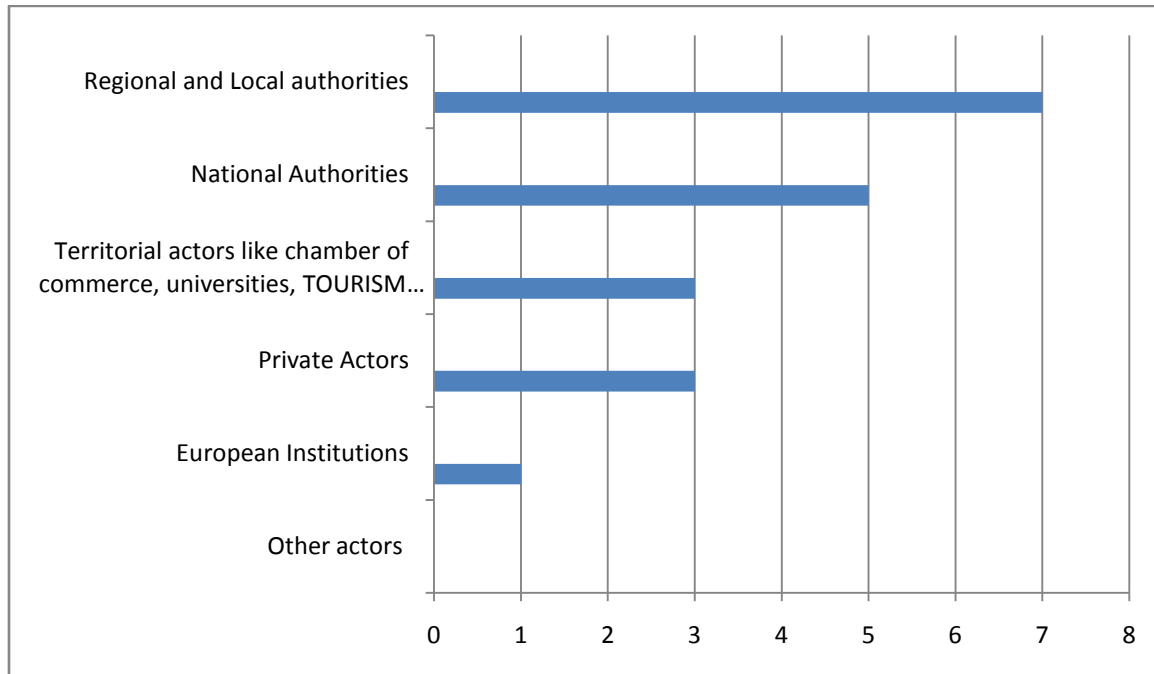
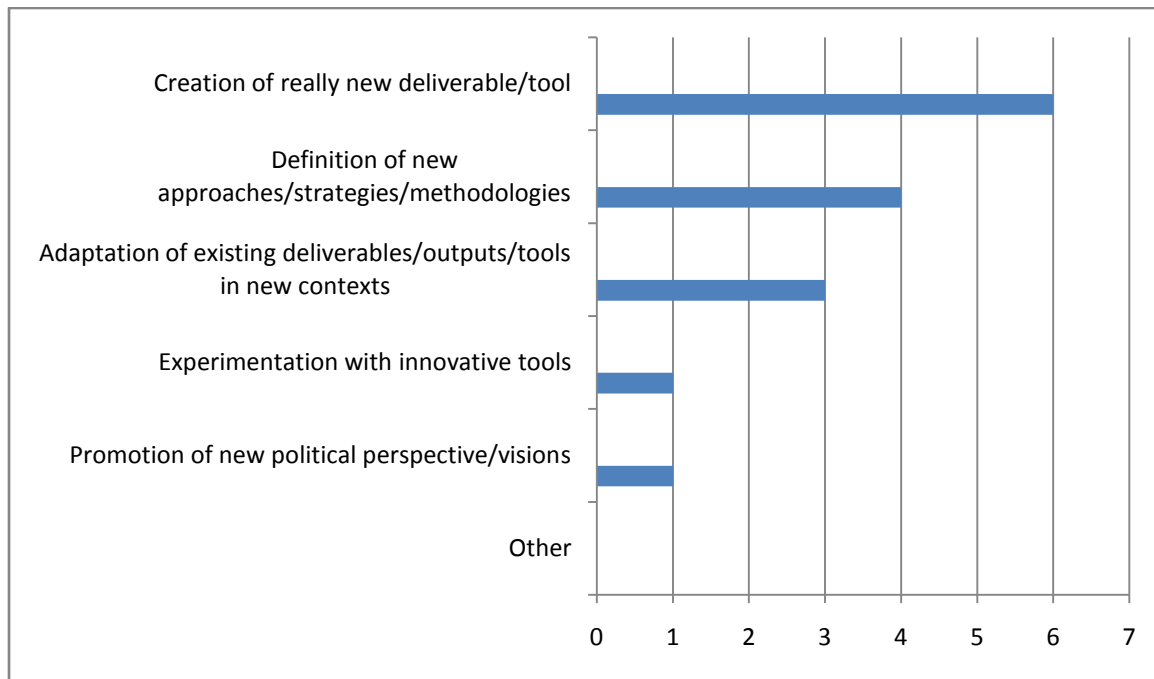


Figure shows that in 7 cases from 8, regional and local authorities were mobilised and involved, followed by the national authorities.

Additionally the question: *“What kind of activities has been successful in mobilising these actors?”* was asked. Responses were as follows: kick-off meetings, partners’ meetings, seminars, personalised invitations to cooperate, presentations (e.g. for city council members, museum and local Rotary club), informational materials, publications in local newspaper, ECD 2012, participation at tourism faire, involvement in Steering Committee, training for service providers, dissemination of newsletters, delivering of already achieved results. It was also stated that: *“The implementation of this project has a significant impact on development of the whole territory. The private companies in tourism sector have expressed their interest in having their business activities in the neighbouring area. There are some related activities taking place already”*.

2.6. Innovation

Figure 8. Which innovative outputs you expect from your Project?



As figure shows almost all (6 from 8) projects as the most innovative outputs to be expected named the creation of really new deliverable/tool. Definition of new approaches/strategies/methodologies as well as adaptation of existing deliverables/outputs/tools in new contexts has been seen to be important, too.

2.7. Integration-Mainstreaming

Figure 9. Your Project expects to influence ...

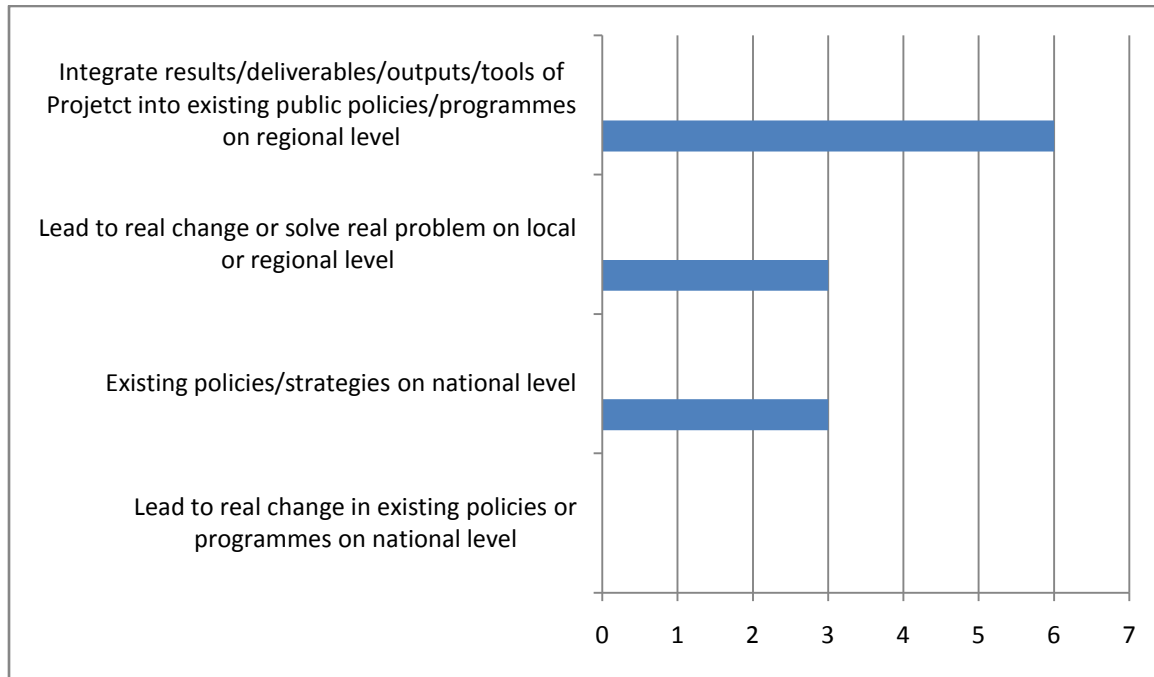
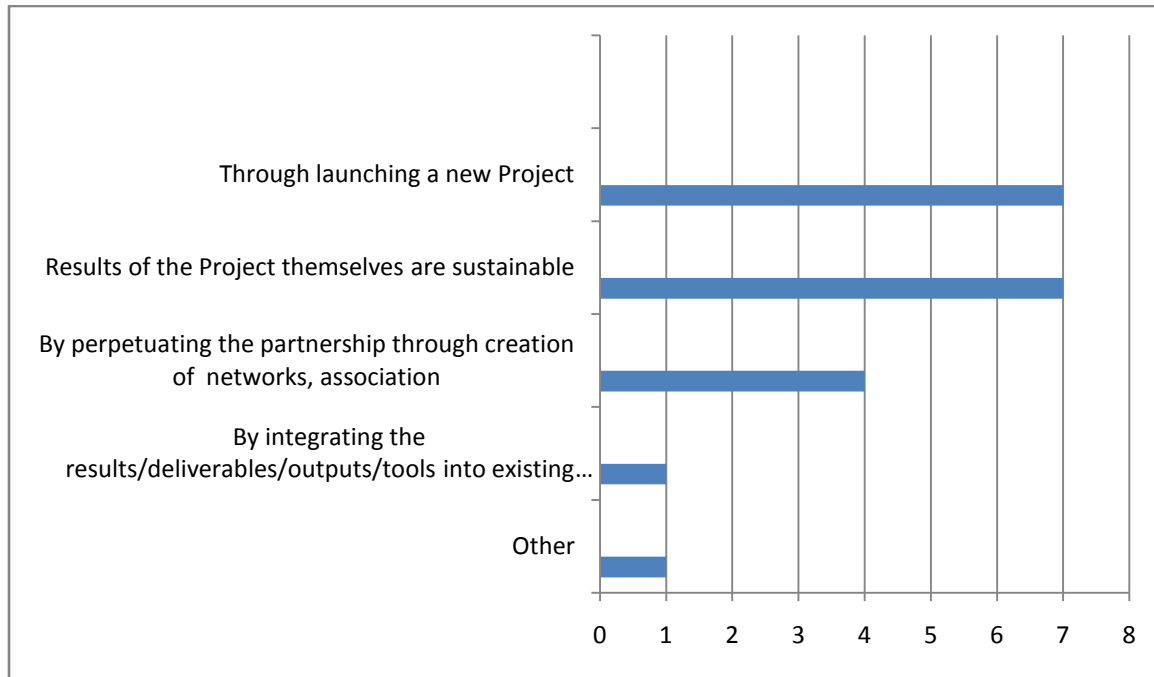


Figure shows that majority (6 from 8) of the projects expect to integrate results/deliverables/outputs/tools of the Project into existing public policies/programmes on regional level. To a lesser extent leading to real change in existing policies or programmes on national level and influence on existing policies/strategies on national level are foreseen.

2.8. Sustainability

Figure 10. How have you expect to ensure the sustainability of your Project?



As figure shows the launching of a new project and results of the Project being sustainable themselves are considered to ensure the Project's sustainability. To a certain extent perpetuating the partnership through creation of networks, association has been noticed. One Project responded that the future co-operation agreement among the partners will be signed at the end of the Project.

2.9. Transferability

Figure 11. Which are the elements that ensure the transferability of your Project?

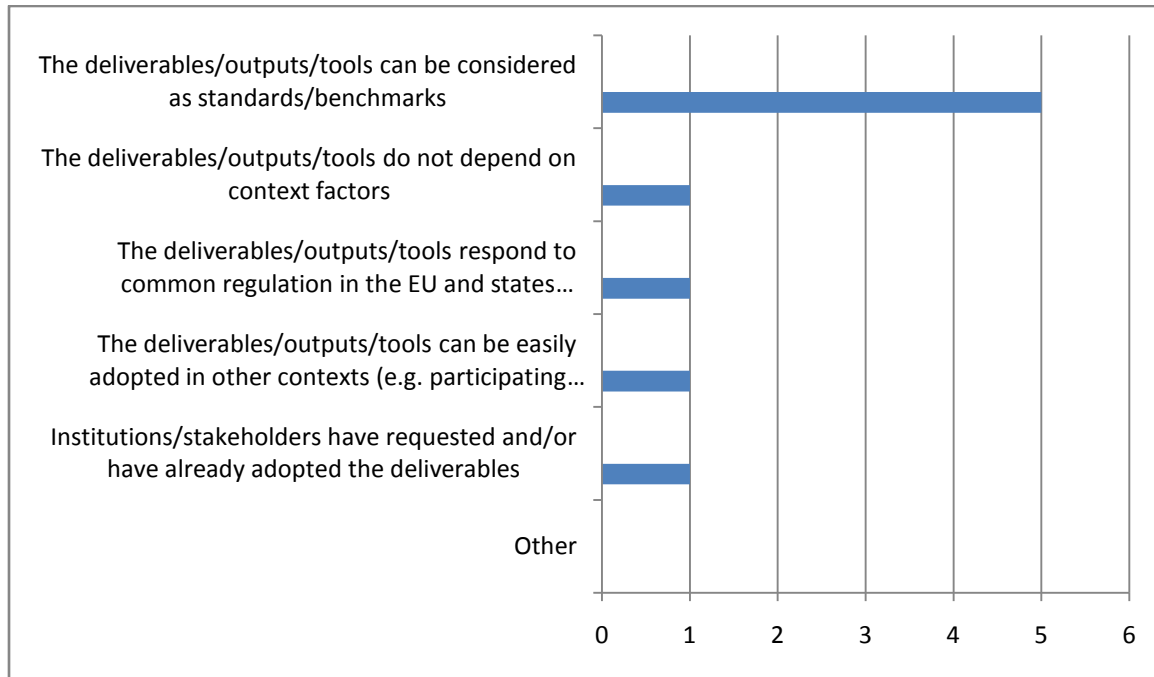


Figure shows that the majority (5 of 8) of Projects consider that the deliverables/outputs/tools to be considered as standards/benchmarks are the main elements that ensure the transferability of Project. All the rest elements have received evenly minor attention.

2.10. Capitalisation

Thematic Programme Capitalisation aims to use and exploit the thematic knowledge from the projects working on a similar topic for the benefit of other regions. Capitalisation adds a strategic dimension, creating new value, improving and refining the Programme in all phases of the policy cycle (policy development - development of instruments - policy implementation) as well as incorporates lessons learnt into the decision-making process.

Responders were asked to evaluate different components of capitalisation. **The analysis part of this survey is composed solely on the statements from the answers keeping the LP opinions authentic.**

Figure 12. Capitalisation

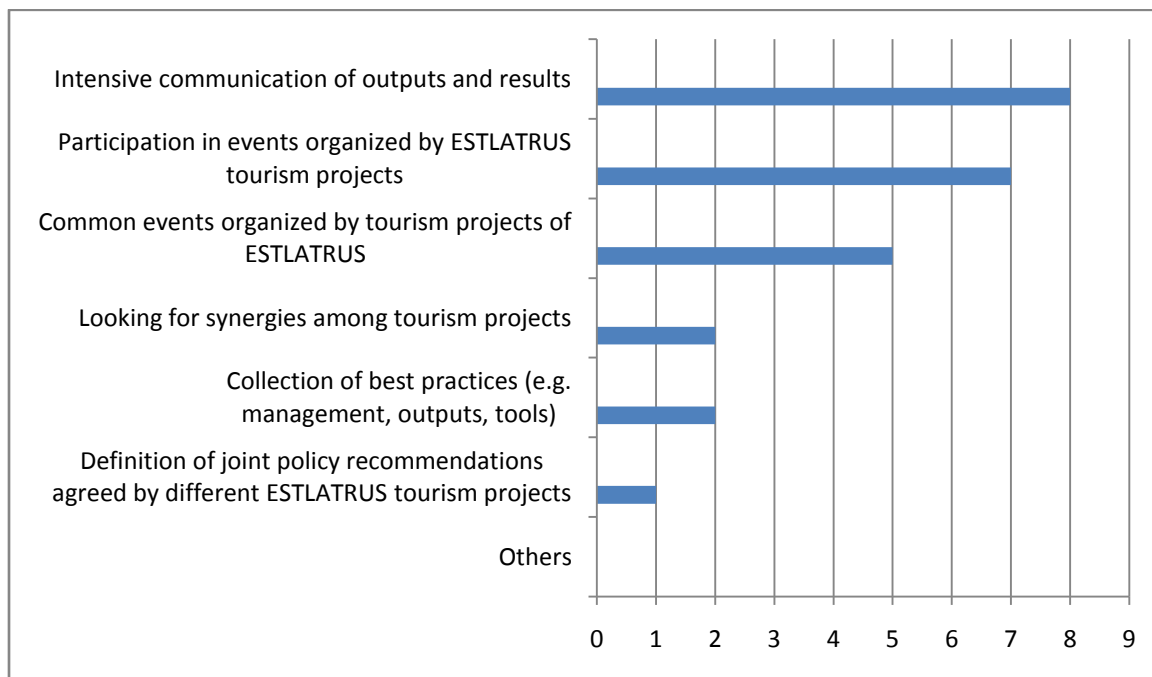


Figure shows that the all Projects have considered the intensive communication of outputs and results as the most important component of capitalisation. To a certain extent participation in separate and common events organized by ESTLATRUS tourism projects is recognized. Only 1-2 projects have acknowledged the looking for synergies among tourism projects, collection of best practices (e.g. management, outputs, and tools) and lastly the definition of joint policy recommendations agreed by different ESTLATRUS tourism projects.

Discussions

Capitalisation on experience is relatively new issue in the EU. It seems to be quite new in the Programme's area, too, therefore answers do not surprise.

Even the term “good/best practice” is not understood in the same way. Mainly it is explained that the best practice is a technique or methodology that, through experience and research, has been proven to reliably lead to a desired result. Excellent results, transferability and measurability are considered as common elements of good practice.

Main observations

Intensive communication of outputs and results are the key components for capitalisation.

Outputs (deliverables) are benchmarks for ensuring the transferability.

Integration of projects’ planned results into the existing public policies/programmes on regional level is expected for mainstreaming.

Launching of a new project and project’s results are ensuring project’s sustainability.

Creation of really new deliverable/tool is the most innovative output to be expected by the projects.

Networking and cross border added value are adoption of common deliverables/outputs/tools, exchange of know-how and experiences, and establishment of stable relationships.

Management Group and Project Steering Committee are the most effective structural units for project management.

Regional and local authorities were mobilised and involved in the highest degree to improve the governance.

Most successful mobilising activities were kick-off and partners’ meetings, seminars, personalised invitations and presentations, participation in ECD 2012, tourism fairs, etc.

Dominating criteria for choosing partners were their competences.

Development strategies, studies and researches were the most valuable source for projects’ ideas and designs.

Applications were prepared by the Lead Partner or jointly.

Projects’ ideas were generated jointly.

Conclusions

In most cases the Lead Partner has carried the majority of work load on project design and its extremely important role has been highlighted.

Level of understanding that working together and therefore ensuring the compliance of partners that can enhance the work is quite high.

Learning from previous projects and an effective adaption for future stages has also been stressed as important for the knowledge transfer and capitalisation.

Projects have used very typical tools for exchange of experience - seminars, study visits, workshops, staff exchange, etc. It shows that the face to face communication is very needed and appreciated.

Most of the projects have not acknowledged the role of capitalization, but consider innovation and transferability of results to be beneficial.

Nevertheless some projects have marked in high capitalisation potential.

If the all project partners would have been involved in the survey then the results probably would have been different in some extent.

Recommendations

In order to improve capitalization exercise in future it is advised to:

- Educate, spread knowledge, train and support projects' partners about the role and potential of capitalization in due time; and
- Foresee the Capitalisation Project for both new ENI CBC programmes in the Programme's territory.

During the remaining period of Programme's implementation phase it is suggested to:

- JTS to collect information from projects/project partners and try to rank them by the feasibility for transfer within each region as:
 - difficult to implement, but knowledge transfer opportunity,
 - in use or has synergies with other local activity/policy,
 - not possible within the region,
 - potential opportunity,
 - similar projects underway;
- Project partners to capture and concentrate to the most valuable and transferrable elements of capitalisation for utilization; and
- Lead Partner, where applicable, to nominate responsible person for the capitalisation activities to improve performance of the respective project.

3. Review of 1st Call for Proposal Projects and Large Scale Projects

3.1. Review of Tourism Projects and tourism-related Large Scale Project and main findings

A content analysis of each single on-going project was carried out and the assessment on how important is the project both for tourism development and socio-economic development of the Programme's territory was provided.

This assessment was based initially on the projects' portfolios, but secondly current information about implementation and outputs achieved are included in the investigation. Therefore their comparison is possible only based on the information the projects have submitted when applying for funding.

The project's contributions regarding the extent and term of time to which the project contributes both to the tourism and socio-economic development were assessed taking into account such factors as development of:

- Tourism infrastructure;
- Tourism products and services;
- Public infrastructure;
- ICT infrastructure;
- Natural resources, cultural and heritage resources and their preservation;
- Human resources;
- Marketing and destination management;
- Relevance to the local/regional/national tourism policies;
- Relevance to the EU, EUSBRS and BSR tourism policies; and
- Relevance to the EU horizontal policies (sustainable development, equal opportunities, and environmental issues).

The review of the projects also provides the answers to the questions: "What activities are projects generally undertaking?" and "What are the projects' results to be achieved?"

Tables below display main characteristics of the each Programme's Tourism Project and LSP6.

Table 1. Project "Enjoy the best in Latvia, Estonia and Russia"

Duration, start date	Funding, EUR	Beneficiary	Project location	Partners
18 months 01.11.2011	260.496,00 (grant) 289.440,00 (total)	Latvia Campsite Association	Leningrad Region (RU), North-East Estonia, Central Estonia, South Estonia, Pskov region (RU), Leningrad region (RU), St.Petersburg City (RU),	Regional Sports Federation of Sport Tourism of Region of Leningrad (RU), Estonian Caravan Club (EE)

			Vidzeme region (LV), Latgale region (LV)	
<p>Overall objective: to improve the competitiveness of the region and to create a long-lasting cooperation between tourism organizations of Latvia, Russia and Estonia.</p> <p>Specific objectives/expected results are to:</p> <ul style="list-style-type: none"> • Create 2 thematic tourism routes that include both tourist sites and services; • Test the routes by the working group and volunteers, and to poll on tourists' satisfaction with the new routes; • Popularize the routes in international tourism fairs (in Estonia, Latvia, Russia, Lithuania, Germany and the Netherlands); • Organize seminars for entrepreneurs of the regions (and involve them in the drafting of the routes) and for professionals (tour operators) to popularize the new products; • Create a website; and • Issue booklets (route description and map) in 5 languages. <p>Target groups/final beneficiaries: tourists, residents, tourism organizations, entrepreneurs of the partner regions, local governments.</p> <p>Realized activities until 31.10.2012.:</p> <ul style="list-style-type: none"> • Worked out: 2 thematic routes through Estonia, Latvia and Russia (for gourmands and for travelling with children) including tourist sites and services available on route; • Published: travel guide "Enjoy the best in Latvia, Estonia and Russia" in Estonian, Latvian and Russian language; • Published: tourist map for families with children and gourmands in 5 languages; • Promoted: 2 thematic tourism routes in international tourism fairs: Latvia - Riga „Balttour 2012”; Estonia - Tallinn „Tourest 2012”; Lithuania - Vilnius „Vivatour2012”); and • Created: webpage:www.enjoyler.com <p>Additional activities outside the project:</p> <ul style="list-style-type: none"> • Promoted tourism routes in international tourism fairs in: Netherlands - Utrecht „Vacatiebeurs 2012”; Germany - Berlin „ITB 2012”; Latvia - Riga „Atpūtai un sportam2012”; Russia - St. Petersburg „Mir avtomobila 2012”; Russia - Moscow „Caravanex 2012”); and • Foundation of the joint Baltic States' Association of Campings and Recreation Parks in order to create common products for the entire Baltic States region (expected in 2013). 				

Table 2. Project “Exploring the history of narrow gauge railway”

Duration, start date	Funding, EUR	Beneficiary	Project location	Partners
18 months 01.02.2012	234.285,00 (grant) 261.285,00 (total)	Tūri Municipality (EE)	St. Petersburg City (RU), Central Estonia	Non-profit organization “Imperatorski Voksal” (RU)
Overall objective: to raise the competitiveness of the areas of partner institutions, general				

development of cross-border co-operation and sharing the resources between partners and finding extra resources.

Specific objectives/expected results are to:

- Promote narrow gauge railway thematic tourism field, which covers developing joint high quality tourism goods and services - travel packages, accommodation, tourist information materials, souvenirs;
- Accept common tourism strategy;
- Create co-operation networks;
- Bring involved in the railway transportation and its history closer to the public;
- Draft projects, plans and studies for establishing of museum and exposition in Türi and St. Petersburg; and
- Establish narrow gauge railway museums - theme parks that deal with the historical research of the railway and offer entertainment.

Target groups/final beneficiaries: residents, local governments, tourism organizations, entrepreneurs of the partner regions.

Realized activities until 15.11.2012.:

- Worked out: the concept of Türi Railway Museum (EE) and the concept of the exposition in St.Petersburg (RU);
- Created: museum and project corporate design;
- Worked out: joint tourism strategy of Türi Railway Museum and NGO “ImperatorskiiVoksal”;
- Carried out: the marketing research;
- Organized: five seminars and meetings with stakeholders;
- Published: book in English and Russian on history of narrow gauge railway: TiitPruuli “St.Petersburg to Tallinn by Train”. Go Group AS, Tallinn, 2013; and
- Created: webpage: www.railwaymuseum.ee (currently a project webpage, to be modified for the Türi Railway Museum in future).

Additional activities outside the project:

- Organisation of the European Cooperation Day event in Türi in 2012; and
- Foundation of the NGO “SA Türiraudteemuuseum” (in 2012) to coordinate the building and management of the future Türi Railway Museum.

Table 3. Project “Tour de Latgale & Pskov”

Duration, start date	Funding, EUR	Beneficiary	Project location	Partners
24 months 01.06.2011	1.513.633,68 (grant) 1.681.815,20 (total)	Latgale Planning Region (LV)	Latgale Region (LV), Pskov Region (RU)	Latgale Region Development Agency (LV), State Committee of Tourism, Investment and Spatial Development of Pskov Region (RU), Pskov Tourism

				Development Centre (RU)
<p>Overall objective: to develop cooperation and establish permanent network in tourism sector in order to increase attractiveness and recognisability of both regions, raise capacity of regional administration and tourism professionals, improve quality of services, and develop infrastructure in interregional tourism routes.</p> <p>Specific objectives are to:</p> <ul style="list-style-type: none"> • Develop 5 joint tourism routes; • Develop website www.visitpskov.com; • Promote tourism routes by set of marketing activities - advertising on TV and radio, publication of brochures and map, participation in 10 tourism fairs, production of a movie on tourism products etc.; • Elaborate Marketing Plan for promotion of tourism routes (after the end of project); • Train tourism professionals; and • Improve infrastructure of 26 water-based tourism sites and raise safety on the water. <p>Target groups/final beneficiaries: tourists, regional administrations and institutions responsible for promotion of tourism sector, tourism operators and entrepreneurs involved in tourism business. Indirectly, the project targets inhabitants and other entrepreneurs of both regions.</p> <p>Realized activities until 15.11.2012.:</p> <ul style="list-style-type: none"> • Prepared: Tourism Development Marketing Plan; • Promoted tourism routes: in international tourism fairs (St.Petersburg); • Developed: 5 joint cross boarder tourism routes - Rural, Sacral, Crafts, Cultural and Nature; • Finished: infrastructure works in Baltinava (LV); • Started: infrastructure works in Vilaka (LV); • Installed: equipment at the water basin sites at the Pytalovo, Palkino and Ostrov municipality (all in RU); • Signed: contract to create the Pskov Tourism Development Center's(RU) web site www.visitpskov.com; and • Created: webpage: www.latgale.lv/lv/tour 				

Table 4. Project “Establishment of environment in Võru(EE), Sigulda(LV), St.Petersburg (RU) for development of tourism”

Duration, start date	Funding, EUR	Beneficiary	Project location	Partners
26 months 01.01.2012	1.530.000,00 (grant) 1.700.000,00 (total)	Sigulda District Council (LV)	Leningrad Region (RU), South Estonia, Pieriga (LV)	Committee for Physical Culture and Sports Government of St.Petersburg (RU), Võru Town Government (EE)
Overall objective: to develop active and sports tourism in all cross-border regions thus				

enhancing the number of tourists.

Expected results:

- New active and sports centre in Sigulda, Laurenči (1.4 km of ski track and cooled 1,1 km ski track as a part of it, stadium and service house);
- Existing active tourism, sports and recreational objects at Voru, Kubija recreation centre renovated and developed (sports and playgrounds, soccer fields, volleyball and handball courts, passes); and
- 4 well equipped service houses on existing skiing tracks of St. Petersburg built.

Target groups/final beneficiaries: tourists, tourism companies and service providers, sportsmen, local population, local authorities.

Realized activities until 15.11.2012.:

- Started: construction works for ski track and service house in Laurenči, Sigulda (LV);
- Carried out: procurement for Võru Town Government (EE) playgrounds and sports fields construction;
- Purchased: tractor; and
- Organized: 3 international sport events - Võru Triathlon, Võru Roller and Haanja 100 MTB (all in EE, 2012).

Table 5. Project “Development of historical riverside protection area in Narva/Estonia and Ivangorod/Russia II stage”

Duration, start date	Funding, EUR	Beneficiary	Project location	Partners
26 months 18.01.2012	1.568.104,80 (grant) 1.742.338,67 (total)	Municipality of Narva, Department of City Property and Economy (EE)	Leningrad Region (RU), North-East Estonia	Administration of MF “City Ivangorod, Kingisepp district, Leningrad oblast” (RU)
<p>Overall objective: integrated construction and improvement of the historical promenade areas in Narva/Estonia and Ivangorod/Russia and conversion of the CBC area into attractive place as united tourist destination.</p> <p>Expected results:</p> <ul style="list-style-type: none"> • Construction of the upper level of the promenade located in the Dark Garden in Narva; and • Construction of the promenade’s northern part in Ivangorod. <p>Target groups/final beneficiaries: tourists (domestic and international), tourism companies, local population, potential investors, journalists, local authorities, regional and state authorities, stakeholders.</p> <p>Realized activities until 17.01.2013.:</p> <ul style="list-style-type: none"> • Started: construction works of the Narva promenade upper level in Pimeaed (Dark Garden) (EE) and of the Ivangorod promenade (RU); and • Created: webpage: www.fourttour.net/promenades 				

Table 6. Project “Advancing remote areas by development of cross-border VH tourism route on basis of local resources” / Via Hanseatica

Duration, start date	Funding, EUR	Beneficiary	Project location	Partners
36 months 01.01.2012	1.623.569,66 (grant) 1.803.966,30 (total)	Vidzeme Planning Region (LV)	Leningrad Region (RU), St. Petersburg City (RU), South Estonia, Central Estonia, North-East Estonia, Vidzeme Region (LV), Pieriga (LV)	Committee for Culture of the Leningrad region Administration (RU), NCO “International Centre for Social and Economic Research "Leontief Centre” (RU), Foundation Valga County Development Agency (EE), Foundation Tartu County Tourism (EE), Foundation Jõgeva County Development and Enterprise Centre (EE), Foundation Ida-Viru County Enterprise Centre (EE), Koceni Municipality Council (LV), Municipal agency "Cēsis Culture and Tourism center" (LV), Sigulda District council (LV), Strenči Municipality Council (LV), Valka Municipality Council (LV), Valmiera City Council (LV), Palupera Municipality Council (EE), Foundation Luke Manor (EE), Jõgeva Municipality Council (EE), Saare Municipality Council (EE), Avinurme Municipality Council (EE)

Overall objective: to promote Via Hanseatica (VH) tourism route (connecting St Petersburg, Narva/Ivangorod, Tartu, Valga/Valka, Valmiera and Sigulda in the Programme territory) and its natural and cultural heritage via cross-border cooperation.

Specific objectives/expected results:

- Creation of joint VH tourism package and modules which include at least 90 VH tourism products/objects/services based on the VH route;
- Improvement of attractiveness and/or accessibility of 12 objects on the route;
- Raised visibility and availability of VH information by setting up 280 road signs, 41 object sign, over 20 road info-boards and 9 info terminals;
- Raised awareness among travelers and tourism professionals visiting the VH booth at the tourism fairs;
- Improved availability of VH virtual information with an interactive multilingual webpage www.viahanseatica.info;
- Improved availability of VH traveler's materials (e.g. maps, travel guides, audio guides);
- Increased professional knowledge of tourism specialists and decision makers for planning and supporting tourism and regional development; and
- Established comprehensive network (consisting of at least 115 organisations and functioning on the basis of common cooperation structure and strategy).

Target groups/final beneficiaries: foreign and domestic tourists, tourism and service companies, local population, local authorities.

Realized activities until 31.01.2013.:

- Selected: 786 objects as VH objects
- Reconstructed objects: Cesis Exhibition Hall Valka Local Museum Driveway, Rubene Village Parking lot, Seda Culture House Square and Valmiera Old Town stairs (all in LV) and Laiuse Castle Outdoor event area, Hellenurme Recreational area and Luke Manor Side-house (all in EE);
- Started: reconstruction works in Pühajärve event area (EE) and reconstruction of information points in Sigulda (LV);
- Finalized: tender for B. de Tolly Mausoleum (EE);
- Prepared: tender documents for Sillamäe Museum, Mäetaguse Culture Mill and Pala light traffic road (all in EE);
- Prepared: technical documentation for Hargla Chapel and Hummuli Manor parking place (EE);
- Created: list of 1053 service providers; and
- Created: webpage: www.viahanseatica.info

Table 7. Project “Unique Estonian-Russian fortresses ensemble development as a single tourist product. Stage II”

Duration, start day	Funding, EUR	Beneficiary	Project Location	Partners
28 months 16.12.2011	1.642.108,36 (grant) 1.824.564,85	Narva City Government, Department for	Leningrad Region (RU), North-East Estonia	Administration of Municipal Formation "City Ivangorod

	(total)	City Development and Economy(EE)		Kingisepp municipal district" (RU), Narva Museum (EE)
<p>Overall objective: is to develop the Narva and Ivangorod fortresses ensemble as a single tourist product to ensure fast development and regional competitiveness of the Narva/Estonia-Ivangorod/Russia cross-border region as a united tourism destination and the main centre of tourist attraction by means of development of the area's unique historical heritage.</p> <p>Specific objectives/expected results:</p> <ul style="list-style-type: none"> • Improved accessibility of the Narva and Ivangorod fortresses ensemble by modernizing them, increasing the level of safety and attractiveness of the access territory, as well as improving the quality and accessibility of tourist information; • Integrated reconstruction of access to the fortresses (construction of access roads, installation of information signs); • Joint development of a single audio tour; and • Promotion campaign. <p>Target groups/final beneficiaries: tourists, local population, tourism companies, journalists, local authorities.</p> <p>Realized activities until 31.01.2013.:</p> <ul style="list-style-type: none"> • Started: construction of the road's segment on Pskovskaya Street and a public toilet on the access way to Ivangorod fortress (RU); • Concluded: contracts for reconstruction of the Narva Castle Park on the access way to the Narva Castle (EE); • Concluded: contract for development of a single audio tour and tourist marketing strategy for improvement of the quality and accessibility of tourist information for Narva and Ivangorod fortresses (RU); • Purchased: 30 audio guides (RU); and • Created: webpage:www.fourttour.net 				

Table 8. Large scale project “Development of unique Narva - Ivangorod fortresses ensemble as a single cultural and tourism object”

Duration	Funding, EUR	Beneficiary	Project location	Partners, associates
47 months	6. 871.455.00 (grant) 8.221.126,00 (total)	Narva City Government, Department for City Development and Economy (EE)	North-East Estonia, Leningrad Region (RU)	“Museum Agency” Leningradskaya Oblast State Budget Institution of Culture (RU), Heritage Conservation Board of Estonia (EE), Ida-Viru County Government (EE), Narva Museum (EE), Committee for culture for

				Leningrad region (RU), Administration of Municipal Formation “City Ivangorod Kingisepp municipal district” (RU)
<p>Overall objective: to increase the competitiveness of the cross-border region through development of the unique Narva-Ivangorod trans-border fortresses ensemble as a single cultural and tourist object.</p> <p>Specific objectives/expected results:</p> <ul style="list-style-type: none"> • Narva Victoria bastion and Ivangorod fortress Small Powder Granary reconstructed; • Quadrangular fortress conserved; • Visitor centres and exhibitions created; • Roads assessing to the fortresses improved; • Development of necessary tourism infrastructure; • Quality and accessibility of tourist information improved; and • New work places created. <p>Target groups/final beneficiaries: domestic and foreign tourists, local population, tourism companies, Narva and Ivangorod museums, local authorities.</p> <p>Realized activities until 25.01.2013.:</p> <ul style="list-style-type: none"> • Signed: 6 contracts (2 on archaeological research, restoration, study on conservation and strengthening of masonry, site improvement, electrical networks) for conservation's preparation works; • Prepared: tender documentation for conservation of the Ivangorod Quadrangular fortress of 1492 and Small Powder Granary (both in RU); • Prepared: tender documentation for reconstruction of the (RU); and • Created webpage: www.fourttour.net/LSP6 				

Main findings

A very wide range of activities to advance the tourism development can be noticed from the review. These activities range from the development/improvement of tourism infrastructure, development/improvement of quality and accessibility of tourism services and tourist information, creation of tourism routes, products, services and packages as well as promotion to the workforce training, creation of jobs, joint tourism strategies and networking.

Common denominator has been seen: projects are tackling complex issues in a very practical and achievements-oriented way. Outputs of these activities to be achieved include, e.g.:

- New and thematic tourism products and tourist routes (e.g., EBLER, EHNGR, Tour, Via Hanseatica);
- Improved and revitalized infrastructure of tourism sites and their accessibility, and raised safety & security (e.g., River promenades II, Via Hanseatica, EstRusFortTour-2);
- Developed facilities for recreation, sport and active tourism (e.g., Tour, SVS ACTIVETOUR);
- New visitors centres (e.g., Narva-Ivangorod LSP6);
- New museum-theme park (e.g., EHNGR);

- Conservation and reconstruction of cross-border heritage sites (e.g., Narva-Ivangorod LSP6);
- Newly created working places(e.g., Narva-Ivangorod LSP6);
- Comprehensive common regional tourism development policies and/or marketing strategies (e.g., EHNGR, Tour, EstRusFortTour-2, SVS ACTIVETOUR);
- Expanded cross-border cooperation by extensive networking, clustering, PPP and PPPP (e.g., EHNGR, Via Hanseatica /its network will consist of at least 115 organisations/);

Additionally some projects have also foreseen fund-raising and promotional activities in order to seek for financial sources for both supplementary activities not covered by projects and future activities. This could lead to the attraction of private investments and FDI particularly in the VH area.

Regarding the utility observations show that the projects have an impact on the specific target groups or the whole communities accordingly to their needs.

Several projects are follow-up projects of the previous ones, namely EstRusFortTour-2 is a follow-up of EstRusFortTour project within the BSR Interreg IIIB programme (2006-2008), River Promenades II is a follow-up of the “Integrated development of the historical riverside protection area in Narva/Estonia and Ivangorod/Russia” project (2007-2009), but the first joint actions on Via Hanseatica were carried out in the framework of the BSR Interreg IIIB programme in 2004-2006.

Via Hanseatica is the name attributed to the trans-European transport corridor from Lübeck to St. Petersburg whereas Via Hanseatica Tourism Route represents a corridor of 30-50 km aside the main road and the places on route.

Narva-Ivangorod refers to a unique complex of two fortresses of great cultural and historical value. The main objective of the project is to develop unique Narva-Ivangorod fortresses ensemble as one tourist object, as they are facing each other on opposite banks of the River Narva, and to conserve the cultural and historical heritage. The project will result in creation of one single tourism product (tour around Ivangorod and Narva fortresses) and its promotion, improved information infrastructure and preparation of documentation for the UNESCO World Heritage Committee.

Four tourism projects have particularly illuminated among the rest, namely Via Hanseatica, EstRusFortTour-2, River Promenades II, and Narva-Ivangorod LSP6 taking into account that their contribution to the socio-economic development, if properly implemented and sustainability reached, will be made to a large extent and there will be a significant and long term potential impact. Via Hanseatica and Narva-Ivangorod LSP6 could be seen both as an anchor and lighthouse tourism projects of the Programme. To be complemented with activities of the EstRusFortTour-2, River Promenades II and partly of the EBLER and SVS ACTIVETOUR, they show also very high synergy.

It is impossible not to mention the international character of Via Hanseatica, while most of the other tourism projects are mostly of either local or regional importance.

Conclusions

The overall rationale behind the Programme is that although the BSR countries have had a long shared history over the centuries and have a great variety of natural and cultural resources, the area - fascinating corner of the Baltic Sea Region where Russia, Latvia and Estonia meet - is still not well perceived as a single region outside its borders.

In the current situation, a multitude of actors are telling different and uncoordinated stories of the region, which is making long-term destination and reputation management very difficult - if not impossible - of an endeavour.

In terms of coordinating activities and conveying coherent messages, the region could benefit considerably if it would be able to agree on a common platform for communication and marketing, that is a set of values and overall messages that could be drawn on by, and provide strategic direction for, various projects and efforts.

The above clearly demonstrates how the implementation of the Programme works to provide new and sustainable tourism solutions for the Programme's territory. Also capitalisation opportunities that have emerged as a result of the valuable outcomes of the tourism projects are recognised.

Integrated development of joint tourism infrastructure will give synergetic effect and added value to the region, increase tourism income and revenues of local governments, improve image and living environment of the region, help decrease the unemployment level, solve other socio-economic problems and facilitate fast and stable socio-economic development.

The Programme's territory is one of the principal tourism flows' corridor and the gateway to EU countries and Russia. Thus the territory should take advantage of this fact. Nevertheless, the Programme's territory will not be able to capture those benefits, unless it makes a considerable effort to further improvement and integration of its tourism & transport networks threesome - at cross-border, national and transnational levels. This could result in attraction of private investments and FDI particularly in the VH area.

Thus Programme acts as a catalyst and an engine to start up new businesses and services that have a cross-border and even transnational nature. However, further local, regional, national and EU support is needed to make them more attractive, visible, competitive and sustainable.

Taking this and continuing uncertain external environment into account, and due to the fact that the Programme's territory's regions and countries are still in structural economic reforms, it is the right time to put further efforts into tourism, culture and transport development that will ensure the physical and economic integration of this particular region including also very remote areas. For this clear and focused common strategies and actions have to be developed in future.

Recommendation

Emphasizing the Via Hanseatica international character, it is highly recommended to consider further development of the Via Hanseatica Tourism Route while elaborating the new ENI

Estonia-Russia and new Estonia-Latvia CBC programme as well as to seek for the additional possibilities under the other EU instruments to expand VHTR both to the North and South-West and to make it really internationally recognized, attractive and competitive.

3.2. Review of the rest projects and main findings

All the rest Programme's projects and their intended results are briefly disclosed in the table below.

Table 9. Review of the rest of the Programme's projects

Priority I: Socio-economic development Priority is dedicated to strategic development of border region's competitiveness through support to business and labour market development, improvements in communication networks and exploring region's potential for tourism as well as maintaining efficient and safe borders.		
Measure	Outputs	ProjectAbbreviation (Full project name) – main outputs/ results
Measure 1.1 Fostering of socio-economic development and encouraging business and entrepreneurship	Innovation/ promotion/ initiatives for entrepreneurs	
	Operating networks created	
Measure 1.2 Transport, logistics and communication solutions	Infrastructure objects/services developed or renovated	SAFE ROAD LSP1 (Improvement of traffic and border crossing possibilities in Väraska-Pechory monastery road) - roads reconstructed, foot/cycle ways constructed, Koidula/Kunichina Gora frontier point reconstructed, parking areas for tourist buses, cars, tracks constructed, tourism information system improved (banners with tourism map and information installed). Vientuli-Brunishevo LSP4 (Reconstruction of BCP "Vientuli" and arrangement of BCP "Brunishevo") - infrastructure and facilities for Vientuli/Ludonka and Pededze/Brunishevo border control checkpoints constructed, communication and security systems established, roads and squares infrastructure and landscaping improved, qualitative and
	Joint initiatives aimed at increasing accessibility of/in the programme area	
	Partnerships contracts/ agreements	
	Elaborated joint tourism strategies	
	New nature related/seasonal tourism products/services	

	created	quantitative capacity of border-crossing increased.
	Joint events or information services aimed at extending the attractiveness of the Programme area	<p>ESTLATRUS TRAFFIC (Increasing traffic system's capability within EE-LV-RU international importance transport corridors) - transport & road infrastructure, traffic safety and accessibility and competitiveness of the remote regions improved, cross-border network created.</p> <p>ICT Baltic (Baltic ICT Platform) - ICT tools for e-Governance services created, better communication between the business and local governments by using modern ICT technologies established.</p>
Priority II: Common challenges Priority aims at addressing common problems and initiating and continuing joint actions in the areas of common interest on both sides of the border.		
Measure	Outputs	Projects and LSP (main results to be achieved)
Measure 2.1 Joint actions aimed at protection of environment and natural resources	Environmental infrastructure objects	<p>Common Peipsi LSP 3(Economically and Environmentally Sustainable Lake Peipsi area) - in 3 harbours facilities for water related tourism established, in 4 harbours waste reception arranged, waste water treatment improved, environmental situation of the Lake Peipsi basin improved.</p> <p>People with nature (Promoting nature education as efficient mean of awareness raising) - cooperation network created, capacity of 14 nature education centres raised, advanced environmental education methods elaborated, target groups trained.</p> <p>GreenMan (Tartu, Rezekne, Pskov: Green Management for Urban Development & Planning in EE-LV-RU Border Capitals) - cities have become more green & attractive place</p>
	Solutions developed/tested to protect the environment	
	Joint planning activities/initiatives	

		<p>for both their inhabitants & visitors, new large-scale & important green areas created and existing ones restored , “green management” policies and networking created.</p> <p>INFROM (Integrated Intelligent Platform for Monitoring the Cross-Border Natural-Technological Systems) - universal common intelligent platform to protect the environment, based on integrated space-ground real-time monitoring and control developed.</p> <p>Emajõe-Pskov WMP(Water Management Project of Peipsi, Pihkva, Lämmijärve, Saadjärve and Vesikijärve Lakes) - pollution of lakes of the Lake Peipsi water basin Natura 2000 sites reduced.</p>
Measure 2.2 Preservation and promotion of cultural and historical heritage and support of local traditional skills	Business activities created on the basis of local crafts, know-how and traditional skills	<p>E-archive (Cross Border E-archive) - new collections accessible to all interests and semi-professional social network created (for people interested in cross border cultural, historical, educational issues).</p> <p>AAC (ARCHAEOLOGY, AUTHORITY & COMMUNITY: cooperation to protect archaeological heritage) - archaeological field inventories and rescue excavations of damaged and threatened sites carried out, digital map of monuments and thematic databases created, new cross-border network established.</p> <p>PROMOTING HERITAGE (Development of the centres for culture and creative industries in Räpina, Vilaka and Pechory) - centres for creative industries renovated, know-how and local traditional skills maintained, cultural and historical heritage preserved.</p>
	Historical and/or cultural sites restored	
Measure 2.3	Joint	

Improvement of energy efficiency and promotion of renewable energy sources	solutions developed/tested to save energy	
Priority III: Promotion of people to people cooperation Priority is focussing on small scale activities for improving the cooperation of the border region supporting wide range of activities to be performed by regional and local municipalities and various actors of the society, which have been identified as being of crucial importance to a more integrated region.		
Measure	Outputs	Projects and LSP (main results to be achieved)
Measure 3.1 Development of local initiative, increasing administrative capacities of local and regional authorities	Networks/ agreements involving municipalities, NGOs and other institutions Joint trainings, seminars, forums for municipalities, NGOs, etc.	MEDINF (Improving availability of medical information and counselling) - medical consultation system, consisting of counselling via telephone, via internet and other means developed and launched.
Measure 3.2 Cooperation in spheres of culture, sport, education, social and health	Official bodies involved in partnerships contracts/ agreements establishing permanent relations Institutions involved in projects achieving educational/ cultural/sport/social/health objectives	Culture arts (Cooperation in the theatre and the music arts development) - creative workshops, master classes, festivals, concerts organized, old and new music trends developed. Photo Youth (Creating access to the art of photography for young people with disabilities) - new teaching method elaborated, joint summer Photo camp and travelling exhibition organized. SPEECH (special education and speech therapy) - speech therapists trained, quality of special education and speech therapy improved. HeCaPrev (Hereditary Cancer Prevention Measures in Pskov Region) -new and alternative methods for HC management, mainly preventative in nature introduced, awareness on HC as manageable and

		<p>curable disease raised.</p> <p>CROSSBO ACTIVE (Promotion of Healthy Life-Style Organizing Sport Events in Latgale and Pskov Regions) - cross-border sports activities (e.g., basketball, street ball, football) carried out, capacity of municipalities and their institutions for such kind of public service delivery raised.</p> <p>Border light - educational, cultural events, experience trips carried out (e.g. international theatre festival “Tālvils”).</p> <p>CCF (Cross Countries through Football) - football grounds improved, series of football matches/championships (both summer and winter) provided, contribution to the intercultural dialogue through sports realized.</p> <p>Helping to live (Reduction of social consequences of an HIV spread in Estonia and Leningradskaya oblast of Russia) - socio-psychological support system for people living with HIV/AIDS developed.</p>
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Main findings

The rest of the Programme's projects will positively contribute to the tourism development basically by:

- Improving roads and roads infrastructure, and traffic safety - crucial for accessibility and image of tourist destination (e.g., SAFE ROAD LSP1, Vientuli-Brunishevo LSP4, ESTLATRUS TRAFFIC);
- Improving border crossing points and their infrastructure thus increasing border crossing capacity - crucial for accessibility and image of tourist destination (e.g., SAFE ROAD LSP1, Vientuli-Brunishevo LSP4, ESTLATRUS TRAFFIC);
- Improving tourist information system(e.g., SAFE ROAD LSP1);
- Constructing foot-paths, promenades and cycling ways (e.g., SAFE ROAD LSP1);
- Preserving of natural and cultural heritage, promoting local crafts and traditional skills, developing creative industries important for destination's image, creation of new products/services both for locals and tourists(e.g., PROMOTING HERITAGE, E-archive, AAC, Culture arts, Photo Youth, Border light);

- Improving culture-, tourism- and sports-based infrastructure and services, organising cross-border events(e.g., Common Peipsi LSP 3, People with nature, CROSSBO ACTIVE, CCF);
- Protecting environment and improving its quality, and raising awareness (reducing pollution, using resources efficiently, improving waste and waste water treatment, using sustainable management, introducing natural-technological systems for monitoring and control in normal and emergency situations - important before and while travelling and for destination's image (e.g., Common Peipsi LSP 3, People with nature, GreenMan, INFROM, Emajõe-Pskov WMP);
- Better communication and use of ITC tools - particularly important before and while travelling and for destination's image(e.g., ICT Baltic, MEDINF);
- Improvement of health care and medical consultation system – particularly important to know before the travel, vital while travelling especially in cases of emergencies(e.g., MEDINF, HeCaPrev);
- Promoting employment, social inclusion by training, upgrading skills, developing new competences, introducing new methods of therapies (e.g., SPEECH, Helping to live);
- Enhancing institutional capacity in delivering of services and an efficient public administration (e.g., CROSSBO ACTIVE, ICT Baltic); and
- Building networks (e.g., ESTLATRUS TRAFFIC, People with nature, Culture arts, AAC, CCF, Border light).

4. Potential impacts of the Programme

4.1. Likely impacts on the tourism development in the Programme's territory

Impacts represent the intermediate and long-term effects or outcomes of an intervention. In the context of this study the Programme's impacts can be considered as the direct or indirect contribution of the Programme's intervention to the tourism development.

It is difficult to assess the possible impacts due to the early stage of Programme's implementation (even its mid-term evaluation is not yet carried out), lack of necessary data and respective methodology. Therefore both conclusions and recommendations are only empirically qualitative and very general.

To assess the Programme's likely impacts on the tourism development the comprehensive question was raised: "Does and how the implementation of Programme are relevant to support in large extent and in long term: tourism development as a whole; development of tourism and tourism related infrastructure; providing product and market diversification; recognition of tourism's strategic importance and planning; extension of the tourism season; responsibility in natural, cultural and social environments; technological advancement; improvement of safety & security; human resource development, etc.?"

Also a question: "Does the Programme's objectives and expected achievements are relevant to the fulfilment of the local/regional/national tourism policy/ development plans of the Programme's area /participating country and EU, EUSBSR and BSR tourism policy?" was asked. Illustration of the examination using an example from Russia is seen in the Annex4.

Discussions

Tourism is recognized as one of the key sectors of development in all countries and a major source of income, jobs and wealth creation. It also plays a wider role in promoting the image and international perception of a country externally as well as influencing complementary domestic policies.

Tourism is an important sector of the worldwide and EU economy. It supports economic growth and employment. One of the biggest challenges is to reinforce and improve sustainable tourism development in order to ensure the long-term competitiveness of the industry. By managing tourism in a sustainable way EU aims to ensure recognizing the limits and capacity of tourism resources and encourage tourism development that balances optimizing the immediate economic, environmental and socio-cultural benefits, whilst also ensuring the long-term future for the EU tourism industry. EU priority is that Europe maintains its position as the leading tourist destination in the world.

Despite the financial and economic crisis and its aftermath, continuing global recession and slight recovery emerging in only few parts of the world, last year (2012) according to the UNWTO, receipts from international tourism in destinations around the world grew by 4% reaching US\$1075 billion. This growth is equal to the 4% increase in international tourist

arrivals which reached 1035 million in 2012. An additional US\$219 billion was recorded in receipts from international passenger transport, bringing total exports generated by international tourism in 2012 to US\$1.3 trillion. International tourism (including travel and passenger transport) accounts for 30% of the world's exports of services and 6% of overall exports of goods and services. As a worldwide export category, tourism ranks fifth after fuels, chemicals, food and automotive products, while ranking first in many developing countries.

According to a prognosis given by WTTC, tourism in the Baltic countries and Russia should develop positively. The WTTC analysts expect an average annual increase of 3.3 % between 2013 and 2023 in Estonia, a rise of 4.7 % in Russia and even a 6.0 % increase in Latvia.

With 5.5 million overnight stays during 2012 the Estonian tourism sector has counted the highest number of bookings in all the Baltic States. This is accounted by the high number of visitors from Finland. But the largest portion of tourism influx during 2012 has been mainly generated by Russian guests (+31.0%), while the number of arrivals by travellers from Finland, Sweden and Norway declined.

In Latvia the 2012 overnight stays increased by 7.7 % to 3.5 million overnight stays. Particularly the number of Russian visits (+33.4%) grew, while the bookings made by visitors from the other Northern countries, except for Denmark, were declining.

Federal State Statistics Service (RU) data show that in 2012 overnight stays have increased by 1.1% both in St.Petersburg and Pskov region (6.4 million and 0.4 overnight stays) and decreased by 1.0% in Leningrad region (2.2 million overnight stays).

Among the WTTC world ranking (out of 184 countries) of growth forecast for 2013 Latvia occupies the 5th place, but Russia and Estonia respectively 52nd and 127th place. For the long-term growth forecast 2013-2023 figures are as follows: Latvia - 29, Russia - 78, and Estonia - 137.

Tourism is very heterogeneous, assembled, multidisciplinary industry of the high level of mutual dependency as well as highly diversified in the types of businesses and extremely labour intensive. Tourism is seen as a driving force for positive change - economic, social, and above all environmental. The absolute majority (99%) of the industry's companies are micro-, small- and medium-sized enterprises. Along with the direct economic impact (never to be overestimated) tourism industry has significant indirect and induced impacts.

Tourism is a demand-driven activity and is influenced by many external factors which affect consumer behaviour, such as disposable income, availability of time, technology, demographics, safety & security, climate changes, etc. According to the Eurobarometer survey (2012), the main reason for not taking a holiday in year 2011 was financial (45%).

Although cultural and culture-based tourism is one of the largest and fastest-growing global tourism markets and culture and the creative industries are increasingly being used to promote destinations and enhance their competitiveness and attractiveness. In future tourism demand is expected to shift from mass tourism to more tailor made customized tourism for individual travellers (e.g. medical, spa and wellness tourism, green tourism /tourists seeking for "back to nature" experience/ and shopping tourism being with continued strong growth and expected

growth over the next years) - a market segment particularly relevant for microenterprises and SMEs in the tourism sector.

Creating the right balance between the welfare of receiving community and expectations of tourists, the needs of the natural and cultural environment and the development and competitiveness of destinations and businesses requires an integrated and holistic approach where all stakeholders share the same values and objective of a sustainable development.

The main driver of the growth and development of tourism are investments in qualitative public and tourism infrastructure, and service sectors as well as in product development. Public infrastructure that supports tourism expansion also serves other urban and rural development purposes at local and regional level.

The environment is an important factor influencing tourism demand. In fact, again according to the Eurobarometer survey, the largest proportion (32%) of EU citizens mentioned the state of the environment as a key consideration when deciding on a holiday destination.

The Programme's territory is very rich both in nature and [tangible and intangible] anthropogenic tourism resources and has a big potential for further tourism development.

The Travel & Tourism Competitiveness Report 2013 of the World Economic Forum shows remarkable differences in the state of tourism industry among the countries of Programme's area. Travel & Tourism Competitiveness Index 2013 (out of 140 countries) are as follows: Estonia - 30, Latvia - 48, and Russia - 63.

Quite different national rules for business regulation and support, taxation, consumer protection, social security, etc. impedes the Programme's neighbouring regions to establish cross-border area identity, which in turn have all influenced the possible tourist flows and extension of tourism season.

Conclusions

The Programme is likely to contribute to tourism development by:

- Its cumulative nature, projects' complementariness and synergy effect within the all priorities;
- Improving the cross-border connectivity;
- Improving the physical and informative accessibility to and attractiveness of the tourist destinations;
- Developing of infrastructure for active-, water-, sports- and cultural tourism;
- Diversifying of tourism products and development of "niche" tourism products and services (e.g., VHTR, active and sports tourism, water tourism, cycling tourism, family tourism, gastronomic tourism, etc.) and improving their quality;
- Ensuring the visibility and promotion of different thematic tourism routes, services, products and the whole Programme's territory;
- Enhancing safety and security of the tourist destinations;
- Raising confidence in health care when travelling;

- Increasing awareness on the importance of and promoting environmentally sustainable tourism;
- Preserving, managing and promoting in sustainable way natural and cultural (both tangible and intangible) heritage and landscapes;
- Disseminating of local cultures and traditions as well as new creative manifestations;
- Improving the quality of environment, including reducing of pollution, minimizing the use of resources (particularly renewable) and production of waste, improving water quality and treatment of waste and waste water;
- Reducing the seasonality of demand and raising the seasonality of supply;
- Raising capacity and performance of public and private institutions and enterprises;
- Improving the quality of workforce and tourism jobs;
- Creating joint tourism development policies;
- Making tourism experiences available to all; and
- Strong and sustainable networking and clustering.

The contribution to the tourism development to be made to a large extent and with a significant and long term potential impact is demonstrated by the projects, which might have willingness and capacity of all stakeholders (including municipalities and beneficiary organizations) to provide continuity after the lifetime of respective project.

Thus, sustainable destination management is critical for tourism development, especially through effective spatial and land use planning and development control and through investment decisions on infrastructure and services.

However concerns about the issues of continuity and sustainability¹⁷ particularly in mid-term and long-term have appeared and seem to be relatively high.

Only projects addressing complex tasks in a practical and result-oriented way have displayed creation of the strong basis for capitalization.

The Programme's 1st Call of Proposals projects are mostly relevant both to the local, regional, national tourism policies and EU-level tourism development policies/development objectives/priorities.

All above mentioned is only an overall portrait of the Programme's likely impact on the tourism development in the Programme's territory.

Recommendations

To strengthen the Programme's impacts on the tourism development it is proposed to:

- Consolidate the socio-economic knowledge base for tourism;

¹⁷“The development of sustainable tourism requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary.” UNWTO, 2006.

- Promote complementarities, coherence and mainstreaming of EU priority policy areas, in accordance with the Europe 2020 Strategy;
- Identify and incentivize cross-border and transnational synergies;
- Clustering of the highlighted tourism projects;
- Introduce common tourism development policy planning and its integration into the regional/national development policy planning and implementation by:
 - Institutionalizing,
 - Capitalizing previously gained,
 - Recognition of the challenges ahead and addressing them,
 - Creation of a competitive business environment,
 - Close involvement of the entrepreneurs,
 - Involvement of the end users,
 - Various supportive instruments,
 - Providing access to finances,
 - Intelligent taxation,
 - Eliminating burdensome bureaucracy for companies offering services to consumers,
 - Strong commitment of all stakeholders on implementation;
- Provide tourism opportunities available to all (social tourism/tourism for all - e.g., seniors, young people, families with economic difficulties and persons with reduced mobility) out of the peak holiday periods, thus also supporting the extension of the tourist season.

4.2. Likely impacts on the common socio-economic development of the Programme's territory in relation with the Via Hanseatica Tourism Route perspective

Discussions

Socio-economic development and the overall well-being of people today are very topical themes in developed and developing regions alike and the interdependency of people, planet and profits is clearly seen.

The vision of the Europe 2020 Strategy is based on policies to create smart, sustainable and inclusive growth and the promotion of economic, social and territorial cohesion. Among the Flagship Initiative “An industrial policy for the globalisation era” the EC is working to enhance the competitiveness of the European tourism sector.

It is confirmed that more than any other economic activity tourism can develop synergies in close interaction with environment and society. That is because the development of tourist destinations is closely linked to their natural environment, cultural distinctiveness, social interaction, security and wellbeing of local populations.

Investments in cultural and tourism infrastructure (characterized by the returns to become evident in long-term) can play an important role in establishing a basis for a sustainable process of local and regional development and thus contribution to the objective of making Programme's

regions more attractive places in which to invest and work. Very often initial investments serve as a platform for a range of additional activities both for cultural and tourism activities and for business aspects. Particularly clusters and the interaction within the different clusters initiate creation of new products and services, and also new approaches and ways of doing business.

In general, culture and tourism, understood in a broad sense, contribute substantially to innovation in business processes, to more and better jobs (this includes training, adaptation of workers' skills to the new requirements of the labour market, promoting equality of opportunity, the social inclusion of disadvantaged groups and maintaining a healthy labour force) and also to the social capital of modern societies facilitating the interaction between different groups, expressing common values and providing the cement that holds society together.

The Programme raises awareness on the importance of and promotes environmentally sustainable tourism also contributing to the preservation of natural and cultural heritage, landscapes and biodiversity.

In order to enhance the development of sustainable cross-border tourism and to create regional economic benefit the emphasis should be placed on the development of the common thematic tourism products such as routes/trails/itineraries.

To become a successful cross-border/interregional/national/transnational tourism product, (e.g., trails/routes/itineraries) it is needed to have:

- Concrete common policy and action plan for its implementation and its synergies with national tourism strategies;
- Common communication strategy in order to raise awareness and give the visibility to the corresponding tourism product;
- Institution that takes the responsibility for the overall product development planning, its implementation, operation and quality assurance at the respective level;
- Local/regional/national focal points (responsible persons or institutions) for the coordination of the cross-border/interregional/national/transnational implementation of the product;
- Network and cluster of relevant stakeholders and decision-makers and connection with other existing networks and clusters;
- Common quality and sustainability criteria (being in line with the existing guidelines /e.g., European Cultural Routes guidelines, EuroVelo guidelines/, quality labels/schemes and standards recognised globally and/or within the EU); and
- Development of the specific tourist packages (by using local resources) both for organized groups and individuals and also of modern ICT-based tools for their on-line booking and sale both for business-to-business and end consumers.

Similar question as in the previous subpart only regarding to the socio-economic development: "Does and how the implementation of Programme are relevant to support in large extent and in long term: creation of jobs, increase of exports, stimulation of investments, creation of a competitive business environment, protection of inherited and created natural and cultural environments, rationale use of resources, development of skilled workforce, stimulation of raising consumers' demand for sustainable products, use of latest technologies, providing of

benefits to all sectors of society, striking up of new collaborations, etc.?” and a question: “Does the Programme’s objectives and expected achievements are relevant to the fulfilment of the Programme’s area participating country local/regional/national development plans’ objectives and corresponding EU, EUSBSR and BSR policies?” were raised.

Conclusions

Likely contribution of the Programme to the socio-economic development regarding the extent and time factor varies significantly from the impacts having a large extent and significant long term potential impact to the contributions having an indirect or very distant extent and less potential for long term impact.

Programme in general strives to built on successful businesses, balance growing demand with shrinking resources, understand and reflect the needs and contributions of labor force and destinations’ communities, strike up new partnerships, collaborations and strategies.

Culture-based and tourism-based activities - such as the Hansa Cultural Route and Via Hanseatica Tourism Route - are enabling to make significant contributions to the local economies and the prosperity and to expand them to the neighbouring regions.

The study concludes that the Via Hanseatica Tourism Route has a most significant potential for the further cultural tourism development, especially taking into account the synergies and complementariness with Narva-Ivangorod LSP6, River promenades II and EBLER projects, as well as for the further promotion of economic, social and regional development and territorial cohesion in EU and neighbouring country Russia.

There are quit broad range of likely Programme’s direct, indirect and induced impacts and multiplier effects of the on-going and possible future tourism- and culture-based interventions within the framework of development of the Hansa Cultural Route and Via Hanseatica Tourism Route to the socio-economic development in the Programme’s area:

- Directly/indirectly created businesses’ sectors (both for production and services) and NGO sector;
- Developed different kind of e-services to tourists, businesses and inhabitants;
- Increased cross-border mobility of residents and tourists/the same day visitors and cargo flows;
- Eased border crossing procedures between Estonia and Russia;
- Constructed/renovated facilities and increased their utilization;
- Improved accessibility to some basic public services (e.g., central heating, water supply, and waste disposal, health services and social care);
- Protected natural and cultural environment, improved their quality and raised awareness;
- Expanded access to information and different information channels (e.g. Internet and its public access points);
- Used latest technologies to find innovative solutions to address existing and future challenges;
- Ensured quality and longevity of employment opportunities;

- Jobs created/decreased unemployment, generated self-employment;
- Enhanced networks among educational establishments, research centres and businesses;
- Trained people, raised their skills and competencies to support growing demand;
- Improved labour market relevance with education;
- Enhanced social inclusion and built social capital;
- Promoted tourism for all;
- Developed people-to-people cooperation;
- Raised wellbeing of the local communities;
- Increased life quality of all sectors of society; and
- Existing partnerships strengthened and developed, and new ones created.

Even though some projects' activities might be considered as somewhat minor, "soft" and intangible contributions, when seen as part of a wider context and aimed at the Programme's strategic objectives, they are equally important for the achievement of these strategic objectives.

The Programme's 1st Call of Proposals projects are in some extent relevant not only to the local/regional/national tourism policies and EU-level tourism policies, but also to other EU, EUSBSR and BSR policies and are in line with EU horizontal policies - sustainable development, equal opportunities, and environmental issues.

Recommendations

The study suggests sustaining the Via Hanseatica Tourism Route development within the new ENI Estonia-Russia CBC programme of the coming programming period 2014-2020 to promote their emerging tourist destinations at the EU-Russia boarder.

There is an advice to pay particular attention to the VHTR's stage between Kingissep (EE) and St.Petersburg (RU) - up to now the blank spot on the VHTR map.

As the new ENI's Regulation will promote complementarities, coherence and mainstreaming of EU priority policy areas in accordance with the Europe 2020 Strategy, strengthening the links among internal policies and instruments, and the ENP and the ENI is highly recommended.

Regarding the new programming period it is also advised do not miss the chance that the major social, economic or cultural centres that are not adjoining to eligible territorial units may be included on condition that such participation contributes to the objectives laid down in the programming document.

Transferring the best practices of the Hansa Cultural Route particularly in terms of raising the profile of Hansa towns and cities and their common/shared cultural heritage, regional co-operation between smaller clusters, having a positive impact on small business innovation and competitiveness, expansion of the Hanseatic-themed tours (focusing on particular aspects of Hansa heritage) is also advised.

In order to fully capitalise on Programme's tourism projects, particularly on Via Hanseatica and Narva-Ivangorod as a keystone, it is prescribed also to target fast-growing and emerging markets. Simplifying of short-stay visa applications should be considered as one of the best instruments to increase tourism from these markets in Programme's area.

Further support of the VHTR has to be considered as complementary and supplementary to the other EU activities contributing to the diversification of tourism supply by encouraging intra-European flows through capitalisation on the development of European scale thematic tourism products. Transnational synergies would ensure better promotion and a higher profile of the VHTR particularly in the Baltic Sea Region.

No doubt that EU funding, as it was and is, will remain to be crucial for the VHTR further development, but at the same time allocation of both regional and national public resources and attraction of private local/regional/national and FDI is highly recommended.

Taking into account the splitting of the present Programme's eligible area into two eligible areas much more attention should be paid to the expanding and strengthening of networking and clustering, establishing public-private and public-private-people partnerships as well as utilization of the Programme's gained capital in this field.

To improve performance of the VHTR and to ensure its competitiveness and quality in order to attract more tourists along the VHTR enhancement of visibility and promotion as well as implementation of quality and sustainable tourism development standards is highly recommended.

Involvement of tourism and tourism-related businesses, particularly micro-sized and SMEs (and respective NGOs) into the full cycle of project management should be considered as necessary thus transforming them from the competitors to the coopetitors for mutual benefit.

And finally there is a suggestion to adjust the EU support to tourism- and culture-based development to the extent which is commensurate with its significance for the common development and growth.

5. Summary of conclusions and recommendations

Overall conclusions

The capitalization activities contribute to future programming and project generation. Good practices are identified at both projects and Programme level.

Programme is contributing very positively both to the tourism development and socio-economic development in the Programme's territory thus raising prosperity of cross-border communities.

The expected level of the Programme's contribution both to the tourism and socio-economic development in participating countries in the Programme's area is likely sufficient or likely sufficient to a certain extent and varies from the significant long-term term to the very distant and short-term impacts.

Implementation of projects and the Programme as whole helps to enhance economic, social and territorial cohesion in its cross-border regions and their remote and peripheral areas, as well as the competitiveness of the territory.

Programme demonstrates mutual connectivity, complementariness, synergy and added value.

Programme complements and enhances the effect of other regional policies and strategies leading to real changes and/or solving of real problems and effecting existing policies on national level.

Programme remarkably enhances the right of people to travel safely, securely and efficiently across international borders.

Programme also strengthens and extends existing both local and cross-border public-private-people partnerships and creates new ones.

Tourism and tourism-related activities have been very topical and highly demanded within the Programme resulting in the highest number of contracted projects.

Tourism Projects' acknowledgements of the role of capitalization and evidence of it meanwhile are low at large.

Programme's tourism measure is coherent with the EU, EUSBSR and BSR tourism policies and development objectives.

Programme is in line with EU horizontal policies - sustainable development, equal opportunities and environmental issues.

Programme's territory is one of the main tourist corridors and the gateway to EU and Russia, and Programme's contribution to the tourism development (and also to the socio-economic development) is made to a large extent and there is a significant and long term potential impact.

Programme creates preconditions to coherence and synergy between the future initiatives within the ENI bilateral Programmes.

Overall recommendations

Capitalisation on the Programme and other EU supportive programmes and instruments for cross-border cooperation in order to minimise the differences among regional economies would be necessary.

It is suggested during the remaining period in some extent to focus on the capitalisation exercises to improve the Tourism Projects' and Programme's performance with the focus on further utilisation of the results to be achieved.

In particular the incorporation of the Capitalisation Projects for the new ENI CBC programmes needs to be envisaged.

The potential contribution of the tourism industry to the further development of the Programme's area needs to be better articulated and its impacts across acknowledged and promoted further.

It is necessary for tourism- and culture-based development to be mainstreamed into the joint integrated development strategies at a local/regional level, built on public-private-people partnerships.

Resources available for tourism- and culture-based interventions should be more commensurate with the size and growth potential of the sectors.

Enhancement of the tourism sector's and tourism-related sectors cross-sectoral co-operation including harmonisation of legislation (particularly in the field of consumer protection and transportation), approximation towards EU and international standards, as well as quality and environment labels' and awards' schemes are highly recommended.

Balancing security needs with freedom to travel it is advised for EU and Russia to adopt smarter visa and border security policies (e.g. visa waiver, trusted tourist programmes) for the tight-fitting external borders' areas.

Sustaining of the Via Hanseatica Tourism Route within the new ENI Estonia-Russia CBC programme and another ETC initiatives (cross-border, transnational and interregional cooperation programmes) of the coming programming period 2014-2020 to improve and promote emerging tourist destinations of the present Programme's area is of significant importance.

An attention needs to be paid to strive to expand Via Hanseatica Tourism Route as transnational/trans-European tourism route owing European Heritage Label and proposed European Tourism Quality Label in a long run.

In the same way comprehensive joint activities should be implemented in future regarding the Narva-Ivangorod fortresses ensemble to be inscribed into the UNESCO World Heritage List.

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33. Программа „Развитие внутреннего и въездного туризма в Российской Федерации (2011-2018 годы)“.
34. Program of Social-economic Development of Leningrad Region 2012-2016.
35. Долгосрочная целевая программа „Развитие сферы туризма и рекреации Ленинградской области на 2010-2015 годы“.
36. Concept of Tourism Development in Leningrad Oblast for 2009-2012.
37. Concept of Social-economic Development of St. Petersburg until 2020.
38. Программа развития Санкт-Петербурга как туристского центра на 2011-2016 годы.
39. Стратегия социально-экономического развития Псковской области до 2020 года.
40. Long-term target program „Development of cultural-cognitive tourism in the Pskov region (2010-2016)“.
41. Development of Cultural Tourism in Pskov Region 2010-2014.
42. Туристско-рекреационный кластер “Псковский”.
43. Development Plan of Narva for 2008-2014.
44. Common Development Plan for Narva and Ivangorod Fortresses 2008-2018.

List of the main Internet resources

1. <http://estlatrus.eu>
2. http://ec.europa.eu/enterprise/sectors/tourism/index_en.htm
3. http://ec.europa.eu/regional_policy/index_en.cfm
4. http://ec.europa.eu/dgs/education_culture
5. http://ec.europa.eu/world/enp/index_en.htm
6. <http://www.etc-corporate.org>
7. <http://www.balticsea-region-strategy.eu>
8. <http://www.baltic-sea-strategy-tourism.eu>
9. <http://www.balticseaturism.eu>
10. <http://www.eu.baltic.net>
11. <http://www.balticsea.com>
12. <http://www2.unwto.org>
13. <http://www.wttc.org>
14. <http://www.weforum.org>
15. <http://www.hanse.org>
16. <http://www.hanse-parlament.org>
17. <http://www.hanse-pasage.net>
18. <http://www.viahanseatica.info>
19. <http://ww.viahansa.com>
20. <http://ww.hanse-parlament.eu>
21. <http://www.spatial.baltic.net>
22. <http://ww.forttour.net>
23. <http://www.em.gov.lv>
24. <http://www.varam.gov.lv>
25. <http://www.rpr.gov.lv>
26. <http://www.latgale.lv>
27. <http://www.vidzeme.lv>
28. <http://www.tava.gov.lv>
29. <http://government.ru>
30. <http://mkrf.ru>
31. <http://www.russiatourism.ru>
32. <http://www.lentravel.ru>
33. <http://www.gov.spb.ru>
34. <http://www.pskov.ru>
35. <http://www.mkm.ee>
36. <http://www.eas.ee/en>
37. <http://www.visitestonia.com/en>

38. <http://www.ida-virumaa.ee>
39. <http://southeastonia.ee>

Questionnaire.

Example of relevance among the policies and projects.

Case of the Russian Federation illustrating links among the Programme's tourism project and regional/national policies:

Policy	Programme	Project
Concept of the program “Development of domestic and inbound tourism in the Russian Federation (2011-2018)”	Long-term target program „Development of cultural-cognitive tourism in the Pskov region (2010-2016)”	Tour de Latgale & Pskov
<i>Overall objective:</i> to improve competitiveness of the tourist market of the Russian Federation satisfying the needs of Russian and foreign citizens in the qualitative tourist services		
<i>Purpose:</i> development of tourism-and-recreational complex of the Russian Federation; improvement of the quality of tourist services; promotion of the tourist product of the Russian Federation on the world and domestic tourism markets	<i>Overall objective:</i> to enhance the attractiveness of the Pskov region as a unique North-West Russia centre of cultural tourism	
<i>Result:</i> creation of competitive network of tourism-recreational clusters in different subjects of RF becoming as points of regional development and regional cooperation intensifying development of small and medium business	<i>Purpose:</i> to offer visitors the quality and variety of services and products in the field of culture, entertainment, local arts and crafts.	<i>Overall objective:</i> to develop cooperation and establish permanent network in tourism sector in order to increase attractiveness and recognisability of both regions, raise capacity of regional administration and tourism professionals, improve quality of services, and develop infrastructure in interregional tourism routes.
	<i>Result:</i> development of	<i>Purpose:</i> to develop and

	<p>tourism-recreational cluster „Pskov” (development of tourism infrastructure, reconstruction of public spaces); development of cluster of creative industries; promotion of tourism product; development of event tourism.</p>	<p>promote joint tourism routes, to improve infrastructure of tourism sites.</p>
		<p>Result: 5 joint tourism routes created and promoted, Joint Marketing Plan adopted, infrastructure of 26 water-based tourism sites improved and raised safety on the water, website www.visitpskov.com developed.</p>

Map. Supporting Tourism in Estonia, Latvia and Russia. 2013.



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The Programme web-site is www.estlatrus.eu

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