



Be.CULTOUR:

“Beyond CULTural TOURism: human-centred innovations for sustainable and circular cultural tourism”



HORIZON 2020

This project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No 101004627

Call: H2020-SC6-TRANSFORMATIONS-2020 – Type of action: IA (Innovation action)

Deliverable 2.5

Scouting of funding alternatives to support sustainable cultural tourism Action Plans in pilot regions (v2)

Due date:	31/01/2024
Submission date:	30/06/2024
Deliverable leader:	INI
Type:	Report
Author list:	Aliona Lupu (INI), Ivo Allegro (INI), Ivgeniya Dubrivna (INI), Giada Arundine (INI, only co-author in the 1st version)

Disclaimer

The contents of this deliverable are the sole responsibility of one or more Parties of Be.CULTOUR consortium and can under no circumstances be regarded as reflecting the position of the Agency REA and European Commission under the European Union’s Horizon 2020.

Dissemination Level

-
- PU:** Public
-
- CO:** Confidential, only for members of the consortium (including the Commission Services)
-

Abstract

This document outlines strategies for promoting sustainable and circular cultural tourism. Funded by the Horizon 2020 program, Be.CULTOUR project aims to develop human-centered innovations for cultural tourism, emphasizing long-term sustainable development over short-term consumerism. The project targets regions in Europe and the Mediterranean, fostering inclusive economic growth, community well-being, and nature regeneration.

The deliverable, led by INI, explores various funding mechanisms to support the implementation of sustainable cultural tourism action plans. It highlights the importance of traditional and innovative financing methods, including grants, equity, crowdfunding, public-private partnerships, and impact investing. The document also underscores the necessity of integrating sustainability into tourism and cultural heritage management, addressing the challenges and proposing solutions for achieving balanced growth.

The document also discusses the role of European Structural and Investment Funds (ESIFs) and other EU programs in financing cultural tourism, emphasizing synergies and collaborative approaches to maximize impact and efficiency. It aims to provide a comprehensive overview of available funding alternatives and support stakeholders in effectively implementing and scaling sustainable cultural tourism strategies.



Partners involved in the document

Participant No	Participant organisation name	Short Name	Check if involved
1 Coordinator	CONSIGLIO NAZIONALE DELLE RICERCHE, Institute of Heritage Science	CNR	X
1.1	University of Naples Federico II – DiARC (Linked Third Party)	UNINA	
2	European Regions Research and Innovation Network	ERRIN	
3	ICLEI Europe – Local governments for Sustainability	ICLEI	
4	Iniziativa Cube S.r.l.	INI	X
5	Uppsala University	UU	
6	Haute Ecole ICHEC - ECAM – ISFSC	ICHEC	
7	Open University of the Netherlands	OUNL	
8	APT Basilicata	APT-BAS	X
9	Diputación Provincial de Teruel	PGT	X
10	Larnaca and Famagusta Districts Development Agency	ANETEL	X
11	Laona Foundation	LAONA	X
12	Västra Götaland region	VGR	X
13	Stalna Konferencija Gradova I Opstina	SCTM	X
14	Agentia Pentru Dezvoltare Regionala Nord-Est	NERDA	X
15	Verde e Moldova	VEM	X



Table of Contents

1. DESCRIPTION OF THE PROJECT	7
1.1 Be.CULTOUR specific objectives	8
2. INTRODUCTION	10
2.1 Document structure	10
3. TOURISM AS A DRIVER TOWARDS A GREEN ECONOMY	12
3.1 Introduction to sustainable cultural tourism and financing mechanisms	12
3.2 Developing a sustainability-centred cultural tourism management	14
3.3 The “Heritage capital approach”: preserving the cultural capital of heritage through sustainability	16
3.4 The integration of sustainability in tourism and cultural heritage management: challenges, solutions and tools	18
4. FINANCING THE TRANSITION: EXPLORATION OF TRADITIONAL AND INNOVATIVE FINANCING MECHANISMS	22
4.1 Traditional financing instruments	24
4.2 Examples of alternative financing mechanisms used in funding cultural-related projects: Crowdfunding and Public Private Partnership (PPP) schemes	28
4.2.1 Crowdfunding	28
4.2.2 Implementation of PPPs schemes	30
4.3 Innovative tools designed to address sustainability-oriented projects: Impact financing, Pay-by-result and ESG investing	32
4.4 Developing a blended finance approach in sustainable cultural tourism	34
5. EU FUNDING MECHANISMS: THE ROLE OF ESIFs IN FINANCING CULTURE	36
5.1 Synergies between ESIFs and the other funds EU programme	39
6. ARAGON (SPAIN) ACTION PLAN	47
6.1. Innovative ecotourism centre	47
6.2. Enhancement of local products	48
6.3. “La Plaza Circular” (Circular Square)	50
7. BASILICATA (ITALY) ACTION PLAN	52

7.1.	HIDDEN TREASURES OF VULTURE - ALTO BRADANO (tangible & intangible)	52
7.2.	EUROPEAN DIMENSION OF CULTURAL HERITAGE	55
7.3.	HUMAN CAPITAL AND ENTREPRENEURIAL INNOVATION ECOSYSTEM	58
7.4.	CIRCULAR DESTINATION	60
7.5.	NATURE AS HERITAGE	63
8. LARNACA (CYPRUS) ACTION PLAN		67
8.1.	Create a Green – Circular Community Programme	67
8.2.	Create Authentic Experiences based on the Rich Cultural Heritage of Rural Larnaca	68
8.3.	Create a Living Lab	71
8.4.	Innovative methods for revolutionising interest in archaeological sites	72
8.5.	Design of touristic packages to promote Rural Larnaca	74
9. ROMANIA-MOLDOVA, CROSS-BORDER REGION ACTION PLAN		76
9.1.	Digital marketing and improved digital presence on the internet, of the territory and of the cultural resources of the Route of Stephan the Great and Saint (StGS), from North-East Romania – Moldova	76
9.2.	Improved tourism information and heritage interpretation along the Route StGS	78
9.3.	Upcycling the existing natural and anthropic resources for creation of new tourism products and experiences	79
9.4.	Bison Land Heritage	79
10. VÄSTRA GÖTALAND, SWEDEN ACTION PLAN		81
10.1.	Culture and heritage experiences all year round	81
10.2.	More people choose to stay longer and settle down	82
10.3.	Easy to visit and live here without your own car	83
10.4.	More sustainable and creative companies	85
10.5.	Establish a long-term development organization	86
11. VOJVODINA, SERBIA ACTION PLAN		87
11.1.	Introduction of Innovative Destination Management of the Pilot Heritage Site	87
11.2.	Development of New and Improvement of the Existing Value Chains in the Circular Tourism Context	92



11.3. Integration of the Pilot Heritage Site Bač - S. Karlovci - Irig into European Tourism Space	98
7. CONCLUSIONS	102
REFERENCES	103
ACRONYMS	106



1. Description of the Project

Be.CULTOUR stands for “Beyond CULTural TOURism: heritage innovation networks as drivers of Europeanisation towards a human-centred and circular tourism economy”. It expresses the goal to move beyond tourism through a longer-term *human-centred* development perspective, enhancing cultural heritage and landscape values.

Cultural tourism entails opportunities but also risks. Tourism as a whole can be a highly volatile economic sector. If not managed properly, cultural tourism can also easily turn into a “value extractive” industry, generating negative environmental, social and cultural impacts on local communities and ecosystems. This project will **develop specific strategies to promote an understanding** of cultural tourism, which moves away from a “stop-and-go” consumer-oriented approach towards one that puts humans and circular economy models at its centre, paying attention to nature, communities and cultural diversity. “Place”, intended as the *genius loci*, the ancient spirit of the site expressing its “intrinsic value” and “people” as **co-creators** of its uniqueness, culture, art, tradition, folklore, productivity, spirituality, as well as its “time space routine”, are the focus of Be.CULTOUR, which aims at realizing a longer-term development project for the pilot areas involved.

The overarching goal of Be.CULTOUR is to **co-create and test sustainable human-centred innovations for circular cultural tourism through collaborative innovation networks/methodologies and improved investments strategies**. Targeting deprived remote, peripheral or deindustrialized areas and cultural landscapes as well as over-exploited areas, local **Heritage innovation networks** will co-develop a long-term heritage-led development project in the areas involved enhancing **inclusive economic growth, communities’ wellbeing and resilience, nature regeneration** as well as **effective cooperation** at cross-border, regional and local level.

Wide and diversified partnerships of stakeholders from **18 EU and non-EU regions** of Northern-Central and Southern Europe, the Balkans, the Eastern neighbourhood and the Mediterranean will be the driving force of the project. A **community of 300 innovators** (which includes regional authorities and municipalities, clusters and associations, museums and tourist boards, entrepreneurs, chambers of commerce, citizens, researchers, practitioners as well as project partners) in **6 pilot regions** will **co-create innovative place-based solutions for human-centred development through sustainable and circular cultural tourism**.

Collaborative “Heritage innovation networks” will be established in **6 European deprived remote, peripheral and deindustrialised areas and cultural landscapes** identified as “**pilot innovation ecosystems**”: committed to the project’s objectives, they have defined clear cultural tourism-

related challenges requiring innovation that will serve as the basis for the collaboration with the **16 additional “mirror innovation ecosystems”**. Mutual learning and up-scaling of business solutions will be the objectives of the collaboration between pilot and mirror ecosystems, building the sustainability of the project's results beyond its lifetime.

By adopting a human-centred quadruple/quintuple helix approach to co-design, **Be.CULTOUR will result in 6 community-led Action Plans, 18 innovative human-centred solutions and 6 close-to-market prototypes** of new cultural tourism integrated services and products: these will directly contribute to **inclusive economic growth, communities’ wellbeing and resilience, and nature regeneration** in pilot and mirror regions, **stimulating effective cooperation** at a cross-border, regional and local level. The core partners of the Consortium will progressively build Be.CULTOUR sustainability by broadening the interregional collaboration while anchoring it to relevant EU initiatives in the academic, business and institutional realms.

1.1 Be.CULTOUR specific objectives

The scopes of the Be.CULTOUR project will be achieved through a set of specific, measurable, achievable, realistic and time-constrained (SMART) specific objectives:

Objective 1 – To assess the impacts and market potential of sustainable and circular cultural tourism at national, regional and local level through multidimensional quantitative and qualitative indicators, innovative statistical methods and advanced smart data management systems;

Objective 2 – To build a Community of Practice of 6 pilot regional ecosystems and a Community of Interest with 16 “mirror ecosystems” in EU and non-EU countries actively engaged in knowledge-sharing and exploitation of Be.CULTOUR’s approach, methodology, tools, and innovative solutions for sustainable and circular cultural tourism;

Objective 3 – To co-develop 6 Action Plans for sustainable and circular cultural tourism by establishing collaborative “Heritage innovation networks” in 6 pilot regions in Northern-Central and Southern Europe, the Balkans, the Eastern neighbourhood and the Mediterranean;

Objective 4 – To co-develop, prototype and test human-centred and place-specific product, process and service innovations for sustainable and circular cultural tourism in pilot heritage sites;

Objective 5 – To provide policy recommendations for more effective use of European Structural Investment Funds (ESIFs) and other EU funds to support cultural tourism innovation ecosystems in pilot and mirror regions, and develop a proposal of evolution of ESIFs through synergies with other public funds;

Objective 6 – To contribute to deepen cultural Europeanisation through information and educational activities focused on the European history, identity and culture expressed in tangible and intangible cultural heritage and cultural landscapes, developing European Cultural Routes and European Heritage Labels in pilot heritage sites.

All partners have wide experience in developing and testing the Be.CULTOUR proposed approach, methodology and tools, ensuring the effective and time-constrained achievement of all the above-mentioned specific goals.



2. Introduction

Be.CULTOUR aims to empower European regions to co-create innovative, circular solutions for heritage regeneration and regional development beyond cultural tourism. The objectives and impact of the project are based on the implementation of co-creation activities, the development of Local Action Plans and innovative solutions for circular cultural tourism in six pilot ecosystems located in Italy, Spain, Cyprus, Sweden, Serbia and the cross-border region of North-East Romania-Moldova.

As a partner of the consortium, each pilot ecosystem has identified a specific Pilot Heritage Site on which the project's methodology is applied, tested, and validated. This is done together with the local stakeholders engaged in local Heritage Innovation Networks and in Be.CULTOUR Community of Practice. In parallel, a Community of Interest is developed to engage additional organisations (mirror ecosystems) committed to engaging a peer-learning programme and replicating the Be.CULTOUR methodology in their territory, with their resources.

The first version of this deliverable provided a general overview of existing and innovative financing mechanisms and tools that can be used by the project stakeholders during the project lifetime to adequately and effectively support sustainable cultural tourism Action Plans implementation developed under WP3 in the pilot regions.

The second version of the deliverable, being released after the completion of the Action Plans, has been updated and integrated with the aim to provide an operative support towards the implementation of the strategies and roadmaps developed by the six pilots ecosystems.

2.1 Document structure

This deliverable aims at the identification of financing mechanisms and approaches to support the implementation of the activities envisaged in the Action Plans of the pilots and regions involved in the Be.CULTOUR project. The deliverable is focused on the analysis of the existing landscape of financing mechanisms, from traditional ones to the most recent and innovative approaches, up to the exploitation of the European Commission funds. The second version of this deliverable is structured under two parts: Part I is represented by the previous version with updated information; Part II is an integration in relation to the specific funding opportunities for the implementation of the Local Action Plans.

The document is organised as follows:

- Section 1: General description of the project
- Section 2: Introduction issues and the structure of the document

PART I:

- Section 3: Outline of the cultural tourism sector as a driver for the EU green economy, addressing sustainability issues applied to the cultural tourism sector, focusing on the “heritage capital approach” and the integration of sustainability in tourism and cultural heritage management
- Section 4: Overview of traditional and innovative financing mechanisms to support financing the sustainable transition in the cultural tourism sector
- Section 5: Introduction of EU Funding mechanisms and ESIFs and their role in financing cultural tourism

PART II:

- Section 6: Specific funding opportunities for the implementation of the Local Action Plans
- Section 7: Conclusions of the deliverable



PART I

3. Tourism as a driver towards a green economy

3.1 Introduction to sustainable cultural tourism and financing mechanisms


Tourism, as one of the most promising drivers of growth for the world economy, can play an important role in driving the transition towards a green economy, and contributing to more sustainable and inclusive growth. Tourism industry, and particularly cultural tourism sub-sector, is well-placed to contribute to increasing employment rates, enhancing social cohesion, improving productivity, and fostering economic growth across many sectors, given its strong local dimension. Moreover, the cross-cutting nature of tourism, with close connections to numerous sectors at destination and international levels, means that even small improvements towards greater sustainability in production and consumption patterns will have significant impacts.

Global trends and priorities change – more than ever, the overarching challenge for the tourism sector is to remain competitive while also embracing sustainability, recognising that, in the long term, competitiveness depends on sustainability. Climate change is now seen as a fundamental issue also requiring the tourism industry to reduce its contribution to greenhouse gas emissions and the destinations to adapt to changes in the pattern of demand and in the types of tourism they offer.¹

The future of European tourism relies on the quality of the tourist experience; by integrating sustainability concerns into their activities, tourism stakeholders will thus protect the competitive advantages that make Europe the most attractive tourist destination in the world – its intrinsic diversity, its variety of landscapes and cultures. In addition, addressing sustainability concerns in a socially responsible manner will help the tourism industry to innovate its products and services and increase their quality and value.

Financing the transition to a more sustainable tourism model involves a range of relevant challenges, that can be generally grouped along four main dimensions; on the supply side, **there is a general lack of financial viability and a concentration of investments in the sector**, since the

¹ Communication from the Commission - Agenda for a sustainable and competitive European tourism /* COM/2007/0621 final */ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52007DC0621>



public sector still remains the main financing entity, traditionally resulting in a generally lower attractiveness and profitability of the sector for private investors. Furthermore, **there is a scarcity and even limited knowledge of suitable financing instruments designed for sustainability-oriented projects**, that could be effectively implemented to finance cultural tourism industry transition towards more environmentally, socially, and economically sustainable practices and models. On the demand side, **the incentives for firms of all sizes, especially SMEs, to adopt sustainable practices are weak**, while **the capacity of policy makers to design, coordinate, implement and enforce sustainable tourism development policies remains also an issue**. Although these difficulties significantly affect the sustainable transition in the sector, there is a **growing awareness of the need and value of conserving unique natural, social and cultural assets, that is leading to an increasing motivation for both public and private sectors to invest in preserving cultural heritage sites and in making tourism more sustainable**. Investment in sustainable cultural tourism, in fact, can potentially offer opportunities to **generate significant returns** and at the same time **effectively contribute to have positive and long-term impacts on environment, society and economy**. Nowadays, climate risk is becoming investment risk, and most stakeholders - from shareholders, to customers, communities and regulators - are now expecting companies to play a role in decarbonizing the global economy. Before the pandemic started, it was possible to see a massive shift of capital towards more sustainable-oriented businesses, but it is during these years that this trend is increasingly becoming one of the main priorities in public and private investors choices of resources and funds allocations.

These considerations are confirmed by the spread and popularity of **innovative and sustainable financing instruments** (e.g. impact and ESG invest, social impact bonds etc.) included into a wider so-called impact finance approach, which refers to the provision of capital for investments in businesses or economic activities with the explicit and declared intention of generating verifiable and direct positive impact on the society and /or environment, while also seeking market aligned or better financial return.

The below description of the traditional financing instruments provided by public or private entities (i.e. grants, bonds, equity, quasi-equity etc.) that can be adopted to finance projects and activities in the tourism sector, will be complemented by the analysis of alternative financing mechanisms usually adopted and successfully implemented in the cultural heritage and tourism sectors, subsequently **highlighting the effectiveness of adopting a blended financing approach**, as a **key approach to financing SDGs**, as it entails collaborative partnerships between different stakeholders to solve the parallel needs of local authorities and local communities by raising

combined funding on the capital markets through the issuance of various financial instruments, such as debt and equity instruments. The application of hybrid financing instruments within integrated initiatives can, in fact, then produce considerable synergy between instruments in order to create “added value” to the financial viability of sustainability-related projects also in tourism sector, in addition to fostering public-private partnerships in the sector development towards a more sustainable path.

Given the general objective of Be.Cultour project of developing policy recommendations for the effective use of European Investment Funds (ESIFs) and other EU funds, an in-depth overview of the European funding instruments will then be provided, with a focus on ESIFs, and in particular on the types of ESIFs designed and planned for the current 2021-2027 programming period, also reviewing the results and objectives achieved through the use of funds provided by ESIFs in previous programming periods (2007-2013 and 2014-2020) in the EU cultural tourism sector.

In this final version, on the basis of the Action Plans drawn up in the Pilot Regions, a proposal on the adequate and efficient use of ESIFs will be developed, identifying the opportunity of synergies with other financing instruments and mechanisms, both public and private, to finance sustainability-oriented actions in the cultural tourism sector.

3.2 Developing a sustainability-centred cultural tourism management

Culture and tourism have always been inextricably linked; cultural sights, attractions and events provide an important motivation for travel, and even travel itself generates culture. It has been only in recent decades, however, that the link between culture and tourism has become more explicitly identified as a specific form of consumption: **Cultural Tourism** (Richards 2018, p.12).

Cultural tourism, as a sub-sector of tourism, has been defined as a “type of tourism activity in which the visitor’s essential motivation is to learn, discover, experience and consume the tangible and intangible cultural attractions/ products in a tourism destination. These attractions/ products relate to a set of distinctive material, intellectual, spiritual and emotional features of a society that encompasses arts and architecture, historical and cultural heritage, culinary heritage, literature, music, creative industries and the living cultures with their lifestyles, value systems, beliefs and traditions.”²

² (UNWTO, 2017, p.14) UNWTO. Tourism and Culture. Available online: <https://www.unwto.org/tourism-and-culture>

A 2009 OECD publication highlights the mutually beneficial relationship between culture, which attracts tourists, and tourism, which enhances culture and creates income, while also supporting cultural heritage, production and creativity. Cultural tourism has been one of the fastest-growing global markets, and cultural and creative industries, in addition to cultural heritage, are its main driving force.

Moving away from its original orientation as a niche market, more focused on a specific market segment mainly composed of historians, scholars or art enthusiasts, nowadays cultural tourism is targeting the mass market, broadening its concept beyond the promotion of physical and tangible sites and monuments, encompassing more intangible and identity-linked assets, such as creativity, lifestyles, folklore, inherited traditions from the past but also more recent and contemporary local practices.

The development of cultural tourism can be attributed to the growing relevance given by the urban middle class with a high level of education, disposable income, and interest in experiencing something different from the usual touristic trips, and a desire to learn something rich in cultural, symbolic, spiritual, or historical content (Bendixen, 1997; Bonet in Towse ed, 2003). At the beginning of the new millennium, the development of cultural tourism was influenced mainly by a greater demand for weekend travels, interest in travel packages and itineraries, and the use of technology and the Internet.

Cultural tourism is also becoming increasingly driven by language tourism, gastronomy, and the search for cultural experiences based on the lifestyles and habits of the place visited.³

The diversification process that the cultural tourism subsector is currently experiencing poses a challenge in terms of defining a “cultural tourist” and measuring the impact of cultural tourism on the overall tourism industry and, then, its contribution to a country’s economic and social wealth.

Although it is difficult to quantify the weight of the cultural tourism industry on the EU economy, it is easy to imagine the significant and positive contribution that this type of tourism makes in European countries, as well as, given the enormous historical and cultural heritage that characterised most of them, the quality of the services and activities offered and the potential for development and further growth of this sector in the coming years. Europe, with its rich cultural heritage and favourable socio-political environment, accounts for 51% of the world tourism market; from the second half of the 1990s, EU institutions have determined a tourism policy peculiar to EU, mainly through the promotion and implementation of incentives addressed to the

³ Noonan, D.S.; Rizzo, I. Economics of cultural tourism: Issues and perspectives. *J. Cult. Econ.* **2017**, *41*, 95–107.



sector, supporting small and medium enterprises (SMEs) operating in it, conscious of their key role in shaping the European identity. Nowadays, it is estimated that **cultural tourism accounts for 40% of all European tourism and 4 out of 10 tourists choose their destination based on its cultural offering.** (World Tourism Organization, 2018). Despite the fact that the tourism sector has been a highly competitive sector of the EU economy for decades, and that much of it relies on the enormous historical and cultural heritage of most European countries, however, as it happened with other sectors that involve the physical movement of consumers in order to use the service offered, **cultural tourism, but generally the whole tourism sector, has also been severely affected by the spread of the coronavirus in Europe and the rest of the world.** As it is easy to imagine, the impact of COVID-19 on global tourism has been both overwhelming and immediate, with asymmetrical and highly localised impacts. Within and across countries, some destinations are more exposed than others, reflecting differences in the nature of the tourism offer, the impact of travel restrictions on visitor flows, the speed of economic recovery in source markets, the level of exposure to international tourism, and the relative importance of tourism in the economy. Despite the sector's resilience to previous crises, the sheer depth and breadth of the pandemic's impacts on tourism and the wider economy mean that a quick recovery is unlikely. However, while it remains unclear what long-standing or permanent changes the current crisis will inflict on the global tourism sector, a **recovery, mainly based on the so-called "proximity tourism" was tested in 2021 and is expected to grow considerably in forthcoming years.** Furthermore, there's no doubt that the pandemic has dramatically changed the policy context for tourism, and that it has paved the road for many countries to explore new ways and opportunities to fast track the move to greener, more sustainable tourism development. As will be discussed in more detail in the document, the sustainable transition also involves the tourism sector and it constitutes the key and essential strategy for attracting new and diversified sources of investment and financing, useful not only for the short-term recovery of the sector, but also and above all for its long-term regeneration and resilience.

3.3 The "Heritage capital approach": preserving the cultural capital of heritage through sustainability

Cultural tourism can be considered as an activity which connects tourists with the local culture, and thus with local people and places.

The relation and interconnection between tourism and culture, especially cultural heritage, has evolved through both the dynamics of tourism as an expression of modernity and the different

conceptions that cultural heritage has acquired in contemporary societies. As evidence of this phenomena, in the second half of the 20th century the notion of cultural heritage emerged to denote, in particular, the characterisation of tourism as an experience in which it represents its own expression, since tourism is historically and intrinsically connected to the territory in which it is experienced.

Given this framework, the attractiveness of a specific location or site determines the degree in which tangible cultural heritage may attract and influence tourism, and thus enhance both visitors and resources flow in that area. In the last twenty years, tourism has taken on a new dimension and capacity to influence the transformation of cities and areas, and to strengthen the partnership between different actors, belonging both to public and private sectors, and between regions and its citizens, in cooperating to revitalise the territories in which they operate and live. Today, **cultural heritage continues to be considered a resource for local development strategies, however, the costs for its functional maintenance and reuse are constantly becoming burdensome to support financially, mainly because of the scarcity of resources allocated by the public administration – traditionally the main investor in cultural heritage, given its nature as “common good” (Angrisano et al. 2016).**

Another critical issue is linked to the fact that, although higher visitation leads to more revenues and a generally better management of financial resources allocated to most visited areas, massive flows of visitors are not always as beneficial for cultural heritage sites: more tourists, in fact, do not necessarily lead to more financial sustainability, as excessive visitation can often be the primary cause of overcrowding, environmental damage and wear-and-tear phenomenon (Mourato et al. 2004), hence harming directly or indirectly the environment in which tourism experiences are consumed and further raising the costs of restoration and maintenance. Some authors (Mc Kercher, Ho, and Du Cros, 2005) provide an overview of two opposing views of this relationship as a “conflict/co-operation dichotomy”. On one hand, a number of sources (Urry, 1990) focus on the incompatibility and inevitable conflict of cultural heritage-tourism relationship, arguing that cultural values are too often compromises for commercial gains, while others (McKercher, Ho & du Cros, 2005) insist that tourism value are compromised due to management attitudes that consider any kind of touristification as having a corrupting influence. Finding the right balance between the consumption of extrinsic values by tourists and conservation of the intrinsic values by who is in charge to managing cultural heritages represents therefore the main challenge facing the heritage tourism sectors. (McKercher& du Cros, 2002)

The negative effect that the decay of cultural heritage - due to the lack of funds and investments allocated to it - has on the attractiveness, and therefore on tourism, of the place and, vice versa,

the damage that the phenomenon of over-tourism generates on the preservation and maintenance of cultural heritage, shows once again the strong interconnection existing between culture and tourism. To balance the relationship between culture and tourism and stimulate the financial sustainability of both, Loulanski and Loulanski (2011) emphasize the **heritage capital approach**, also known as cultural capital (Throsby,1999).

The term “cultural capital” remains central to understand cultural heritage value creation in the financial landscape; it has been defined as “the capital value that can be attributed to a building, a collection of buildings, a monument or more generally a place, which is additional to the value of the land and buildings purely as physical entities or structures, and which embodies the community’s valuation of the asset in terms of its social, historical and cultural dimension” (Throsby, 1997).

The concept of culture capital applied to cultural heritage is considered crucial for restoring the distorted balance in the heritage-tourism relationship, achieving mutual benefits, and should represent a fundamental component of the widely advocated application of a sustainable approach in heritage and tourism planning and management, with its distinctive stance in prioritizing the preservation of the value-generating capacity of heritage resource and maintaining the critical cultural capital stock in all its diversity. Following the idea of a cultural capital embedded in historical and cultural sites and patrimony, the heritage capital approach therefore emphasizes the importance of the preservation of cultural heritage value and the maintenance of its cultural capital, through policies, strategies and practices that may in turn stimulate a flow of goods and services that may, on the one hand, enable income and the financial sustainability of cultural heritage and tourism, and on the other, positively affect cultural heritage value over time, by maintaining and preserving the cultural capital embedded in it.

3.4 The integration of sustainability in tourism and cultural heritage management: challenges, solutions and tools

Sustainable tourism has its roots in sustainable development, in the sense that if tourism is to contribute to sustainable development, it must be economically viable, environmentally sensitive, and culturally appropriate (Nasser, 2003, p.474). The concept of sustainable tourism was proposed by the World Tourism Organization in 1988 (Liu, 2003), and further elaborated in the book *Sustainable tourism development: A guide for local planners* (UNWTO, McIntyre, 1993). UNWTO defined sustainable tourism as:

...the tourism that meets the needs of current tourists and host populations, while enhancing opportunities for the future. It is envisaged as leading to the management of resources in such a way that economic, social, and aesthetic needs can be met while maintaining essential ecological processes, biological diversity, cultural integrity, and life support systems. (UNWTO, 1993)

The definition explicitly mentions the term “culture integrity”, hence implying also the notion of **sustainable cultural tourism** within the overall concept of sustainable tourism development. The concept of sustainable tourism proposed by the World Tourism Organization is introduced as essentially destination-centred, forming a triangular relationship between host areas with their inhabitants, tourists, and the tourism industry. Countering the long-established development and consolidation of the tourism industry, the sustainable approach applied to the sector implies strategies, policies and actions intended to reconcile the tensions and frictions created by the complex interactions between the different stakeholders involved in the triangle, ensuring the equilibrium in the long term (Bramwell & Lane, 1993). More concretely, its key objectives are outlined as meeting the needs of the host population in terms of improved living standards both in the short and long term, satisfying the demands of a growing number of tourists while safeguarding the natural environment in order to achieve both of the preceding aims (Cater, 1993). When it comes to cultural heritage, sustainability does refer not only to the physical maintenance of resources, but also to their comprehensive and social relevance (Tunbridge & Ashworth, 1996); sustainability here implies ensuring the continuing contribution of heritage to the present through a thoughtful management of change (Matero, 2003) and, besides that, a sustainable approach applied to heritage offers the necessary long-term and holistic framework for interpreting how economic, social, cultural and environmental systems fit together. (Throsby, 2003). Different approaches to Sustainable Tourism have been developed so far, ranging from focusing on individual issues, for example on environment, society or economic sustainability, or combining these aspects, to focusing on a more integrated approach that tackle all aspects of sustainability and require a strategic management of the overall process. In general, a key target of sustainable tourism is to assure the economic welfare of host communities, a conservative use of natural and human resources, to maintain a local self-reliance - that is their low dependence on external inputs or assistance - , a local control and participation in development and tourism decision-making and to guarantee a balanced achievement of social, economic, and environmental goals.

Concerns about the need to ensure environmentally, socially and economically sustainable goals in tourism sector arise from the spread of **unsustainable destructive practices** that tourism brings with it, inevitably causing the crumbling of the very foundations on which tourism, and

particularly cultural tourism, is based, and that pose real challenges to the transformation of the sector.

“Unsustainability” is most often discussed with regard to tourism over-development, uneven distribution of tourism costs and over-exploitation of cultural heritage sites by tourist masses, to the loss of a cultural and territorial identity of extremely touristic places, to the unbalanced distributions of tourism costs and benefits in communities and to the dominance of economic interests and short-term profits over sustainability and maintenance of sites and areas. In this respect, the phenomenon of “sustainable consumption” and its application within the field of cultural tourism has been highlighted, stressing the need to achieve it through the implementation of the principles of responsible tourism.

However, unsustainable practices arising from tourism development in some areas are less frequently associated to **the lack of a proper regime**, built upon an adequate regulation and governance and on an efficient allocation of costs and benefits between stakeholders, that can effectively manage and reduce the negative consequences of tourism on the environment – and on the communities living in it- in which it flourishes. The need to adopt an holistic **political-economy approach** to sustainable tourism development, which may address the issue from the perspective of **governance, ownership and funding of tourism industry** - and on the distribution of profits generated by it - entails that the wide and different range of stakeholders involved into the tourism industry has to take their own financial responsibility for the long-term maintenance of the heritage resources on which they depend and, at the same time, requires that all these stakeholders, that include both public and private actors, do hold higher stakes in tourism and in the management of their historical resources.

A political-economy approach to sustainable tourism development needs to address relevant current destructive management practices and wasteful behaviours in tourism in order to find or design **solutions and tools to be integrated into a comprehensive regulatory framework for cultural tourism regulation and supervision**, aimed to guarantee the sustainability of the sector in the long run.

The integration of sustainability in tourism and cultural heritage (CH) management presents several challenges that need to be addressed to ensure long-term viability and positive impacts on local communities and environments. Table 1 provides a comprehensive overview of these challenges, along with proposed solutions and tools to effectively manage and overcome them. This table aims to guide stakeholders in adopting sustainable practices that balance the economic benefits of tourism with the preservation of cultural heritage and environmental integrity.

Unsustainable practices / challenges	Solutions and tools
<p>Cultural disinheritance, loss of identity by communities, degradation of local culture by its extreme commercialization, uneven distribution of costs and benefits</p>	<p>Promote local involvement through:</p> <ul style="list-style-type: none"> • the decentralization and participation of authority and citizens involved in tourism-related decision-making • a proactive leadership and local control, from planning to implementation by local authorities • local entrepreneurial involvement in tourism activities
<p>Dominance of economic short-term profit over sustainability, society and heritage, exploitation of resources, foreign ownership, dominance of “one size fits all” approach in tourism development, poor intervention on negative impacts.</p>	<p>Advocate a controlled, balanced and diversified growth in tourism development through:</p> <ul style="list-style-type: none"> • the adherence to principles of balanced growth (such as its balance with the subsequent impacts, balance of public and private interests, the promotion of local self-sufficiency) • the diversification of activities and services offered, by analysing and segmenting the market and its customers and by creating a balance between education and entertainment components/ purposes • the strengthening of government-industry-community communication, negotiation and participation schemes, and cooperation between local and national authorities on objectives, policies, plans for long-term viability.
<p>Lack of fundraising knowledge and skills, lack of financial viability, concentration of investments, management and revaluation activities of tourist areas and landmarks by the public sector, leakage of tourism revenues compared to other government policy priorities, leakage of investments by private investors, poor heritage funding legislation, lack of collaboration and responsibilities delineation between stakeholders.</p>	<p>Scout and provide sufficient and diversified funds through:</p> <ul style="list-style-type: none"> • a mix of funding instruments, subsidies and incentives to the sector (public, private, civic sources, both national, international, regional and local) • more adequate reallocations of revenues from tourism and from taxpayers earmarked for heritage conservation (e.g. wider use of the “user pays” principle) • enable innovative funding mechanisms (e.g. Crowdfunding)

Table 1 – Integration of sustainability in tourism and CH management: challenges, solutions and tools

4. Financing the transition: Exploration of traditional and innovative financing mechanisms

Investment and financing have a crucial role to play in supporting the transition to a low carbon, resource efficient and socially inclusive economy; in order to achieve more sustainable development and deliver on the ambitious targets to reduce poverty and combat climate change set out in Agenda 2030 and the Paris Agreement, investment needs to take place on a far greater scale over coming decades. Indeed, the Paris Agreement established the goal of “**making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development**”. The scale of the transition to a green, low-emissions and climate-resilient economy is perhaps the biggest structural adjustment ever proposed in the field of international governance **and tourism has a key role to play in this**, since the sector is particularly well placed to contribute to increasing employment rates, enhancing social cohesion, improving productivity and fostering economic growth across many portfolios, given its strong local dimension. Moreover, the cross-cutting nature of tourism means that even small improvements towards greater sustainability in production and consumption patterns will have important impacts.

Today, investment possibilities in the sector are wide-ranging, and include investment aimed, for example, in enhancing low carbon transport options or in the construction of resource efficient tourism infrastructures, as well as initiatives aimed to support innovation and encourage the adoption of responsible businesses practices for Cultural and Creative Industries (CCIs) operating in the sector.

Given the objective of the document, the analysis will continue by exploring current **available and appropriate funding alternatives** that can be used to **allow the effective implementation and up-scaling of long-term sustainability plans and objectives in cultural tourism sector**. As the previous table has shown, tourism financing, traditionally characterized by shortage of funds and a general concentration of investments, still represents a critical issue that inhibits the transformation and the introduction of more innovative and sustainable business models in cultural tourism industry, since financial viability of sustainable initiatives is essential to ensure their subsequent implementation and effectiveness.

Generally speaking, the ability to finance large sustainable tourism investment projects (e.g. hotels and resorts, attractions, transport, tour operator and other services) is challenged by a lack of suitable finance instruments. One reason for this is a maturity mismatch: depositors and investors typically prefer to liquidate assets quickly, with the result that available finance

instruments tend to be for a shorter term than the longer time period required to realise the investment project and become profitable. This is particularly the case for infrastructure investments.

Financing small tourism projects presents challenges linked with their size which may require public intervention, as higher transaction costs (related to low volumes traded) result in difficulties in accessing external finance (OECD, 2006; 2013b). Regulatory rigidities and an insufficient legal framework can also obstruct the ability of the financial system to provide products adapted to the needs of small firms. This is particularly a challenge when firms are subject to seasonal flows, as with many tourism businesses.

In this section will be examined **how the need to shift toward sustainable practices in cultural tourism can be financially supported by the introduction and diversification of both traditional and innovative financing instruments in the sector, combining traditionally available funding instruments applied to the sector with innovative instruments focused on enhancing environmentally, socially and economically sustainable practices, actions and objectives.**

More precisely, this section will start with the **exploration of public and private funds**, followed by a review of some of **alternative mechanisms** (crowdfunding, PPPs) frequently applied in cultural heritage and tourism sectors and an analysis of **innovative tools** (impact financing, pay-by results, ESG investing) **aimed at funding sustainability-oriented projects.**

It will then end highlighting the **effectiveness of adopting a blended financing approach**, as an innovative approach to financing sustainable development that aims to attract commercial capital towards projects that benefit society while also providing financial returns to investors. These considerations will be subsequently integrated by the analysis conducted in the next section, which will instead focus on the current tools set up **at European level**, in particular the ESIFs, in order to **assess how complementarity and joint resilience on different types of financing instruments can be the key to revitalising the cultural tourism sector and, at the same time, enhancing its transition towards more sustainable and resilient business models over the coming years.**



4.1 Traditional financing instruments

Investment and financing mechanisms for sustainable tourism development does not necessarily require the creation of new instruments but instead it is possible to **provide an adequate financial support to innovative projects in cultural tourism sector with already available funding mechanisms and financing tools**. While in the past there has been a lack of diversity in financial institutions offering long term capital for the sustainable financing needs of firms operating in tourism sector, especially of SMEs, today there's a wider availability of financing instruments for tourism sector, ranging from public and private or from domestic for foreign subjects and institutions. The main reason is because there's an increasing motivation for both the public and private sector to invest in making tourism more sustainable, and the market for green bonds and other sources of green financing is expanding, also involving tourism sector.

Cultural tourism finance decisions are the processes involved in the responsible and strategical choices of looking for potential investors and investment alternatives that tourism businesses and organizations operating in cultural tourism make in order to provide financial support to their projects. One of the most important decisions that the tourism financial management have to do is about **how to secure funding for their projects and from whom**; these investment decisions are crucial not only for building new infrastructures or setting-up new projects, but also for the expansion of current assets and/or the replacement of old ones. Investments in the sector are also needed to comply with environment regulations and make adjustment in order to meet the interests of all stakeholders.

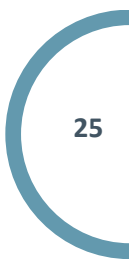
Financial instruments (FIs) are defined by OECD as tools that entail the provision of finance to an organization, enterprise or individual, with the expectation of both a social and financial returns from this investment. They do leverage private investment by channelling funds to a final organization/project through public and/or private co-financing modalities, and are categorised as loans (debt), guarantees, equity, and quasi-equity instruments. This classification is coherent to the one given by EC (2015) in the context of European Structural and Investment Funds (ESIF), which defines financial instrument(s) as *“Union measures of financial support provided on a complementary basis ... to address one or more specific policy objectives of the Union. Such instruments may take the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments, and may, where appropriate, be combined with grants”*.

Four categories of financial funding mechanisms are identified in order to provide adequate resources to financially support new projects or initiatives: grants, financial instruments, market revenue and hybrid instruments.

- **Grants:** tend to be unrepayable and may be direct or indirect. Direct grants provide money for specific activities (e.g. the restoration of a cultural heritage site for tourism purpose), while indirect grants enable access to other financial instruments (e.g. indirect grant can be incentives used as leverage in order to obtain debt instruments or bank loans, useful especially for SMEs), or can cover the cost of financial instruments (e.g. interest rates for loans);
- **Financial Instruments:** allow enterprises to obtain money that has to be repaid to the investors. There are two categories of financial instruments: debt and equity. Debt assumes a contract (loan) between the lender and the borrower, under which money is lent to the borrower and needs to be repaid within a certain time frame, whereas equity provides a total or partial ownership of the firm by the lender, locking the financial returns of its investment to the profitability of the invested cultural project;
- **Market revenues and fees:** acquired through the sale of goods and services, such as accommodation, transport, events, entry fees, rentals, etc.
- **Hybrid instruments:** these instruments are generated by combining and mixing different financing instruments features and characteristics. Some examples are given below:
 - o **recoverable grant**, that can only be repaid if the project reaches certain predefined targets. If the project objectives are not met, the recoverable grant is converted into a real grant. This mechanism can be used when the project achieves successful results that allow the company to repay the investor;
 - o **forgivable loan** is a loan, which can be converted into a grant without repayment if previously defined conditions are met. However, if the conditions are not met, the loan must be repaid, usually with interest;
 - o **convertible grant** is another hybrid instrument in which the investor provides the company with a grant which can be converted into equity if previously defined conditions are met;
 - o **revenue sharing contracts** are financing instruments whereby the investor finances a project and receives an agreed percentage / share of future revenues. This risk-sharing model can be used for the repayment of funding and to give financial flexibility to the social enterprise.

These types of funding schemes can be provided from public or private sources.

Public funding typically does not have to be repaid and they are primarily used to unlock other funds and stimulate private investment in the sector, and then to provide incentives and build



capacities. These financial instruments belong to a wide range of public actors and institutions of different levels (supra-national, national and sub-national public institutions). Public finance institutions have a general development mandate that lies beyond economic and financial viability of projects financed. Institutions operating at regional or local level are particularly well placed to overcome location-specific investment barriers, while multi-lateral finance organization can scale up and diversify the inherent environmental risk by joining several environmental projects in different countries. They do also include banks specialized into green investments which target and tailor financing to facilitate private investment in low carbon climate resilient infrastructure.

Public funding can be:

- **Direct**, when it entails the direct creation or investment in companies which, thanks to the processes implemented or the services offered, can be instrumental in achieving a public objective;
- **Indirect**, when it is provided to companies through subsidised loans or grants, or loans targeting specific objectives (e.g. green lending, with lower / no interest rate), total or partial credit guarantees. The rationale for such interventions is to provide financial and economic additionality, by offering instruments that the private sector does not provide.

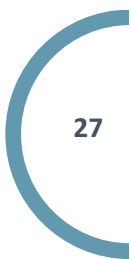
Although public funding tends to have the characteristic and benefit to be an unrepayable grant, financial instruments provided by financial intermediaries (banks, funds, etc.) are becoming increasingly more popular and are starting partly replacing grants, essentially due to the relatively scarcity of financial resources on the national level designed to support the sector. This approach was also encouraged by European Commission in the EU 2014-2020 programme for the cultural and creative sector, enhancing *“a change in behaviour among some parts of the sector, by encouraging a shift from a mentality of grants to loans, thus strengthening the competitiveness [of businesses operating in these sectors] while reducing their reliance on public funding”* (EUR-Lex 2011). The pandemic and the intensification of government measures to prevent its damaging effects on the most affected sectors have led to the reintroduction of public subsidy schemes for the financing of distressed companies in most European countries, however, the need to rely on alternative sources of funding to those of the state remains strong, particularly when the economic crisis tightens, and the governments’ extraordinary measures come to their end.

Private funding generally refers to three main categories of financiers, such as: banks, funds/ capital market, and philanthropic investors. While the main two categories focus mainly on financial instruments and thus require a financial return for their investment, philanthropic investors adopt more grant-like actions, not expecting a financial return or a profit on the investment made. Private investors operate mainly through the instrument of **investment funds**, with the aim of raising and collect capital from a wide range of investors (both private and institutional) to invest into initiatives with a high potential of development, generating high returns to investors. Capital raised can be invested in **venture capital** (private equity), by provisioning risk capital to finance start-ups or business growth in sectors with high development, innovation or attractiveness potential or can be used providing funds through **debt instruments** (loans, bonds), or in both instruments (injection of risk capital + fixed-income assets). Differently from grants, that do not have to be paid back to the provider, financial instruments are reimbursed and it's possible to re- invest them again, and similarly to grants, also private investments through equity or debt have a relevant leverage effect, being potentially able to attract additional private funds.

Furthermore, as highlighted by the Managing Authorities of European Structural and Investment Funds (ESIFs), traditional financial instruments carry several benefits and disadvantages, that should be taken into consideration when dealing with them (European Commission, 2015):

- With regard to **loans**, reliance on a pre-defined repayment plan makes budgeting easier, and they allow the preservation of the beneficiary's capital, as there are no takeover mechanisms on the ownership of the company. However, the advantage for the beneficiaries is almost exclusively financial, further benefits remain limited as no knowledge transfer occurs;
- Participation in the project through the acquisition of **risk capital** assumes higher profit margins for investors than pure debt instruments, the investor has an active role in the management of the project so that the financed company can benefit from their management experience, and it can potentially encourage capital investment by local private companies. However, equity carries more risks and, compared to debt instruments, may be less advantageous for the beneficiaries, as it implies a partial or total transfer of company control.

In between these two traditional financial instruments, there is the **quasi-equity** investment, that presents a risk level in-between debt and equity. Quasi-equity investments can be structured as debt securities (typically unsecured and subordinated and convertible into



shares in some cases) or as preferred shares. Quasi-equity can take several forms (*mezzanine finance*) with different levels of exposure to loss in the event of default by the investor. As a hybrid instrument between debt and equity, quasi-equity instrument has not dissimilar characteristics from those already described for the two instruments which, combined, lead to a generally better balance between risk and return of these instruments but, at the same time, quasi-equity still preserves specific disadvantages of both instruments.

Traditional financing instruments are complemented by **hybrid financing instruments**, that are mixed forms and combinations of grant, equity and debt capital instruments. Those kind of blended combinations of different financial instruments have the potential to deliberately channel private investment to sectors of high development impact while, at the same time, delivering risk-adjusted returns.

4.2 Examples of alternative financing mechanisms used in funding cultural-related projects: Crowdfunding and Public Private Partnership (PPP) schemes

4.2.1 Crowdfunding

In addition to traditional financing instruments, other alternative schemes and tools of financing investment projects have emerged in recent years; among them, mini-bonds, crowdfunding, digital financing through specific platforms (FinTech), payment by results mechanisms etc. These instruments are often seen as alternatives to bank credit but, instead of replacing the role of banking intermediaries in supplying credit, they can potentially **strengthen the ability to have access to bank credit**, especially for start-ups or SMEs, for which access to bank credit still remains extremely constrained. Some of these instruments could be reasonably applied to cultural tourism sector, primarily **Crowdfunding** mechanisms. The introduction of sophisticated technologies and innovation in the finance sector (so-called “FinTech”, an innovative example of *peer-to-peer lending* mechanism) allows borrowers to collect funds for their projects through social lending platforms without bank intermediations, at interest rates that are lower than those traditionally applied by the banks. Among the mechanisms most commonly used to finance projects in culture-related sectors, the crowdfunding mechanism is based on Internet-obtained financial incentives from groups of people interested in project’s scope and objectives. In crowdfunding, money is generally collected to support specific projects for which professional financing is difficult to obtain and single investor motivation to invest is low. Through crowdfunding and the use of digital

platforms, “fundraising activities become worldwide available” instead of being bounded by geographical location of the project (Roy 2020, p. 179). This has become increasingly significant, as cultural organizations are facing cuts in public funding and there is large competition for sponsors and donations, which has adverse effects on consumption of cultural expression and heritage (Rykkja et al. 2020). There are four types of crowdfunding models:

- crowdlending, when backers provide loans to fundraiser and expect repayment with interest;
- equity crowdfunding, when backers obtain a percentage of ownership of an organization/project they are backing;
- reward crowdfunding, when backers receive non-monetary rewards for their financial help;
- donation crowdfunding, when backers provide financial resources out of philanthropic reasons with no expectation of any type of return.

Out of these four models, crowdlending is generally the most common type of crowdfunding, while reward crowdfunding is popular in cultural projects, with 88% of cultural campaigns using this model (Chiesa and Handke 2020; Rykkja et al. 2020).

Crowdfunding is increasingly used to financially support cultural-related projects in European countries, even if its mechanisms may not suit all kind of projects presented, but it has been observed how crowdfunding campaigns do have a greater success in financing those projects that are highly innovative (Bertasini, 2020). Several other factors, though, may influence crowdfunding campaign success, e.g. the importance of a legislative framework regulating crowdfunding, that is crucial to entice businesses and institutions to rely on this alternative way of getting financed. Although crowdfunding is resource intensive, research shows that crowdfunding has a leverage effect that can go beyond the funding of one project or organization. Despite this, little is known about the socio-cultural impact of cultural crowdfunding ventures (EC 2017) (Baeck, Bone & Mitchell 2017). Furthermore, the crowdfunding landscape remains highly fragmented with a proliferation of small niche platforms operating in different economic sectors and geographical locations, with varying business models, payment systems and fee structures creating resultant tax disparity, particularly in cross border initiatives. At present, no code of conduct is in place to regulate the overall crowdfunding industry in Europe, which then relies on the track record and sense of goodwill established by platforms, disincentivising thus a large proportion of operators from making their investments in crowdfunding initiatives.

4.2.2 Implementation of PPPs schemes

When dealing with the interrelationship between public and private funding and interests between public and private entities, it is essential to consider how to align private business objectives with public social/cultural and environmental ones. An available and effective tool that can be used for this purpose is the constitution of Public Private Partnerships (PPPs).

The concept of PPP combines two contrasting objectives, such as the public sector, which aim is to provide maximum service to communities, and the private sector, which objective is to maximize profits and returns to shareholders. The OECD defines PPP as “long term contractual arrangements between the government and a private partner whereby the latter delivers and funds public services using a capital asset, sharing the associated risks” (OECD, 2012).

Public-private collaborations are thus a way of **mobilising additional financial resources**, in addition to those provided by public sector, and to increase the effectiveness and the efficiency of public spending, mainly used for long-term infrastructure projects. In other words, through this type of agreement more resources are potentially secured while the overall risk is distributed among different stakeholders. There are some main features typically characterizing a traditional PPP (European Commission, 2004):

- the long duration of the relationship between the two types of partners;
- the mix of public and private funding resources;
- the relevance of the private partner role at different stages of the PPP (that are represented by design, completion, implementation/maintenance, funding);
- the relevance of the public partner in the definition of public interest objectives, the quality of services, the pricing policies and the compliance monitoring;
- risk transfer and sharing between the two parties;
- payments to the private sector which reflect the services delivered: the private partner may be either paid by users, by the public partner or by a combination of both.

In a PPP it is expected a **perfect alignment of public and private interests in deploying the best value for money (VfM) for the public sector and ultimately the end user**. The effectiveness of the alignment of public and private interests depends on the appropriate risk sharing between the parties (Allegro and Lupu, 2018).

As already analysed within the **CLIC project**, financed under Horizon2020 framework with the aim of testing, implementing and sharing innovative circular financing, business and governance models for the adaptive reuse of cultural heritage and landscapes, **PPP arrangements can potentially represent, if enhanced, a win-win solution between the exclusively public intervention, more and more anachronistic and inefficient given the budget**

constraints, and the recourse to the privatization of cultural heritage that often allows making cash not without side effects. The Parliamentary Assembly of the Council of Europe emphasizes the importance “to develop partnerships between the private and public sectors for the conservation and sustainable use of this heritage” (Council of Europe, 2005). Moreover, the Recommendation states three main issues regarding CH privatization:

- (1) it shall not reduce cultural heritage protection,
- (2) it shall not absolve the State from its responsibilities,
- (3) it shall not limit public access to cultural property.

These issues require the organization of balanced partnerships between the private and public sectors for the adequate sharing of risk and responsibilities (Council of Europe, 2005). The close interconnection between the management of cultural heritage and the cultural tourism sector leads to the assumption that managed public and private investments in the cultural tourism industry could potentially produce optimal economic returns due to funds typically being used for renovations, maintenance, and new cultural projects with proven ability to attract more visitors, stimulate expenditure, and inspire an environment for job creation. This leads to more revenue, and thus financial and economic sustainability of cultural tourism industry (Nijkamp 2012). The strategic use of public-private partnerships can therefore contribute significantly to the development of a sustainable tourism program, and PPPs can be an effective tool for facilitating tourist access and improving the destination experience. PPPs for sustainable tourism encompass a variety of different models, from simple social collaborations to major infrastructure and project development projects, in order to improve the offering of public goods, like historical artifacts or museums, or/and private goods and services, like hotels, entertainment events and theme parks.

Furthermore, when applied to cultural-related projects, PPPs should also involve local community in the management of the cultural project and then include a fourth P (people) referring both to community participation in the design and management of an intervention (co-design and bottom-up generation) as well as participation in financing (through fundraising systems) (RESTAURA 2019). This hybridisation through the adjustment of a strategic instrument such as PPP will contribute to achieve the final goal of cultural sustainability with relevant impact not only for the economic development of a territory but also for the social inclusiveness and enhancement of local communities. Besides this, through the involvement of people, it is also potentially possible to significantly reduce several weaknesses, mainly connected to agency problems and moral hazard behaviours resulting



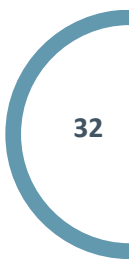
from information asymmetries between public and private partners, that may arise when executing PPP arrangements.

4.3 Innovative tools designed to address sustainability-oriented projects: Impact financing, Pay-by-result and ESG investing

Innovative financial instruments and business models are now facing new opportunities offered by the **impact finance approach**, which refers to the provision of capital for investments in businesses or economic activities with the explicit and declared intention of generating verifiable and direct positive impact on the society and /or environment, based on agreed metrics and benchmarking, while also seeking market aligned or better financial return (International Capital Market Association,2020).

Impact finance was originally created as an alternative to traditional donations and speculative investments: what makes impact finance innovative, in fact, is the opportunity for investors to allocate financial resources to projects aligned with predetermined objectives, in order to actively participate in the promotion or creation of a significant social and/or environmental impact. Moreover, the return on capital is often linked to the achievement of objectives. Although renewable energy, sustainable agriculture, microfinance and affordable accessible basic services (i.e. housing, healthcare, education) remain the most targeted areas of impact investments by private investors, a 2012 study of World Bank on the economics of cultural heritage showed how investments in cultural heritage, besides generating positive returns, can contribute to urban liveability, attract talent and generate a favourable environment for job creation, having thus a positive impact on society and local communities. Furthermore, they do have a distributional effect, channelling transversal industries, first and foremost the cultural tourism one, towards defined trajectories and the adoption of specific business models.

Another interesting and innovative tool is represented by **social impact bonds (SIB)**, based on Pay-for-results approach. A SIB is an innovative financing mechanism in which governments or commissioners enter into agreements with social service providers, such as social enterprises or non-profit organisations, and collect resources from private investors to pay for the delivery of pre-defined social outcomes (Social Finance, 2011; OECD, 2015). More precisely, a bond-issuing organisation raises funds from private-sector investors, charities or foundations. These funds are then distributed to service providers to cover their operating costs. Despite they are named as “bond”, in financial terms SIBs are not real bonds, but rather future contract on social outcomes in which the rate of return is not fixed but the repayment to the investors is strictly dependent



on the achievement of certain pre-established social results. Therefore, in terms of investment risk, Social Impact Bonds are more akin to a structured financial product, where the usual payment structure dependent on financial results is replaced by a structure dependent on performance results capable of generating impact. Similarly to social objectives, cultural objectives can also be the driving force behind such innovative contracts. For example, the impact bond could be used for the revitalisation of a local historical site or for the realisation of a cultural event that could generate a lot of involvement. It is therefore hoped that a new type of bond (which could be called a Cultural Impact Bond) for the promotion of local cultural activities will soon be tested (Finpiemonte,2021).

ESG investing places itself within the investment spectrum between financial and social returns. One extreme of the spectrum, based only on pure social investing such as philanthropy, looks for social returns, related to environmental or social benefits, including with regard to human and worker rights, gender equality etc. while the other extreme of the spectrum is characterised by the maximisation of investors' value through financial returns based on absolute or risk-adjusted measures of financial value (Boffo and Patalano, 2020). Within this spectrum, ESG investing aims at financial returns maximisation and application of ESG factors for the risks and opportunities assessment in a mid to long-term perspective. Indeed, the main differences from purely commercial investing is that it takes into account factors other than assessment of short-term financial performance and commercial risks to that performance. In this way, ESG investing incorporates the risk assessment of long-term environmental, social and governance challenges and developments, and while some investors use ESG as a tool for risk management, some others use it to improve their position on sustainable finance in order to align with societal and impact issues (Boffo and Patalano, 2020).

The definitions for circular, sustainable, green, social, impact and ESG investment are characterised by rather vague boundaries depending on different factors, and these similarity in definition affect also the set of instruments described above, making it difficult to clearly differentiate them. The interaction between the provided definitions is, in fact, quite high and it can be assumed that wider definitions incorporate narrower ones. For example, Sustainable Finance can be considered as a wider definition incorporating impact investing, ESG investing, green finance and social finance (Boffo and Patalano, 2020).

4.4 Developing a blended finance approach in sustainable cultural tourism

With the strong forecast growth in global tourism to 2030, significant actions are needed in order to strengthen the investment environment and better mobilise public and private resources towards the sector transformation, and it will necessarily require an integrated approach across many levels of government (transnational, national, regional, local) that should enable a greater involvement by a wider range of stakeholders. With public budgets likely to remain tight for some time to come, all levels of government have to apply policies and strategies in order to invest less resources but more efficiently and at the same time to effectively regulate the access of other investors, that can bring not only the resources needed to guarantee the financial sustainability of tourism, but also the necessary skills and expertise for the proper and efficient management of the sector. With the growing awareness of the need to conserve unique, natural and socio-cultural assets, both private and public actors have a strong interest to invest in making cultural tourism more sustainable. In fact, investments towards its transformation offer benefits for government as well as great opportunities to generate significant returns for private investors. It can be said that, just as alternative ways of financing can promote the sustainable transition of cultural tourism sub-sector, also the adoption of sustainable business models by companies operating in the sector, positively affecting its resilience and growth potential in the years to come, could potentially make it highly attractive to both national and international investors.

In recent years, blended finance has emerged as a key approach to financing SDGs⁴, as it entails collaborative partnerships between different stakeholders to solve the parallel needs of local authorities and local communities by raising combined funding on the capital markets through the issuance of various financial instruments, such as debt and equity instruments. The application of hybrid financing instruments within integrated initiatives can then produce considerable synergy between instruments in order to create “added value” to the financial viability of sustainability-related projects also in tourism sector, in addition to fostering public-private partnerships in the sector development towards a more sustainable path.

The OECD (2018) defines blended finance as “the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries”. Development banks and development finance institutions (DFIs) play a critical role in blending by

⁴<https://www.oecd-ilibrary.org/docserver/ded656b4en.pdf?expires=1646478500&id=id&accname=guest&checksum=A9E9B8235E277782F74B1B205F42F148>

deploying instruments and structuring mechanisms to mobilise the private sector. The perspective addressed is that of developing countries and (multilateral) development banks and finance institutions. The OECD also identifies other market players to get engaged in blended finance such as foundations, philanthropic investors, institutional investors, commercial banks, private equity and venture capital funds, hedge funds, as well as corporations and SMEs (OECD, 2020). Blended finance is not yet targeted to all SDGs but now mainly targets sectors with investing opportunities and clear potential for revenue generation (OECD/UNCDF, 2019).

One of the objectives of blended finance is to reduce the (actual or perceived) risks for private investors to invest in a certain geography or sector, hence building a track record and demonstrating the viability of a transaction to ultimately develop new markets while benefitting those furthest behind.

Blended structures may be needed to address the risk-return balance and bring the perception of risk down to its actual level, especially in those sectors in which the spread of Covid-19 pandemic has shown their weaknesses and needs for renewal in order to become more resilient to future shocks, as cultural tourism, and the tourism sector in general, has been during these years.

Depending on the local context and project opportunities, blended finance providers may wish to prioritise SDGs that have the ability to catalyse other positive development effects while protecting both people and the planet. Proper prioritisation and sequencing can accelerate progress toward sustainable development by facilitating the realisation of positive *spillovers* and limiting negative trade-offs without downplaying the importance of any specific SDGs. Blended finance providers should work with local actors to identify the least-financed sectors, in which the private sector can bring new solutions or expertise to tackle specific development challenges. Blended finance is one approach in a toolkit of approaches that may be adopted in order to adequately fund a project. As such, it should be deployed when its comparative advantage and value-added relative to other tools are clear, based on ex ante assessments taking into account alternative financing approaches.

The assessment of the effectiveness of the blended finance approach should consider both the expected development outcomes and a comparison in terms of “costs”, including the fiscal implications. Finally, blended finance is still a relatively new financing approach in the development co-operation landscape; that’s why in light of the increasing risk of fragmentation in blended finance practices and governance, a common policy framework and understanding is crucial to ensure its effectiveness when this approach is pursued and implemented.

5. EU Funding mechanisms: the role of ESIFs in financing culture

Although the introduction of innovative financing mechanisms is becoming increasingly important in stimulating private investment, for most EU countries public resources (at European, national, regional and local level) remain the main source of funding for culture-related projects. At European level, the EU provides direct public funding through grants, and indirect public funding provided through national/regional authorities or financial intermediaries.

Direct funding consists of grants that are publicised through calls for proposals and in most cases are used as means for co-financing projects that are in line with the objectives set by European policies. Among EU direct funding, a significant contribution is provided by **European Structural and Investment Funds (ESIFs)**, whose support is normally provided through calls for proposals managed by national or regional authorities. According to EC definition, European Structural and Investment Funds (ESIFs) represents the EU's main source of investment for helping Member States to re-establish and increase growth and to guarantee a recovery that generates employment, while also ensuring sustainable development, in line with the aims and application of the Europe 2020 Strategy (European Commission, 2010).

These Funds constitute financial instruments defined by a specific regulatory framework and their implementation processes are the outcome of negotiations between the European Commission and each Member State, resulting in partnership agreements between the two parties which also involves stakeholders at local and/or regional level.

Furthermore, ESIFs can also be used by regional/national public policy makers to set up financial instruments, according to the prescribed regulation. Currently, the most consolidated experience in Europe on the use of financial instruments is related to the support of micro, small and medium-sized enterprises. Given ESIFs overall objective to improve the quality of life of EU citizens, they are targeted to enhance development in a comprehensive way by investing mainly in hard infrastructure such as rail corridors, motorways, broadband wirelines, agriculture, forestry and fisheries development, however, the cultural dimension is not excluded from ESIFs and a large amount of money is devoted to the improvement of culture-related infrastructures and industries. In ESIFs, several notions of culture are identified and promoted: in addition to the anthropologic meaning of culture, identified as a set of attitudes, customs, value and practices commonly shared by a group or a community, ESIFs address two specific domains of cultural policies: the first concerns **cultural content and creative industries**, while the second is related to

the instrumental role of culture in urban regeneration, landscape attractiveness, tourism, entrepreneurship, economic development, social integration and innovation⁵. The ESIFs designed for the 2021-2027 programming period lay down common provisions for **seven shared-management funds** at EU level:

- **Cohesion Fund (CF)**, mainly focused on environmental and transport infrastructures;
- **European Maritime and Fisheries Fund (EMFF)**, aimed to support the Common Fisheries Policy, the Maritime Policy and the EU's international commitments on ocean governance in the context of the 2030 Agenda for Sustainable Development;
- **European Regional Development Fund (ERDF)** mainly focused on smart growth and the green economy, but it will also support other activities such as connectivity, social issues and local development.
- **European Social Fund Plus (ESF+)**, aimed at strengthen the social dimension of Europe;
- **Asylum and Migration Fund (AMIF), Internal Security Fund (ISF), Border Management and Visa Instrument (BVI)**, three funds aimed at strengthen and develop a Common European Asylum System, promote legal migration to EU States and improve solidarity among EU Member States.

ESIFs are mainly used by **Cohesion Policy** to finance its interventions; for the financial period 2021-2027, the overall resources approved and adopted by the Council for the cohesion package amount at **€330 billion** at constant 2018 prices (€373 billion at current prices).

In particular, Cohesion Policy forms the political framework behind hundreds of thousands of projects across Europe that receive funding through the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (the Cohesion Fund targets EU Member States with a GDP below 90% of the EU27 average, not including Croatia).⁶

Among the ESIFs planned for the period 2021-2027, three of them have the potential to provide effective support for the development of the tourism sector in Europe:

- The **Cohesion Fund (CF)**. Although the use of the CF funding depends on objectives, investment priorities and needs of each Member State, the CF may support:

⁵ The European Structural and Investment Funds, 2021-2027 Funding Opportunities for libraries, EBLIDA , May 2020 http://www.eblida.org/Documents/The-European-Structural-and-Investment-Funds_%202021-2027.pdf

⁶ https://ec.europa.eu/regional_policy/it/faq/#1

- Investment in the environment, including areas related to sustainable development and energy which present environmental benefits;
 - Trans-European transport networks (TEN-T) in the area of transport infrastructure;
- The **European Regional Development Fund (ERDF)**, which aims to strengthen economic and social cohesion in the European Union by correcting the imbalances between regions. For this reason, it may provide essential support to improve the competitiveness and quality of tourism at regional and local levels, notably in areas in (industrial / rural) decline or those undergoing urban regeneration. These programmes may for instance support:
- tourism-related research, technological development and innovation, including service innovation and clusters (e.g. tourism service incubators, living labs, demonstration projects etc.);
 - the development of tourism-related ICT products (e.g. apps, data mining etc.);
 - the development of innovative tourism services, in particular in less favoured and peripheral regions with underdeveloped industrial structures and strongly dependent on tourism (e.g. new business models, exploitation of new ideas etc.);
 - the development of high value-added products and services in niche markets (e.g. health tourism, tourism for seniors, cultural and ecotourism, gastronomy tourism, sports tourism, etc.) by mobilising specific local resources and therefore contributing to smart regional specialisation;
 - clustering activities among different tourism industries as well as with creative industries, to diversify regional tourism products and extend the tourism season (e.g. in the nautical and boating tourism industry, as well as for the cruise industry);
 - activities connecting the coastal regions to the hinterland for more integrated regional development;
 - measures to improve energy efficiency and renewable energy use among tourism SMEs;
 - the protection, promotion and development of natural and cultural tourism assets and related services;
 - small-scale cultural and sustainable tourism infrastructure;
 - measures in favour of entrepreneurship, self-employment and business creation as well as the internationalisation of tourism SMEs and clusters;



- Vocational training and skills upgrading ⁷;
- The **European Social Fund (ESF)** funding resources use also depends on the needs and specific objectives of each Member State, however, funding from the European Social Fund may be used, among other things, for:
 - training workers to help companies having to cope with restructuring or a lack of qualified workers;
 - training people in difficulty and those from disadvantaged groups to get better skills and jobs;
 - supporting mutual learning, establishing networks, and disseminating and promoting good practices and methodologies in the domain of social innovation.

5.1 Synergies between ESIFs and the other funds EU programme

Several existing European policies and actions can have a strong influence on tourism and its sustainability and can make an important contribution in tackling the key challenges.

Europe's cultural heritage industry is, in fact, mainly supported by a range of EU policies, programmes and funding, notably included into the Creative Europe programme.

Furthermore, there are EU policies in other areas, from research, innovation, education, environment and climate change, that also started taking account heritage and culture-related sectors: consequently, other programmes could be included in those providing funding actions in favour of the development of a cultural tourism offer, projects involving education, culture and social inclusion as well as interventions in line with environmental policies for a sustainable development, **effectively interacting with the funding support provided through ESIFs.**

- The **Creative Europe Programme** was launched in 2014, following the successful implementation of the Culture and MEDIA programmes, and now represents a consolidated framework programme supporting Europe's cultural and creative sectors. The Programme aims at helping cultural and creative organizations to operate transnationally, the circulation of works of culture as well as the mobility of cultural

⁷ <http://europelago.it/wp-content/uploads/2017/11/2014-GuideEUfunding-for-tourism.pdf>

players. Bringing together pre-existing programmes (Culture, MEDIA and MEDIA Mundus), “Creative Europe” is made of three parts:

- the "**Culture sub-programme**" for cultural & creative sectors
- the "**Media sub-programme**" for the audio-visual industries
- the **Cross-sectoral strand for joint projects** between the cultural & creative sectors and the audio-visual industries.

Type of tourism-related actions and projects eligible for funding in CE Programme framework are:

- **TRANSNATIONAL COOPERATION PROJECTS:** The "Culture sub-programme" funds transnational activities within and outside of the EU, aimed at **developing, creating, producing, disseminating and preserving goods and services** which embody **cultural, artistic or other creative expressions**. This encompasses activities to develop skills, competences and know-how, including how to adapt to digital technologies; to test new business and management models; to organise international cultural activities, such as touring events, exhibitions, exchanges and festivals; as well as to stimulate interest in, and improve access to, European cultural and creative works;
- **EUROPEAN NETWORKS:** The "Culture sub-programme" supports European networks (i.e. structured groups of organisations) that strengthen the capacity of the cultural and creative sectors to operate transnationally and internationally, **adapt to change and promote innovation**. A limited number of networks with broad coverage will be supported across a balanced range of sectors. Greater synergies between existing networks are welcomed in order to reinforce their organisational and financial structure and avoid duplication of efforts.
- **EUROPEAN CAPITALS OF CULTURE:** The title of “European Capital of Culture” is awarded each year to one city in two Member States, according to a chronological list of eligible Member States set for 2020-2033 (Croatia and Ireland in 2020; Romania and Greece in 2021 ...). These cities have to create a cultural programme specifically for that year. The “Culture sub-programme” supports the implementation of this programme which has to **highlight the richness and diversity of European cultures and the features they share**, as well as to promote greater understanding between European citizens. **Interaction between ESIF and the European Capitals of Culture programmes could also be very productive.**

- **CROSS-SECTORAL STRAND:** The Cross-sectoral strand will facilitate loans to cultural & creative enterprises and organizations. It will also **support transnational policy cooperation activities** across the cultural, creative and audio-visual sectors, for instance to exchange of experiences and know-how relating to new business and management models.

- **Horizon Europe (2021-2027)**

In order to promote a new way of thinking and provide solutions to social and economic challenges, the cultural and creative sectors are expected to be integrated into the research and innovation processes. For this aim, Horizon Europe, as the **European framework programme for research and innovation**, can effectively support through these instruments the need of creating and shaping a common sense of belonging based on common roots and enhance the diversity of Europe's cultural heritage.

Horizon Europe Programme runs from 2021 to 2027, replacing Horizon 2020, and is structured around three pillars. **Pillar 2**, in particular, includes the pillar on culture, creativity and the inclusive society, also addressing EU priorities on cultural heritage. The implementation of research activities promoted through Horizon Europe will result in greater access, understanding and involvement in culture, cultural heritage and arts.

Horizon Europe activities will also improve the governance of European cultural heritage institutions and networks; above all, they will improve the more efficient protection, valorisation, conservation and restoration of Europe's cultural heritage.

Research and Innovation will provide solutions to make the EU a world leader in technologies for cultural heritage conservation and in the management, digitisation and care of digital heritage assets. They will also increase capacities to protect the most fragile cultural heritage and the application of preventive measures against illicit trade in cultural goods.

Furthermore, supported activities will provide research and innovation for the development of sustainable and inclusive cultural tourism in Europe.

Finally, Research and Innovation will support sustainable growth and job creation by contributing to a European industrial policy for cultural and creative industrial policy for cultural and creative industries and design.

Horizon Europe Strategic Plan 2025-2027

The Horizon Europe Strategic Plan 2025-2027 outlines a comprehensive strategy for advancing the EU's cultural and tourism sectors within the broader context of culture, creativity, and inclusive society. Here's a synthesis focusing on these sectors:

Cultural sector

1. cultural heritage and creative industries:

- innovation and sustainability: the plan emphasizes the role of cultural heritage and creative industries in fostering sustainable and resilient societies. Research and innovation (R&I) actions will aim to reinforce these sectors' innovation potential, contributing to the economy and competitiveness;
- European collaborative cloud for cultural heritage: this initiative will support collaboration among cultural heritage institutions across Europe, facilitating high-quality acquisition, management, and curation of digitized and digital-born heritage assets;

2. interdisciplinary research:

- the plan supports interdisciplinary research involving social sciences, humanities, and the arts to address complex global challenges and foster social acceptance of policy solutions;
- specific research will explore the societal value of both tangible and intangible cultural heritage, the impact of technological advances on culture, and the role of arts and cultural sectors in social inclusion and well-being;

3. climate change and cultural heritage:

- R&I activities will focus on analyzing the impact of climate change on cultural heritage and exploring contributions to green and sustainable development. This includes promoting sustainable cultural tourism and managing heritage sites in a way that addresses environmental challenges.

Tourism sector

1. sustainable and inclusive cultural tourism:

- the plan highlights the importance of sustainable and inclusive cultural tourism, addressing various demographics such as people with disabilities, youth, and older adults (silver age tourism). It also includes tourism related to dissonant heritage, ensuring that tourism practices are inclusive and sustainable;

2. integration with other sectors

- there is an emphasis on the synergies between cultural heritage and other sectors, such as rural tourism and the cultural heritage of rural communities. This integration aims to promote rural socio-economic development and empower people to participate in climate-neutral transformations;

3. synergies with EU programs:

- the plan outlines potential synergies with various EU funding programs to support cultural and creative sectors. This includes collaborations with the Creative Europe program, which fosters experimentation and implementation of greening practices in cultural sectors, and the European Social Fund Plus (ESF+), promoting inclusive development and fair transition.

Strategic goals and impacts

1. realising full potential:

- the expected impact includes realizing the full potential of cultural heritage, arts, and creative sectors as drivers of sustainable innovation and a European sense of belonging. This involves continuous engagement with society and the economy to enhance their contributions;

2. economic and social resilience:

1. by strengthening the cultural and creative sectors, the plan aims to enhance social and economic resilience, ensuring that these sectors contribute effectively to the overall sustainability and competitiveness of the EU.

The Horizon Europe Strategic Plan 2025-2027 aims to harness the potential of the cultural and tourism sectors through innovation, sustainability, and inclusive practices. By fostering interdisciplinary research, promoting sustainable tourism, and integrating cultural heritage with other sectors, the plan seeks to build a resilient, inclusive, and competitive European society.

Recently, the European Commission concluded a public consultation for the Horizon Europe work programme 2025. This initiative, which was open for three weeks and closed on 6 May 2024, invited stakeholders to contribute their insights through a structured survey. The goal was to shape the forthcoming work programme, ensuring it aligns with the needs and priorities of various sectors.

The feedback was collected across multiple *Destinations* or *Missions*, corresponding to the six Horizon Europe clusters, research infrastructures, European innovation ecosystems, the five EU Missions, and the New European Bauhaus facility. Participants were able to provide feedback on one or multiple Destinations and/or Missions, depending on their relevance.

To facilitate structured input, the Commission services provided orientation documents for each Destination and Mission. These documents outlined the expected impacts and outcomes of the actions planned for funding in 2025. Expected impacts refer to the broader long-term effects on society, the economy, and science, while expected outcomes describe what successful projects should achieve in the medium term.

The work programme 2025 aims to implement the key strategic orientations set out in the Horizon Europe strategic plan 2025-2027. Although the work programme covers only a single year, the orientations for 2025 are designed to reflect the strategic plan's broader goals. The feedback collected during this period will be integral to the co-creation process of the work programme 2025, with the European Commission considering all inputs to the greatest possible extent.

Integrating insights from the strategic documents

Cluster 2 - Culture, Creativity, and Inclusive Society

The strategic plan for Cluster 2 emphasizes the importance of cultural heritage and creative industries in fostering sustainable innovation and enhancing the European identity. Research and innovation within this cluster aim to bolster European policies that enhance the innovation potential of cultural heritage, arts, and creative sectors, thereby contributing to sustainable growth, job creation, and societal resilience. These actions also align with the European Green Deal goals, aiming to increase societal resilience and strengthen EU soft power.

In this context, initiatives such as the European Collaborative Cloud for Cultural Heritage are pivotal. This collaborative platform aims to enhance the cooperation and co-creation among cultural heritage institutions, facilitating high-quality research and preservation efforts. By leveraging digital technologies, the platform seeks to improve the management and accessibility of cultural heritage, ensuring it remains a vibrant part of European society.

The New European Bauhaus Facility - Destination 2: Circular and regenerative approaches for the built environment

The New European Bauhaus Facility focuses on developing a circular and regenerative ecosystem for the built environment. This initiative aims to support sector competitiveness and EU strategic autonomy while achieving climate ambitions. Key goals include increasing the reuse and repurposing of materials and spaces, integrating nature-based solutions to turn built environments into carbon sinks, and ensuring that these transformations respect local cultural heritage and landscapes.

This approach emphasizes human-centered design, aiming to create functional, resilient, and socially fulfilling living spaces. By promoting the use of regenerative design and construction processes, the New European Bauhaus Facility seeks to make the built environment more sustainable and adaptable to changing needs and environmental conditions.

The New European Bauhaus Facility - Destination 3: Innovative funding and new business models for neighbourhood transformation

This Destination addresses the need for innovative funding and business models to drive the transformation of neighborhoods towards sustainability and inclusivity. It focuses on understanding market dynamics and developing frameworks that encourage the construction ecosystem to adopt more sustainable practices. This includes promoting values such as affordability, inclusion, diversity, functionality, and beauty in construction practices.

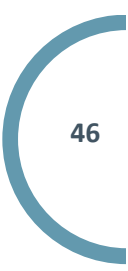
By demonstrating the social and economic benefits of sustainable and inclusive built environments, the initiative aims to incentivize stakeholders to adopt new practices. This involves developing new business models that integrate circular economy principles and fostering collaboration among diverse stakeholders, including architects, engineers, environmentalists, and cultural professionals.

- **COSME** is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs). It aims to support SMEs in four areas:
 - facilitate access to finance for SMEs through the “**Loan Guarantee Facility**” and the “**Equity Facility for Growth**”;
 - **improving access to markets** (notably thanks to the services provided by the Enterprise Europe Network);
 - **improving framework conditions for the competitiveness and sustainability** of Union enterprises, notably thanks to the Tourism Action Plan;

- **promoting entrepreneurship and entrepreneurial culture**, notably thanks to the Erasmus for young entrepreneurs exchange scheme;

Some of the Tourism Action Plan's objectives are pursued through calls for Proposals and calls for tenders open to the tourism sector. These concerns, among other things:

- the **development and/or promotion of sustainable transnational thematic tourism products** (linked, for instance, European routes dedicated to specific aspects of our cultural and industrial heritage, cycling trails, eco-tourism, maritime and sub-aquatic areas, etc.);
- the **development and/or promotion of niche products** exploiting synergies between tourism and creative industries at European level (e.g. European Route around high-end products);
- **transnational public and private partnerships developing tourism products** targeting specific age groups (e.g. seniors and youth) to increase tourism flows between European countries during the low and medium seasons;
- **capacity building schemes** whereby managers, destination managers and entrepreneurs can learn from experienced and successful “accessible” operators, create synergies with other operators along the supply chain, explore new market opportunities and ways to do businesses.



PART II - Funding alternatives to support sustainable cultural tourism Action Plans in pilot regions

6. Aragon (Spain) Action Plan

6.1. Innovative ecotourism centre

The Innovative Ecotourism Centre in the Cultural Park of Río Martín represents a pioneering initiative designed to harmonize tourism with environmental conservation and cultural heritage preservation. Operating year-round amidst the park's natural beauty, the Centre offers immersive experiences showcasing the region's biodiversity, rock art, and traditional practices. Embracing principles of circularity, diversity, and inclusion, the Centre emphasizes local employment, uses recycled materials in construction, and strives for self-sustainability through renewable energy sources like solar panels and rainwater harvesting. This initiative aligns with regional strategies to address depopulation, foster circular economy practices, support industrial transition, and mitigate climate change impacts. By integrating these goals, the Centre significantly contributes to the economic and social development of surrounding communities. It also connects to broader European cultural networks, promoting regional gastronomy, establishing prehistoric heritage trails, and facilitating cross-cultural exchanges. These efforts enrich visitor experiences and enhance international cooperation in heritage conservation and sustainable tourism. The Centre actively conserves and promotes the region's cultural and natural assets, including ancient rock art and local biodiversity, fostering environmental stewardship among visitors. Collaborations with local communities, businesses, and government agencies ensure a comprehensive approach to development and preservation.

Funding Opportunities

1. **Horizon Europe Cluster 2: Culture, creativity, and inclusive society:** supports projects that promote cultural heritage and sustainable tourism, aligning with the Centre's focus on cultural preservation and environmental conservation;
2. **European Regional Development Fund (ERDF):** provides funding for regional development and innovation projects, suitable for the Centre's initiatives in promoting local employment and sustainable practices;

- 
3. **Interreg Euro-MED Programme:** offers funding for sustainable tourism initiatives across the Mediterranean, supporting the Centre's goals of enhancing tourism while preserving cultural and natural assets;
 4. **European Agricultural Fund for Rural Development (EAFRD):** supports rural development projects, which can fund the Centre's efforts to promote regional gastronomy and local products;
 5. **LEADER Programme:** provides funding for rural development initiatives, aligning with the Centre's aim to create local employment opportunities and foster economic growth;
 6. **COSME Programme:** supports small and medium-sized enterprises (SMEs), aiding local businesses involved in the Centre's initiatives;
 7. **Digital Europe Programme:** provides funding for the development and deployment of digital technologies, useful for the Centre's digital marketing and virtual reality tours;
 8. **Erasmus+:** supports education and training projects, which can enhance the Centre's capacity-building initiatives for local communities;
 9. **Interreg Europe:** funds interregional cooperation projects, promoting best practices and knowledge sharing that can benefit the Centre's sustainable tourism strategies.
 10. **Public-Private Partnerships (PPP) for the Centre Realisation:** Public-Private Partnerships (PPP) offer a viable financing model for the Innovative Ecotourism Centre in the Cultural Park of Río Martín. Through PPP models like Build-Operate-Transfer (BOT) and Lease-Develop-Operate (LDO), private entities can finance, construct, and manage the Centre, sharing financial and operational risks with the public sector. This collaboration leverages private sector efficiency and expertise while ensuring sustainable development and operational success. PPPs also provide access to substantial financial resources, facilitating the Centre's construction and long-term sustainability without overburdening public funds.

6.2. Enhancement of local products

The Enhancement of Local Products initiative in the Cultural Park of Río Martín aims to boost the value of local agri-food products amidst challenges like an aging workforce and declining generational replacement. It addresses the growing consumer interest in healthy, quality, locally sourced foods, and gastronomic tourism.

This initiative links to intangible heritage like the Mediterranean diet, traditional recipes, and local customs, and tangible heritage such as bread ovens and olive mills. The promotion will span the

park and nearby villages, utilizing local shops, inns, tourist offices, and more over a 25-year period for sustained impact.

Inclusivity is prioritized through job opportunities for marginalized groups and considerations for dietary restrictions, promoting local, organic, and “km 0” products. The action aligns with local strategies and aims to connect with European cultural itineraries, particularly those highlighting the Mediterranean Diet recognized by UNESCO. This effort celebrates agricultural traditions and the cultural significance of food.

Funding Opportunities

1. **Horizon Europe Work Programme Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture, and Environment:** this initiative aligns with goals to foster regional development, enhance local economies, and integrate circular economy practices. Projects that focus on biodiversity conservation, climate change mitigation, and the promotion of healthy, locally sourced foods are particularly relevant;
2. **European Agricultural Fund for Rural Development (EAFRD):** provides funding for rural development projects, including the promotion of local agri-food products and improving agricultural infrastructure. This fund supports initiatives that enhance rural areas' economic viability and sustainability;
3. **LEADER Programme:** focuses on rural development, offering funding for initiatives that create local employment opportunities and promote local products. This programme supports community-led local development strategies, which can help in promoting regional gastronomy and traditional agricultural practices;
4. **Creative Europe Programme:** funds projects that promote cultural heritage, including gastronomy and traditional practices. This programme can support the preservation and promotion of intangible cultural heritage elements such as traditional recipes and agricultural festivals;
5. **European Regional Development Fund (ERDF):** supports regional development and innovation projects, suitable for enhancing the economic value of local agri-food products and improving related infrastructure. ERDF can provide funding for projects that promote regional competitiveness and sustainable development;
6. **COSME Programme:** aids small and medium-sized enterprises (SMEs), helping local producers and businesses involved in promoting regional gastronomy and tourism. COSME supports market access and competitiveness of SMEs, which is essential for the initiative's success;

7. **Erasmus+:** provides funding for education and training projects, supporting capacity-building initiatives for local communities involved in the agri-food and tourism sectors. This programme can enhance skills and knowledge transfer related to sustainable agriculture and gastronomy;
8. **LIFE Programme:** offers funding for environmental and climate action projects, supporting the initiative's focus on sustainable and circular practices in agriculture. LIFE can help implement innovative solutions for resource efficiency and environmental management in local food production;
9. **Interreg Europe:** funds interregional cooperation projects, promoting best practices and knowledge sharing. This is beneficial for integrating with European cultural itineraries and Mediterranean Diet initiatives, which are central to the initiative's goals;
10. **Interreg MED Programme:** provides funding for sustainable tourism and regional development projects across the Mediterranean. This aligns with the initiative's objectives of promoting local gastronomy and cultural heritage, fostering a sustainable and inclusive tourism model.

6.3. "La Plaza Circular" (Circular Square)

"La Plaza Circular" is a dynamic network facilitating information and knowledge exchange among stakeholders in the Cultural Park of the Río Martín. It fosters collaboration among municipalities to identify shared needs and develop coordinated strategies and training initiatives. The initiative includes intensive mapping to identify local resources, participatory processes to address common challenges, and effective communication via social media and web platforms. It integrates both intangible (traditions, crafts) and tangible (local products, tourist attractions) cultural heritage. Covering the entire Cultural Park, it utilizes administrative and park spaces with potential rotation. Emphasizing circularity, it fosters local synergies and promotes diversity and inclusion by engaging all regional actors. This initiative aligns with local, national, and European strategies, including the Cultural Park's Board of Trustees, Tourism Dynamization Plan, and the European Cultural Itinerary.

Funding Opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports initiatives promoting cultural heritage, collaborative networks, and

digital transition, aligning with "La Plaza Circular's" goals of fostering collaboration and cultural integration;

2. **European Regional Development Fund (ERDF):** provides funding for regional development and innovation projects, suitable for infrastructure improvements and the establishment of the physical and virtual network of "La Plaza Circular";
3. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance local synergies and promote regional cooperation;
4. **Digital Europe Programme:** provides funding for the development and deployment of digital technologies, supporting the initiative's use of social media and web platforms for effective communication and outreach;
5. **Erasmus+:** funds education and training projects, supporting capacity-building initiatives and participatory processes to address common regional challenges;
6. **Interreg Europe:** funds interregional cooperation projects, promoting best practices and knowledge sharing, which are central to "La Plaza Circular's" objectives of fostering collaboration and cross-cultural exchanges;
7. **COSME Programme:** supports small and medium-sized enterprises (SMEs), aiding local businesses involved in the initiative's network and promoting local products and services.



7. Basilicata (Italy) Action Plan

7.1. HIDDEN TREASURES OF VULTURE - ALTO BRADANO (tangible & intangible)

Sub-action 1.1: Connect the pilot area with more developed heritage sites in Basilicata

In Basilicata, Matera stands out as a vibrant cultural hub, celebrated as the European Capital of Culture in 2019. Other emerging attractions like “ArtePollino” and Wonder Grottole add to the region's cultural appeal. However, areas like Vulture-Alto Bradano remain less known but have great potential. Developing ancient routes like Via Appia & Via Herculea could enhance cultural connectivity and attract diverse visitors. Collaborative partnerships are key to creating synergies between different heritage sites in Basilicata, fostering overall regional attractiveness.

Funding opportunities

1. **Horizon Europe Work Programme 2025 Cluster 2: Culture, Creativity, and Inclusive Society:** supports initiatives that enhance cultural heritage connectivity and collaborative partnerships, aligning with the goal of developing ancient routes and fostering regional attractiveness;
2. **European Regional Development Fund (ERDF):** provides funding for regional development projects, suitable for improving infrastructure and connectivity between heritage sites;
3. **Interreg Europe:** funds interregional cooperation projects that promote best practices and knowledge sharing, beneficial for creating synergies between heritage sites;
4. **Creative Europe Programme:** supports projects that promote cultural heritage and regional cooperation, suitable for enhancing the cultural appeal of lesser known areas like Vulture Alto Bradano;
5. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance cultural connectivity and regional development.

Sub-action 1.2: Valorise Aglianico wine - Digital Centre for creative storytelling

In the pilot area of Vulture-Alto Bradano in Basilicata, Aglianico of Vulture wine is a prominent feature, with numerous wineries producing diverse, high-quality varieties. The Castle of Venosa showcases this wine with a special room displaying wine bottles for public viewing. To further enhance the wine experience, a digital application using augmented reality could create an

immersive journey through the wine landscapes. This innovative approach would allow users to explore the vineyards and hills of Vulture from unique perspectives, such as that of a bee or bird, using drones and viewers. Complementing this immersive experience, creative storytelling would introduce the various wineries and types of wine produced in the area, enriching the cultural experience associated with Vulture wines.

Funding opportunities

1. **Horizon Europe Work Programme 2025 Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture, and Environment:** supports projects that promote sustainable agriculture and food heritage, aligning with the goal of valorising Aglianico wine through digital storytelling;
2. **Digital Europe Programme:** provides funding for the development and deployment of digital technologies, useful for creating augmented reality applications for immersive wine experiences;
3. **COSME Programme:** aids small and medium-sized enterprises (SMEs), helping local wineries to enhance their marketing and digital presence through innovative storytelling;
4. **Erasmus+:** supports education and training projects, which can enhance skills in digital storytelling and creative tourism approaches for local wine producers;
5. **European Regional Development Fund (ERDF):** provides funding for regional development and innovation projects, supporting the creation of digital applications to promote local wine heritage.

Sub-action 1.3: Gaming & immersive heritage experience attracting new targets

Cultural sites and villages in Vulture-Alto Bradano are perfect for immersive role-playing games, drawing diverse visitors, especially young people. These games showcase medieval stories featuring figures like Frederico II of Svevia, highlighting landmarks such as Melfi and Lagopesole. Venosa hosts a game focused on poet Horace during the “Certamen Horatianum” Latin gathering. Themed games explore the Crusades, involving figures like the Templars and sites like Acerenza. These experiences enrich cultural narratives and promote heritage tourism innovatively, attracting diverse audiences and engaging local communities.

Funding opportunities

1. **Horizon Europe Work Programme 2025 Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that use innovative technologies to promote cultural heritage, such as immersive roleplaying games;

2. **Digital Europe Programme:** provides funding for the development of digital and immersive technologies, suitable for creating heritage based gaming experiences;
3. **Creative Europe Programme:** supports cultural and creative projects that engage new audiences through innovative storytelling and gaming;
4. **Erasmus+:** funds education and training projects, which can develop skills in digital gaming and immersive technologies for cultural heritage;
5. **Interreg Europe:** funds interregional cooperation projects that share best practices in cultural heritage tourism and innovative engagement methods.

Sub-action 1.4: Living intangible heritage all year long (Carnivals, festivals, oral traditions..)

In the Vulture-Alto Bradano pilot area, a key challenge is enhancing the value of intangible heritage through innovative tourism initiatives aligned with the Be.Cultour project. Basilicata's ancient traditions, like carnivals, are celebrated with spectacle and community participation, linking the past with the present.

This sub-action aims to engage diverse stakeholders, including tour operators, local communities, and nonprofits, to enhance festivals, carnivals, and religious processions. Creatives and experts will collaborate to develop new promotion and storytelling approaches, incorporating technologies to increase participation and create interactive GEO MAPS for attracting new audiences and fostering territorial relationships.

Funding opportunities

1. **Horizon Europe Work Programme 2025 Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that promote and preserve intangible cultural heritage through innovative tourism initiatives;
2. **Creative Europe Programme:** funds projects that enhance cultural heritage, including festivals, carnivals, and oral traditions, through creative storytelling and promotion;
3. **European Regional Development Fund (ERDF):** provides funding for regional development projects, supporting infrastructure improvements for cultural events and festivals;
4. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance the value of intangible cultural heritage;
5. **Interreg Europe:** funds interregional cooperation projects that promote best practices in cultural heritage preservation and innovative tourism strategies.

7.2. EUROPEAN DIMENSION OF CULTURAL HERITAGE

Sub-action 2.1: European Heritage Label “the places of Federico II” in Melfi and surroundings

Melfi, the fourth largest Norman town in Basilicata, holds a rich history linked to figures like Robert Guiscard and Federico II of Svevia. Federico's renowned Constitutiones Augustales were issued here in 1231, a landmark legislation of the Middle Ages recognizing women's inheritance rights. Melfi was Federico's cherished summer residence alongside Lagopesole, serving as a pivotal hub for the Kingdom's governance and artistic flourishing.

This history-rich site is proposed for the European Heritage Label, recognizing its significance in European history and culture.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that promote cultural heritage and historical significance, aligning with the goal of obtaining the European Heritage Label for Federico II's sites;
2. **European Regional Development Fund (ERDF):** provides funding for regional development projects, suitable for enhancing infrastructure and promoting Melfi as a significant historical site;
3. **Creative Europe Programme:** funds initiatives that celebrate and preserve European cultural heritage, which can support the recognition of Melfi's historical importance;
4. **New European Bauhaus Facility - Destination 3: Innovative Funding and Business Models for Neighbourhood Transformation:** supports innovative funding and business models for cultural heritage projects, enhancing Melfi's historical areas;
5. **Interreg Europe:** funds interregional cooperation projects that share best practices in heritage site management and cultural promotion.

Sub-action 2.2: Routes & micro-routes linked to Federico II heritage sites

As part of the European Heritage Label project focusing on Federico II's sites in Melfi and surroundings, a linked initiative involves enhancing routes and micro-routes connected to his heritage. This sub-action is complemented by the “Cammino Lucano”, an innovative circular cultural tourism solution selected through the Be.CULTOUR project's Hackathon Open Call.

Specific trails and bikeways for micro-routes will be integrated into the broader Cammino Lucano project. Implementation will proceed step-by-step, leveraging resources obtained during the incubation and development phase following the Hackathon and Acceleration opportunity.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports the development of cultural routes and micro-routes, enhancing connectivity between heritage sites associated with Federico II;
2. **Interreg Europe:** provides funding for interregional cooperation projects that develop cultural tourism routes and promote best practices;
3. **New European Bauhaus Facility - Destination 2: Circular and Regenerative Approaches for the Built Environment:** funds projects that create sustainable and innovative tourism infrastructure, enhancing the appeal of routes and micro-routes linked to Federico II's heritage sites;
4. **Digital Europe Programme:** provides funding for the development of digital tools and applications to enhance visitor experiences along the routes and micro-routes;
5. **COSME Programme:** supports small and medium-sized enterprises (SMEs) in developing tourism-related services and products along the heritage routes.

Sub-action 2.3: The places of Horace in Venosa and surroundings

Venosa, a charming village in the Vulture area of Basilicata, boasts ancient origins dating back to prehistoric times. Founded by the Romans in 291 B.C., it was dedicated to Venus after their victory over the Samnites. Venosa is renowned as the birthplace of the great Latin poet Horace.

Each year, Venosa hosts the “Certamen Horatianum”, where young students translate Horace's ancient poetry into contemporary language. This event could be expanded into a year-long calendar of cultural festivals celebrating Horace's influence on European culture. The goal is to revitalize interest in Latin language and culture through innovative storytelling, engaging events, and community involvement, ultimately making Venosa a leading festival destination celebrating Latin culture and poetry.

Funding opportunities

1. **Creative Europe Programme:** supports cultural festivals and events, which can help expand the “Certamen Horatianum” into a year-long celebration of Horace's legacy;
2. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** funds initiatives that promote European cultural heritage and engage communities in innovative storytelling and cultural activities;
3. **Erasmus+:** provides funding for educational and training projects, supporting activities that engage young people in Latin culture and poetry;

4. **New European Bauhaus Facility - Destination 3: Innovative Funding and Business Models for Neighbourhood Transformation:** supports the development of new business models and innovative funding for cultural heritage projects, enhancing the cultural and tourism appeal of Venosa;
5. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance the cultural and historical significance of rural areas like Venosa.

Sub-action 2.4: Accessible heritage for international visitors

The goal of this sub-action is to improve access to local cultural heritage sites in the Vulture-Alto Bradano area for international visitors. This includes developing a comprehensive communication strategy with cultural maps, multilingual information, and immersive experiences for all visitors, including those with diverse abilities and languages. By implementing these strategies, we aim to enhance the profile and attractiveness of these heritage sites on a European scale using digital tools and new technologies. The plan is to ensure high-quality visitor facilities, clear information, and young people's engagement at these sites by 2026, fostering a more intense exchange between residents and visitors.

Funding opportunities

1. **Digital Europe Programme:** provides funding for developing digital tools and technologies to improve accessibility and enhance visitor experiences at heritage sites;
2. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that promote cultural heritage accessibility and inclusivity for diverse international audiences;
3. **New European Bauhaus Facility - Destination 2: Circular and Regenerative Approaches for the Built Environment:** funds projects that focus on sustainable and inclusive design, enhancing the accessibility and attractiveness of heritage sites;
4. **COSME Programme:** aids SMEs in developing tourism-related services that improve accessibility and cater to international visitors;
5. **European Regional Development Fund (ERDF):** provides funding for infrastructure improvements to enhance accessibility and visitor facilities at heritage sites in the Vulture-Alto Bradano area.

7.3.HUMAN CAPITAL AND ENTREPRENEURIAL INNOVATION ECOSYSTEM

Sub-action 3.1: Artistic interventions in heritage sites & enterprises

The sub-action aims to create a local ecosystem in the Vulture-Alto Bradano area through art residencies and initiatives that catalyze innovation and sustainable development. This involves implementing specific projects, including temporary exhibitions in cultural sites like the Abbey of the Holy Trinity, land art itineraries integrating with the environment, and art-based initiatives to foster innovation in local enterprises. These efforts align with the emerging trend of combining art with science and technology to promote a more enriching, inclusive, and sustainable future, as seen in initiatives like the New European Bauhaus and programs such as S+T+ARTS and Artformation. The goal is to bridge artistic practices with other domains to address contemporary challenges and reimagine cultural experiences within the context of the Green Deal.

Funding opportunities

1. **Creative Europe Programme:** supports projects that combine art with innovation, fostering creativity and sustainable development in cultural sites and enterprises;
2. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** funds initiatives that integrate art with science and technology to address contemporary challenges and promote sustainable cultural experiences;
3. **New European Bauhaus Facility - Destination 1: Sustainability, Aesthetics, and Inclusion:** provides funding for projects that bridge artistic practices with environmental and social sustainability, aligning with the goals of art interventions in heritage sites;
4. **S+T+ARTS (Science + Technology + Arts) Initiative:** supports collaborations between artists, scientists, and technologists to foster innovation and sustainable development through artistic interventions;
5. **European Regional Development Fund (ERDF):** provides funding for regional development projects, supporting infrastructure improvements and innovative cultural initiatives in heritage sites.

Sub-action 3.2: Capacity building for tourism business operators - and beyond

This sub-action aims to enhance entrepreneurial skills and capacity in the tourism sector of the Vulture-Alto Bradano area through targeted education and training programs. It will focus on three main groups: existing tourism entrepreneurs, entrepreneurs from non-tourism sectors (e.g., wine production), and young aspiring entrepreneurs. The programs will cover ethical and

sustainable entrepreneurship, green and circular enterprise practices, technology utilization, networking, innovation in experiential tourism, and heritage exploitation. These capacity-building activities will involve peer-to-peer learning and challenge-based methodologies over a 24-month period, aligning with regional and national funding opportunities for business start-ups and infrastructure development. Collaboration with universities and vocational institutes will ensure comprehensive educational pathways tailored to the tourism and cultural sectors' specific needs.

Funding opportunities

1. **Erasmus+:** provides funding for education and training programs, supporting capacity building and skill enhancement for tourism business operators;
2. **COSME Programme:** aids small and medium-sized enterprises (SMEs) in the tourism sector, offering support for entrepreneurial skills development and sustainable practices;
3. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that enhance entrepreneurial skills and promote sustainable tourism practices through targeted education and training programs;
4. **European Social Fund Plus (ESF+):** funds projects aimed at improving employment opportunities and skills development, suitable for capacity-building initiatives in the tourism sector;
5. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance tourism business operators' skills and promote sustainable tourism practices.

Sub-action 3.3: Entrepreneurial education, training and international mobility especially involving youths, women and vulnerable groups

This sub-action aims to address youth emigration from Basilicata by enhancing entrepreneurial and digital skills through educational programs aligned with European frameworks like EntreComp, DigiComp, and GreenComp. It will leverage international mobility programs such as European Solidarity Corps and Erasmus for Young Entrepreneurs to attract skilled professionals back to the region. Over a 24-month period, young participants will engage in Hackathon-style activities, including developing visitor routes, promoting environmental awareness, and fostering intergenerational connections in local communities. The initiative also includes "Triple L tourism" to create temporary student residences and foster a sense of community in Venosa and surrounding villages, particularly benefiting international students.

Funding opportunities

1. **Erasmus+:** provides funding for educational programs and international mobility initiatives, supporting youth and vulnerable groups in acquiring entrepreneurial and digital skills;
2. **European Social Fund Plus (ESF+):** funds projects aimed at improving skills and employment opportunities for youth, women, and vulnerable groups, aligning with the goals of this sub-action;
3. **European Solidarity Corps:** supports international mobility and community engagement projects, fostering skills development and social inclusion among young people;
4. **Erasmus for Young Entrepreneurs:** provides funding for young entrepreneurs to gain experience and skills through cross-border exchanges and mentorship programs;
5. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that promote entrepreneurial education, digital skills development, and international mobility, addressing youth emigration and fostering community engagement.

7.4. CIRCULAR DESTINATION

Sub-action 4.1: Green certifications for tourism enterprises and beyond (e.g. agriculture)

Certification for sustainable tourism is crucial for meeting market demands and fostering responsible tourism management. In Basilicata, the Labelscape project identified the GSTC certification as suitable, offering certifications for hotels/tour operators and destinations. This initiative aims to integrate sustainability into regional tourism policies, supporting collaboration among stakeholders. The Be.Cultour project builds on Labelscape's success, planning to establish a destination-level certification plan, engaging stakeholders and accessing EU funds for sustainable tourism development. This effort underscores Basilicata's commitment to green tourism and identity-driven promotion.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture, and Environment:** supports projects that promote sustainable practices in tourism and agriculture, including certification initiatives;

2. **European Regional Development Fund (ERDF):** provides funding for regional development projects, supporting the implementation of green certification schemes in tourism and agriculture;
3. **COSME Programme:** aids small and medium-sized enterprises (SMEs) in adopting sustainable practices and obtaining certifications like GSTC;
4. **LIFE Programme:** funds environmental and climate action projects, suitable for initiatives promoting green certifications and sustainable tourism policies;
5. **European Social Fund Plus (ESF+):** supports projects aimed at capacity building and skills development in sustainable tourism and agriculture practices, including certification processes.

Sub-action 4.2: Sustainable mobility through electric vehicles and “soft” mobility

To develop Vulture - Alto Bradano as a circular tourism destination, sustainable mobility is crucial. Inspired by successful models like the Val d’Hérens project in Switzerland, initiatives include electric cars and promoting walking and cycling paths. Basilicata has launched the “Basilicata Free to Move” App funded by EU projects, featuring hundreds of kilometers of trails and information on accommodations and services. This sub-action will build on existing efforts and partnerships to enhance sustainable mobility in the region.

Funding opportunities

1. **Connecting Europe Facility (CEF):** provides funding for sustainable transport infrastructure projects, including electric vehicle networks and cycling paths;
2. **European Regional Development Fund (ERDF):** supports regional development projects, including sustainable mobility initiatives in tourism destinations;
3. **Horizon Europe Work Programme 2025 - Cluster 5: Climate, Energy, and Mobility:** funds projects that promote sustainable mobility solutions, including electric vehicles and soft mobility infrastructure;
4. **European Structural and Investment Funds (ESIF):** provides funding for regional and urban development projects, supporting sustainable mobility initiatives;
5. **Interreg Europe:** funds interregional cooperation projects that promote best practices in sustainable mobility and tourism.

Sub-action 4.3: Renewable energy in tourism activities & energy communities

The development of energy communities in the Vulture-Alto Bradano area offers numerous benefits, including reducing energy dependence, creating local job opportunities, and fostering renewable energy production. This sub-action aims to establish energy communities in local municipalities and build a regional network, leveraging EU initiatives like the Rural Energy Community Advisory Hub to provide technical and administrative support.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 5: Climate, Energy, and Mobility:** supports projects that promote renewable energy solutions and the development of energy communities;
2. **European Regional Development Fund (ERDF):** provides funding for regional development projects, including renewable energy initiatives in tourism and local communities;
3. **European Energy Efficiency Fund (EEEF):** offers funding for energy efficiency and renewable energy projects in local communities and tourism sectors;
4. **LIFE Programme:** funds projects focused on environmental and climate action, including renewable energy and energy community initiatives;
5. **Next Generation EU:** provides funding for recovery and resilience projects, including those that promote renewable energy and sustainable development in tourism.

Sub-action 4.4: No waste & recycling strategy in all activities

This sub-action aims to promote the adoption of circular economy principles in tourism destinations within the Vulture-Alto Bradano area. It includes capacity building, training, and the development of innovative strategies for new products, services, and business models that align with circular principles. Specific activities will focus on reducing food waste, minimizing plastic use, optimizing waste management, promoting energy efficiency, integrating renewable energy sources, optimizing water consumption, and maximizing economic benefits for local communities. The goal is to implement circular solutions, develop guidelines, and exchange good practices at the EU level to enhance sustainable tourism management in the region.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture, and Environment:** supports projects that promote circular economy principles, including waste reduction and recycling strategies in tourism;

2. **LIFE Programme:** funds projects focused on environmental protection, waste management, and recycling, aligning with circular economy initiatives;
3. **European Regional Development Fund (ERDF):** provides funding for regional development projects, including circular economy and waste management initiatives in tourism;
4. **Interreg Europe:** funds interregional cooperation projects that share best practices and innovative solutions in waste management and recycling;
5. **COSME Programme:** supports small and medium-sized enterprises (SMEs) in adopting circular economy practices and developing sustainable business models.

7.5.NATURE AS HERITAGE

Sub-action 5.1: Astrotourism projects linked with ancient heritage sites and remains

This sub-action aims to leverage the historical and cultural heritage of the Vulture-Alto Bradano area, particularly its connections to Pythagorean thought and ancient astronomical knowledge, to develop astrotourism initiatives. By highlighting the region's pristine nightscapes and archaeological artifacts like the Ripacandida jar, this initiative seeks to attract travelers interested in astronomy-related experiences. Astrotourism can contribute to local development by promoting knowledge dissemination, fostering cultural appreciation, and encouraging sustainable tourism practices. This sub-action will focus on creating new cultural tourism experiences that integrate astrotourism, education, and spiritual aspects, leveraging the region's unique historical and natural resources.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that integrate cultural heritage with innovative tourism practices, including astrotourism and educational experiences;
2. **Creative Europe Programme:** funds initiatives that promote cultural heritage and creative tourism experiences, aligning with the development of astrotourism linked to ancient heritage sites;
3. **European Regional Development Fund (ERDF):** provides funding for regional development projects, including infrastructure improvements and the promotion of unique tourism experiences like astrotourism;

4. **Interreg Europe:** supports interregional cooperation projects that share best practices and innovative tourism strategies, suitable for developing astrotourism initiatives;
5. **New European Bauhaus Facility - Destination 1: Sustainability, Aesthetics, and Inclusion:** funds projects that integrate cultural and natural heritage with sustainable tourism practices, including astrotourism.

Sub-action 5.2: Monticchio lakes paths and natural heritage valorisation in Rionero and surroundings

This sub-action aims to integrate the Monticchio lakes project into the Be.CULTOUR Action Plan for Vulture-Alto Bradano. The goal is to establish synergies and cooperation with stakeholders, including the Municipality of Rionero in Vulture, to enhance tourism experiences around the lakes. Activities will focus on creating new visitor experiences, repurposing old buildings for tourism, and conducting training for tourism stakeholders. These efforts align with the Action Plan's focus on innovative nature-based experiences and aim to generate valuable partnerships and cooperation in the region.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture, and Environment:** supports projects that enhance natural heritage and promote sustainable tourism practices around natural sites like Monticchio lakes;
2. **European Regional Development Fund (ERDF):** provides funding for regional development and infrastructure improvements to enhance tourism experiences and natural heritage valorisation;
3. **LIFE Programme:** funds environmental and nature conservation projects, supporting initiatives that enhance the natural heritage and biodiversity around Monticchio lakes;
4. **Interreg Europe:** supports interregional cooperation projects that promote innovative nature-based tourism experiences and stakeholder cooperation;
5. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance natural heritage and promote sustainable tourism in rural areas.

Sub-action 5.3: Biodiversity valorisation beyond eco-tourism (e.g. Bramea butterfly, local medical plants species..) to build a ecological consciousness

This sub-action aims to enhance the attractiveness of the pilot area by offering nature-based experiences that foster a deeper connection with local biodiversity. Activities include recognizing and searching for unique species like the "Bramea" butterfly of Vulture, identifying and using local edible and medicinal plants, and engaging in experiences related to local flora and fauna. These activities are designed to benefit both visitors and residents, fostering ecological consciousness and promoting sustainable behaviors through cultural approaches to nature exploration and understanding. This initiative aligns with the goal of promoting sustainable tourism and ecological transition in the region.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture, and Environment:** supports projects that promote biodiversity conservation and sustainable tourism, aligning with the goal of enhancing ecological consciousness;
2. **LIFE Programme:** funds biodiversity and nature conservation projects, suitable for initiatives focusing on unique species and ecological education;
3. **European Regional Development Fund (ERDF):** provides funding for regional development projects that promote biodiversity and sustainable tourism practices;
4. **Erasmus+:** supports educational programs and capacity-building initiatives that foster ecological awareness and promote sustainable behaviors;
5. **Interreg Europe:** funds interregional cooperation projects that share best practices in biodiversity conservation and sustainable tourism.

Sub-action 5.4: Self-care & spiritual tourism experiences enhancement

This sub-action is focused on attracting visitors interested in self-care, thermal tourism, and spiritual experiences in the Rionero in Vulture area. The unique thermal waters of Rapolla offer therapeutic benefits and are ideal for wellness treatments and natural cosmetics. Additionally, the area's rich cultural traditions, such as the "Arboreal rituals" of Vulture, symbolize a deep connection between humans and nature, reflecting themes of fertility and renewal.

The goal of this initiative is to leverage the natural resources and cultural heritage of the area to promote sustainable growth through thermal tourism and spiritual experiences. By highlighting the therapeutic properties of local waters and the significance of ancient rituals, this sub-action aims to enhance the appeal of Vulture and Alto Bradano as a destination for wellness and nature-based tourism.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that integrate cultural and natural heritage with wellness and spiritual tourism experiences;
2. **Creative Europe Programme:** funds initiatives that promote cultural heritage and innovative tourism experiences, including self-care and spiritual tourism;
3. **European Regional Development Fund (ERDF):** provides funding for regional development projects that enhance tourism infrastructure and promote wellness and spiritual tourism;
4. **European Social Fund Plus (ESF+):** supports projects aimed at capacity building and skills development in the tourism sector, aligning with wellness and spiritual tourism initiatives;
5. **New European Bauhaus Facility - Destination 3: Innovative Funding and Business Models for Neighbourhood Transformation:** supports the development of innovative business models and funding for cultural and wellness tourism projects, enhancing the appeal of Vulture and Alto Bradano as a wellness destination.



8. Larnaca (Cyprus) Action Plan

8.1. Create a Green – Circular Community Programme

Sub-action 1.1: Create a Consumeless Label

The Consumeless Label is a certification for tourism businesses and local authorities that adopt sustainable practices in energy, water, and waste management. Accredited entities will be promoted on a dedicated interactive map, showcasing their sustainability efforts.

A Local Committee will oversee the label's implementation, define its criteria, provide technical support, and ensure compliance. They will assign the label, supply communication materials, promote the label through training and help desk activities, monitor results, and conduct on-site audits to verify adherence to the label's standards.

The label is ready. It has been pilot tested in the area during the implementation of the Consumless plus project and the relevant improvements have been ready. The label is ready for implementation.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that promote sustainable tourism practices and certification schemes, aligning with the goals of the Consumeless Label;
2. **European Regional Development Fund (ERDF):** provides funding for regional development projects, including those that support sustainable practices in tourism businesses and local authorities;
3. **LIFE Programme:** funds environmental and climate action projects, suitable for initiatives promoting sustainable resource management in tourism;
4. **COSME Programme:** aids small and medium-sized enterprises (SMEs) in adopting sustainable practices and obtaining certifications like the Consumeless Label;
5. **Interreg MED Programme:** supports transnational cooperation projects in the Mediterranean, including initiatives that promote sustainable tourism and certification schemes.

Sub-action 1.2: Create a sustainable indicators system for measuring the sustainability of the destination

The action aims to establish a monitoring system for tourism data to measure sustainability and assess economic and environmental impacts, including the area's carrying capacity. Indicators will help local authorities monitor tourism's social, environmental, and economic effects to balance increasing tourism with mitigating negative impacts. Data will be categorized using a traffic light system: red for low (0-33%), yellow for regular (34-66%), and green for high (67-100%).

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 5: Climate, Energy, and Mobility:** supports projects that develop monitoring systems and indicators to measure the sustainability and environmental impact of tourism destinations;
2. **European Regional Development Fund (ERDF):** provides funding for regional development projects that implement sustainable monitoring systems and assess tourism impacts;
3. **LIFE Programme:** funds projects focused on environmental monitoring and sustainable development, aligning with the creation of a sustainable indicators system;
4. **Interreg Europe:** supports interregional cooperation projects that share best practices and develop innovative solutions for sustainable tourism management;
5. **European Social Fund Plus (ESF+):** supports projects aimed at capacity building and skills development for local authorities, enabling them to effectively monitor and manage tourism sustainability indicators.

8.2. Create Authentic Experiences based on the Rich Cultural Heritage of Rural Larnaca

Sub-action 2.1: Larnaca Renaissance Festival

The Renaissance Festival is an immersive fair where visitors become part of the experience. Around the Watchtower, a city of tents and makeshift structures will host eateries, taverns, and traditional craftsmen like potters and weavers. Visitors will encounter characters such as Queen Ekaterina Cornaro, enjoy street performers, and listen to traditional storytellers. Highlights include a chess master, a straw-bale amphitheater staging Othello, and donkey and camel rides. The festival may also feature sections representing China, India, the Middle East, and Russia, depending on expatriate participation.

Funding opportunities

1. **Creative Europe Programme:** supports cultural festivals and events, fostering cultural heritage and community engagement, suitable for the immersive experience of the Renaissance Festival;
2. **European Regional Development Fund (ERDF):** provides funding for regional development projects, supporting the infrastructure and logistics of the festival;
3. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** funds projects that promote cultural heritage and immersive cultural experiences, aligning with the goals of the Renaissance Festival;
4. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance cultural and tourism experiences in rural areas;
5. **National Funds – Deputy Ministry of Tourism:** provides national funding to support tourism initiatives that promote cultural heritage and attract visitors to the region.

Sub-action 2.2: Needle Festivals

Year-round festivals, known as Needle Festivals, serve as environments for questioning, observing, networking, and experimentation. They foster a creative community that celebrates Cypriot roots, traditions, and history. Through mixing arts, culture, sports, and business, the festivals promote social interaction and ideation, driving territorial innovation. Participants engage in fun and playful activities that connect them with nature and promote learning and knowledge transfer in a safe environment. Needle Festivals aim to expand the social opportunistic spaces in the area and foster connections and networking within the community.

Funding opportunities

1. **Creative Europe Programme:** supports cultural festivals that promote arts, culture, and social interaction, aligning with the goals of the Needle Festivals;
2. **European Social Fund Plus (ESF+):** funds projects aimed at capacity building and social innovation, supporting the community-driven aspects of the Needle Festivals;
3. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports initiatives that foster creative communities and cultural heritage, aligning with the objectives of the Needle Festivals;
4. **LEADER Programme:** provides funding for rural development projects, enhancing community engagement and innovation through cultural events;
5. **National Funds – Deputy Ministry of Tourism:** offers national funding to support tourism and cultural initiatives that promote regional heritage and community interaction.

Sub-action 2.3: Sensory Bee Nature Trail

The Sensory Bee Nature Trail will enhance an underutilized nature path by focusing on bees, offering both education and relaxation. Through a unique theme and technology, visitors will learn about bee life and the importance of bee-friendly plants. Minimal environmental intervention will be ensured, with bee hotels created from tree clippings and water fountains powered by solar energy. The trail aims to regenerate a village by preserving local knowledge and attracting visitors, aligning with the area's branding as the Honey Routes.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture, and Environment:** supports projects that promote biodiversity and environmental education, suitable for the Sensory Bee Nature Trail;
2. **LIFE Programme:** funds environmental and nature conservation projects, supporting the development of the bee-friendly nature trail;
3. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that promote environmental sustainability and eco-tourism;
4. **European Regional Development Fund (ERDF):** provides funding for regional development projects, including infrastructure improvements and environmental conservation efforts;
5. **Interreg Europe:** supports interregional cooperation projects that promote best practices in biodiversity conservation and sustainable tourism.

Sub-action 2.4: Tours with Locals

Tours with Locals aims to revolutionize travel by offering personalized experiences away from mass tourism. Local residents are trained as guides to share authentic, off-the-beaten-path adventures with visitors, connecting them with the culture and lifestyle of rural Larnaca. Sub-actions include creating a training course for local guides and a platform to connect travelers with hosts.

Funding opportunities

1. **COSME Programme:** aids small and medium-sized enterprises (SMEs) in the tourism sector, supporting the development of personalized local tours;

2. **Erasmus+:** provides funding for educational and training programs, suitable for training local residents as guides;
3. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that promote cultural heritage and personalized tourism experiences, aligning with the goals of Tours with Locals;
4. **LEADER Programme:** focuses on rural development, offering funding for community-led tourism initiatives that enhance local engagement and visitor experiences;
5. **Interreg Europe:** supports interregional cooperation projects that share best practices in sustainable and personalized tourism.

8.3. Create a Living Lab

Sub-action 3.1: Create a Tourism Living Lab for Rural Larnaca

This action introduces the Living Lab Approach, fostering collaboration among businesses, academia, and stakeholders. A Tourism Living Lab for Rural Larnaca will be established as a learning environment, offering training, workshops, and seminars to upgrade skills and promote exchange of experiences. Through this initiative, cooperation, innovation, and development of circular cultural tourism in the pilot area will be encouraged, involving all relevant stakeholders.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports initiatives that promote collaboration and innovation in cultural tourism, aligning with the goals of the Tourism Living Lab;
2. **European Regional Development Fund (ERDF):** provides funding for regional development projects, supporting the establishment of learning environments and collaborative spaces for tourism innovation;
3. **Erasmus+:** funds educational and training programs, suitable for offering workshops and seminars to upgrade skills and promote experience exchange in the Tourism Living Lab;
4. **COSME Programme:** aids small and medium-sized enterprises (SMEs) in the tourism sector, supporting the development of collaborative initiatives and innovation in tourism practices;
5. **Interreg Europe:** supports interregional cooperation projects that promote best practices and innovation in cultural tourism, fostering collaboration among businesses, academia, and stakeholders.

Sub-action 3.2: Create a Technical and Financial Assistance Office for private and public entities

Rural Larnaca can tap into various European and national funds for project financing. To streamline this process, an office will be established to assist local authorities in developing and matching their projects with suitable funding schemes. This office will provide financial and technical support, helping entities navigate financing options and assess eligibility for assistance. Leveraging ANETEL's experience in project development and access to finance, personnel will be provided to guide and assist private and public entities in Rural Larnaca.

Funding opportunities

1. **European Regional Development Fund (ERDF):** provides funding for regional development projects, supporting the establishment of offices that assist in project financing and development;
2. **Horizon Europe Work Programme 2025 - Cluster 5: Climate, Energy, and Mobility:** supports projects that develop technical and financial assistance mechanisms, helping local authorities and entities navigate funding options;
3. **European Social Fund Plus (ESF+):** funds projects aimed at capacity building and skills development, supporting the creation of offices that provide technical and financial assistance to local entities;
4. **COSME Programme:** aids small and medium-sized enterprises (SMEs) in accessing financing options and technical support, aligning with the goals of the Technical and Financial Assistance Office;
5. **Local Funds:** provides national and regional funding to support the establishment and operation of assistance offices, helping entities in Rural Larnaca access suitable funding schemes and navigate financing options.

8.4. Innovative methods for revolutionising interest in archaeological sites

Sub-action 4.1: Develop a Web AR application

Introducing a Web AR app that enhances cultural tourism experiences by recognizing monuments and historical sites through the mobile camera. Users receive real-time information and view

virtual icons overlaid on their surroundings as they walk, thanks to AR and GPS technology. The app also provides 3D models of medieval figures and objects. This innovative tool acts as a live smart guide, offering tours of archaeological and cultural sites. It promises a seamless user experience, promoting village exploration and cultural tourism through modern augmented reality technology.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that integrate technology with cultural tourism, such as AR applications that enhance visitor experiences at historical sites;
2. **Digital Europe Programme:** provides funding for the development and deployment of digital technologies, suitable for creating a Web AR application for cultural tourism;
3. **Creative Europe Programme:** funds innovative cultural projects that utilize digital tools to enhance cultural heritage experiences, aligning with the goals of the Web AR application;
4. **COSME Programme:** aids small and medium-sized enterprises (SMEs) in developing new tourism products and services, including AR applications for cultural sites;
5. **Interreg Europe:** supports interregional cooperation projects that promote best practices and innovation in cultural tourism, suitable for the development of AR technology.

Sub-action 4.2: Develop an online experiences booking platform

“Kalosorisete” is a web-based platform offering online booking for experiences in Rural Larnaca, Cyprus. Hosts manage bookings, while visitors access and book experiences easily. It aims to combat rural urbanization by providing opportunities for locals and showcasing the area's cultural richness. Through “Kalosorisete”, heritage gatekeepers share their expertise with visitors, promoting appreciation of the region's traditions.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports the creation of platforms that enhance cultural tourism and local community engagement, aligning with the goals of the “Kalosorisete” platform;
2. **COSME Programme:** provides funding for SMEs to develop innovative tourism services, including online booking platforms for cultural experiences;
3. **Erasmus+:** funds educational and training programs, supporting the development of skills needed to manage and operate online booking platforms;

4. **Digital Europe Programme:** supports the development of digital infrastructure and tools, suitable for creating and maintaining an online experiences booking platform;
5. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance tourism services and local engagement through digital platforms.

Sub-action 4.3: Develop an Interactive Map for Larnaca

The electronic interactive map of Rural Larnaca highlights key points of interest such as villages, monuments, museums, accommodations, and more. Integrated with the road network, visitors can plan routes on their mobile phones. Utilizing ARCGIS technology, the map provides detailed information, including village history, photos, and links to attractions. Mobile-friendly with a search feature, the map also includes QR codes at points of interest for easy access. Additionally, it can read the user's mobile location for added convenience.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 5: Climate, Energy, and Mobility:** supports projects that develop interactive and digital tools for sustainable tourism and mobility, aligning with the goals of the interactive map;
2. **Digital Europe Programme:** provides funding for the development of digital technologies, including interactive maps and GIS-based applications for tourism;
3. **European Regional Development Fund (ERDF):** supports regional development projects, including the creation of digital tools that enhance tourism infrastructure and visitor experiences;
4. **Interreg Europe:** funds interregional cooperation projects that promote best practices in digital tourism and the development of interactive maps;
5. **Creative Europe Programme:** supports innovative cultural projects that utilize digital tools to promote cultural heritage and tourism, suitable for developing the interactive map for Larnaca.

8.5. Design of touristic packages to promote Rural Larnaca

Sub-action 5.1: Create a multidisciplinary museum

The “Rural Larnaca Honey Villages” is a collective of nine unique villages known for beekeeping and honey production. Devastated by summer fires, these villages are now regenerating through the creation of three beekeeping and honey-themed nature trails. Originating from Melini village,

renowned for its honey, the idea includes a museum showcasing local honey and its connection to the surrounding plants. Poets, artists, musicians, and schoolchildren will be invited to engage with the museum, fostering community involvement and research opportunities sponsored by universities.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that integrate cultural heritage with community involvement and educational activities, aligning with the goals of the multidisciplinary museum;
2. **European Regional Development Fund (ERDF):** provides funding for regional development projects, including the creation and enhancement of museums and cultural centers;
3. **Creative Europe Programme:** funds innovative cultural projects that promote heritage preservation and community engagement, suitable for the development of the multidisciplinary museum;
4. **Erasmus+:** supports educational programs and community involvement initiatives, fostering research opportunities and school engagement with the museum;
5. **Recover and Resilience Plan (RRP):** provides funding for regeneration and recovery projects, supporting the creation of the multidisciplinary museum in the honey villages.

Sub-action 5.2: Design of touristic thematic packages and promotional campaign for Rural Larnaca

This activity involves two main aspects. Firstly, creating a database of cultural and natural heritage sites in Rural Larnaca to develop authentic historical routes and support educational initiatives. Secondly, designing tour packages and promoting Rural Larnaca as a cultural and natural heritage destination for tourists, both local and international, with various vacation durations.

Funding opportunities

1. **Horizon Europe Work Programme 2025 - Cluster 2: Culture, Creativity, and Inclusive Society:** supports projects that promote cultural and natural heritage tourism, aligning with the development of thematic tour packages and promotional campaigns;
2. **COSME Programme:** aids small and medium-sized enterprises (SMEs) in developing and marketing new tourism products and services, including thematic tour packages;

3. **Digital Europe Programme:** provides funding for the development of digital tools and platforms to support the creation and promotion of tour packages;
4. **LEADER Programme:** focuses on rural development, offering funding for community-led initiatives that enhance tourism services and promote local heritage;
5. **National Funds – Deputy Ministry of Tourism:** provides national funding to support tourism initiatives, including the design and promotion of thematic tour packages for Rural Larnaca.

9. Romania-Moldova, Cross-Border Region Action Plan

9.1. Digital marketing and improved digital presence on the internet, of the territory and of the cultural resources of the Route of Stephen the Great and Saint (StGS), from North-East Romania – Moldova

Sub-action 1.1: Stephen the Great, VR route

This sub-action involves enhancing the promotion of the StGS Route at the EU level through the development of a VR application over four years. The VR Route will feature 29 virtual tours encompassing tourist attractions in Moldova and Romania, integrated into a 3D map online platform. The aim is to attract at least 200 tourists in the first year and promote circular tourism initiatives, while increasing interest in traditional and cultural values among younger generations. The platform will offer an interactive learning tool and facilitate cultural education. Additionally, it aims to engage the local community in content creation and storytelling. The sub-action activities include desk documentation, technical research, scenario writing, fieldwork, and platform development. The platform will be freely accessible and offer information on local producers, accommodation, and transportation, aligning with SDG goals.

Funding opportunities

1. **Neighbourhood, Development and International Cooperation Instrument (NDICI):** The "Multiannual Indicative Programme (MIP) 2021-2027 Republic of Moldova" emphasizes tourism, particularly agro-tourism and cultural tourism, as key areas for sustainable economic growth. It highlights initiatives such as establishing wine routes to create jobs and support regional development. The document also focuses on leveraging Moldova's cultural heritage to foster national cohesion and economic development. Sustainable

tourism is promoted through green and blue economic growth, resource-efficient practices, and sustainable transport connectivity. The EU's support aims to integrate environmental concerns and enhance cultural tourism infrastructure. This policy is funded under the European Neighbourhood Policy (ENP) through the Neighbourhood, Development and International Cooperation Instrument (NDICI – Global Europe), which allocates EUR 19.3 billion for the Neighbourhood from 2021-2027. NDICI provides substantial funds for projects that enhance digital and cultural promotion within the EU Neighbourhood. This includes digital tourism and cultural heritage projects;

2. **Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** This program funds projects that leverage digital tools to promote cultural heritage and tourism. It supports the development of VR applications and digital platforms for cultural routes;
3. **European Innovation Council (EIC) Accelerator:** provides funding for innovative projects that integrate advanced technologies like VR into cultural and tourism sectors, enhancing digital presence and engagement.

Sub-action 1.2: A virtual journey of heritage

This project aims to enhance the virtual promotion of the StGS Route and increase international visibility for 29 cultural heritage sites and circular tourism initiatives. Over two years, a platform will be developed integrating Matterport interactive 3D virtual tours. The goal is to encourage users to visit physical sites and provide access for those unable to travel. The virtual tours offer unique features such as accessibility from any device, VR compatibility, and digital preservation of heritage assets. Each cultural site will have informative text, photos, and contact details on the platform, available in both Romanian and English. Activities include stakeholder meetings, data collection, platform creation, and quality control.

Funding opportunities

1. **Neighbourhood, Development and International Cooperation Instrument (NDICI):** supports projects aimed at increasing international visibility of cultural heritage sites through digital platforms and VR tours;
2. **Horizon Europe - Cluster 4: Digital, Industry and Space:** funds projects that use digital innovation to enhance tourism services, including virtual tours and 3D mapping;
3. **Creative Europe:** provides funding for projects that promote cultural heritage through innovative and digital means, enhancing access and engagement.

Sub-action 1.3: Update of the website dedicated to the Stephen the Great Route

Funding opportunities

1. **Neighbourhood, Development and International Cooperation Instrument (NDICI):** supports the update and enhancement of digital platforms dedicated to cultural heritage promotion;
2. **Digital Europe Programme:** funds projects aimed at improving digital services and platforms, including those focused on cultural heritage.

9.2. Improved tourism information and heritage interpretation along the Route StGS

Sub-action 2.1: Know the history, know yourself. Pilot Tourism Information Centre, with nZEB standards, fully digitised

The project involves building a digitally advanced, energy-efficient tourist center, complying with EU regulations. It offers information in Romanian and English to promote cultural assets along a designated route. Visitors, including children, will be guided by a digital totem at the Saint Nicolae Monastery. Online promotion and interactive methods will preserve the medieval spirit using renewable energy. The project also integrates with the circular economy by utilizing existing infrastructure and implementing selective recycling.

Funding opportunities

1. **Neighbourhood, Development and International Cooperation Instrument (NDICI):** supports the creation of energy-efficient, digitally advanced tourist centers;
2. **Horizon Europe - Cluster 5: Climate, Energy and Mobility:** provides funds for projects that integrate sustainability into tourism infrastructure;
3. **LIFE Programme:** funds projects that support sustainable and energy-efficient tourism infrastructure.

Sub-action 2.2: Inclusion of the objectives from North-East Romania in the interactive map

Funding opportunities

1. **Neighbourhood, Development and International Cooperation Instrument (NDICI):** supports the development of interactive maps that include tourism and cultural heritage objectives;
2. **Horizon Europe - Cluster 4: Digital, Industry and Space:** funds digital mapping projects and interactive digital tools for tourism;
3. **Interreg Europe:** provides funding for cross-border cooperation projects that include the development of digital tools for tourism.

9.3. Upcycling the existing natural and anthropic resources for creation of new tourism products and experiences

Sub-action 3.1: REVE Heritage. Network of heritage centres for interpretation of material and immaterial patrimony

The REVE project aims to preserve the cultural landscape and enhance tourism by conducting workshops and establishing interpretation centers along the StGS route. These workshops, starting in 2023, will teach traditional construction techniques using recycled wood, fostering an understanding of the local heritage. The REVE Heritage centers, built with circular tourism principles, will offer tourists hands-on experiences in vernacular architecture and handicrafts, facilitated by local communities.

Funding opportunities

1. **Neighbourhood, Development and International Cooperation Instrument (NDICI):** supports projects that enhance cultural heritage through sustainable practices and community involvement;
2. **Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** provides funds for projects that focus on the preservation and promotion of cultural heritage through innovative and sustainable methods;
3. **Creative Europe:** funds projects that promote cultural heritage through sustainable and innovative means.

9.4. Bison Land Heritage

Sub-action 4.1: The Bison's Land Heritage

The Bison's Land Heritage project aims to enhance the tourist experience in Vanatori Neamt nature reserve, integrating natural, cultural, and spiritual elements. Activities include guided tours, spiritual retreats, culinary events, and local craft workshops. Emphasizing sustainable practices, the project promotes community involvement and supports local businesses. Through low-impact events and environmental education, it aims to reduce tourism pressure and preserve the area's heritage. Additionally, the project focuses on empowering locals by offering paid positions in the organizing team and promoting a circular economy through the use of local resources and sustainable methods.

Funding opportunities

1. **Horizon Europe - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment:** provides funding for projects that promote sustainable tourism and conservation of natural heritage;
2. **LIFE Programme:** funds projects that promote the sustainable management and conservation of natural heritage sites.

Sub-action 4.2: Digital Nomads Platform

This sub-action aims to position the region as an attractive destination for digital nomads, offering a transformative and spiritually enriching travel experience. Through a 6-month stay, skilled workers will fill SMEs' skill gaps sustainably. A digital platform, serving as an attraction, guide, and marketing tool, will support this initiative. Emphasizing sustainability, the platform encourages longer stays to reduce carbon footprints and includes a carbon calculator. Named "Hero's Journeys in North East Romania," the platform offers personalized journeys matching individuals' skills and interests, while incorporating historical elements from the Stephanian route.

Funding opportunities

1. **Horizon Europe - Cluster 4: Digital, Industry and Space:** this program funds projects that utilize advanced digital technologies such as virtual reality, augmented reality, and artificial intelligence to enhance tourism services and cultural heritage promotion;
2. **Erasmus for Young Entrepreneurs:** a cross-border exchange program that helps new or aspiring entrepreneurs learn from experienced entrepreneurs running small businesses in other countries. This can provide valuable insights and experiences for both the new entrepreneur and the hosting SME, promoting innovation and collaboration.

3. **Digital Europe Programme:** supports the digital transformation of public administrations and enterprises by funding projects that develop digital skills, infrastructure, and services. This program can provide additional support for creating the digital platform for digital nomads.

10. Västra Götaland, Sweden Action Plan

10.1. Culture and heritage experiences all year round

Subactions Forsvik

- Develop new winter experiences (skiing, skating, ice fishing)
- Offer heritage experiences for children and young people
- Establish a Heritage Innovation Centre
- Create a more attractive and safe thoroughfare
- Ensure access to the mill area and facilities all year round

Subactions Rydal

- Establish public workshops
- Develop the existing conference facility
- Develop unique nature heritage experiences
- Develop heritage and culture experiences along the river Viskan
- Develop a common program on existing scenes and meeting spots

Funding opportunities

1. **Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** this funding supports projects that contribute to the sustainable conservation, development, and regeneration of cultural landscapes. It also promotes innovative business models and technological advances in cultural and creative industries;
2. **European Regional Development Fund (ERDF):** the ERDF supports projects that enhance digital infrastructure, modernize tourism infrastructure, and create new tourism products. This fund can be particularly beneficial for projects aiming to improve digital tools, renovate infrastructure, and promote year-round tourism experiences ;
3. **Interreg Programmes:** Interreg supports cross-border cooperation projects that focus on sustainable tourism and cultural heritage. Projects that aim to develop heritage

experiences and establish public workshops along river Viskan could benefit from this funding;

4. **The New European Bauhaus Initiative:** this initiative aims to integrate sustainability, inclusivity, and aesthetics in funding projects that transform neighborhoods. It supports projects that develop new business models and innovative funding mechanisms for sustainable practices, which could be leveraged for creating attractive and safe thoroughfares and ensuring year-round access to cultural sites.

These funding opportunities provide substantial support for projects that aim to enhance cultural and heritage experiences in Forsvik and Rydal through sustainable and innovative approaches.

10.2. More people choose to stay longer and settle down

Subactions Forsvik

- Attract new inhabitants by interpretation campaign
- Planning and building new homes
- Develop new options for accommodation
- Inventory empty/abandoned houses in the area
- Develop a concept for floating homes/accommodations in the lake

Subactions Rydal

- Inventory and coordinate existing accommodation facilities
- Inventory premises and land for new accommodation
- Planning and building new homes
- Establish an unmanned grocery store
- Create an interpretation campaign – Beautiful Rydal

Funding opportunities

1. **Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** this funding supports projects aimed at cultural and creative industries, which could include interpretation campaigns and the development of cultural heritage sites to attract new inhabitants and tourists. This cluster also supports innovative housing solutions and urban planning, which could be used for building new homes and developing floating accommodations;

- 
2. **European Regional Development Fund (ERDF):** the ERDF supports a wide range of projects, including infrastructure development, modernization of existing facilities, and new housing projects. It also supports sustainable tourism and cultural heritage projects, which can be utilized to develop new accommodation options, inventory empty houses, and create interpretation campaigns;
 3. **Interreg Programmes:** Interreg supports cross-border cooperation projects focusing on sustainable development, including tourism and housing projects. This program can be beneficial for projects aimed at developing new housing, inventorying existing accommodation facilities, and creating interpretation campaigns. It also supports the development of innovative solutions for rural and urban development;
 4. **The New European Bauhaus Initiative:** this initiative promotes sustainability, inclusion, and aesthetics in urban and rural development projects. It supports projects that involve building new homes, developing new accommodation concepts, and improving local infrastructure to attract new inhabitants. The initiative also funds projects that enhance the visual and cultural appeal of areas through interpretation campaigns and other community-driven projects.

These funding opportunities provide substantial support for projects that aim to enhance local living conditions, attract new residents, and develop sustainable and innovative housing solutions in Forsvik and Rydal.

10.3. Easy to visit and live here without your own car

Subactions Forsvik:

- Establish a taxiboat Forsvik – Karlsborg
- Develop a theater bus to events in Forsvik

Subactions Rydal

- Create a carpool in Rydal
- Establish a taxi company in Mark
- Establish rental bikes in Rydal/Mark
- Build a bike path Rydal-Kinna
- Increase the number of bus trips/public transport to Rydal
- Further develop event buses to Rydal

Funding opportunities

- 1. European Regional Development Fund (ERDF):** the ERDF supports sustainable urban transport and climate-resilient mobility projects. This fund can be utilized to establish a taxiboat service, develop theater buses, create carpooling systems, establish rental bikes, build bike paths, and increase public transport options. It also supports low-carbon transport initiatives, which aligns well with the goal of making the area accessible without personal cars;
- 2. Interreg Programmes:** Interreg programmes support cross-border cooperation projects focusing on sustainable mobility and transport. This funding can be applied to projects such as establishing a taxiboat service, developing event buses, and building bike paths. Interreg projects have previously funded low-carbon transport and mobility plans in various regions, making it a suitable option for these initiatives ;
- 3. Horizon Europe - Cluster 5: Climate, Energy and Mobility:** this cluster focuses on developing sustainable and innovative mobility solutions. Funding from this source can support the creation of carpool systems, the establishment of taxi services, rental bike initiatives, and the development of bike paths. It also supports projects aimed at increasing the number of bus trips and enhancing public transport ;
- 4. Recovery and Resilience Facility (RRF):** RRF funds are designed to support the green transition and resilience of the tourism sector, including sustainable transport projects. This facility can be used for establishing rental bikes, building bike paths, increasing bus trips, and further developing event buses. The RRF aims to make regions more accessible and sustainable through improved transport infrastructure ;
- 5. The New European Bauhaus Initiative:** this initiative promotes sustainable, inclusive, and aesthetically pleasing urban and rural development projects. It can support the development of sustainable transport options like bike rentals, carpool systems, and public transport improvements. This initiative aims to enhance the quality of life and accessibility in both urban and rural areas, aligning with the goals of making Forsvik and Rydal more accessible without personal cars.

These funding opportunities provide substantial support for projects that aim to enhance accessibility, promote sustainable transport, and improve mobility options in Forsvik and Rydal.

10.4. More sustainable and creative companies

Subactions Forsvik:

- Create a work-from-home office at the mill
- Start up a craft cooperative in the mill
- Develop a business park in the old sawmill area
- More creative companies in the mill
- Inventory premises in Forsvik and match with new companies

Subactions Rydal:

- Clean contaminated land to create a new venue for events
- Build new houses with integrated offices
- Further develop existing meeting places
- Develop new scenes for public events
- Establish a Culture Factory in Rydal
- Inventory premises in Rydal and match with new companies

Funding opportunities

1. **European Regional Development Fund (ERDF):** the ERDF supports sustainable urban transport and climate-resilient mobility projects. This fund can be utilized to establish a taxiboat service, develop theater buses, create carpooling systems, establish rental bikes, build bike paths, and increase public transport options. It also supports low-carbon transport initiatives, which aligns well with the goal of making the area accessible without personal cars ;
2. **Interreg Programmes:** Interreg programmes support cross-border cooperation projects focusing on sustainable mobility and transport. This funding can be applied to projects such as establishing a taxiboat service, developing event buses, and building bike paths. Interreg projects have previously funded low-carbon transport and mobility plans in various regions, making it a suitable option for these initiatives ;
3. **Horizon Europe - Cluster 5: Climate, Energy and Mobility:** this cluster focuses on developing sustainable and innovative mobility solutions. Funding from this source can support the creation of carpool systems, the establishment of taxi services, rental bike initiatives, and the development of bike paths. It also supports projects aimed at increasing the number of bus trips and enhancing public transport ;

4. **Recovery and Resilience Facility (RRF):** RRF funds are designed to support the green transition and resilience of the tourism sector, including sustainable transport projects. This facility can be used for establishing rental bikes, building bike paths, increasing bus trips, and further developing event buses. The RRF aims to make regions more accessible and sustainable through improved transport infrastructure;
5. **The New European Bauhaus Initiative:** this initiative promotes sustainable, inclusive, and aesthetically pleasing urban and rural development projects. It can support the development of sustainable transport options like bike rentals, carpool systems, and public transport improvements. This initiative aims to enhance the quality of life and accessibility in both urban and rural areas, aligning with the goals of making Forsvik and Rydal more accessible without personal cars.

These funding opportunities provide substantial support for projects that aim to enhance accessibility, promote sustainable transport, and improve mobility options in Forsvik and Rydal.

10.5. Establish a long-term development organization

Subactions Forsvik:



- Start a common forum for development in Forsvik
- Clarify roles and responsibilities for the development of the mill area
- Create a development plan as a complement to the conservation plan
- Create an estate owner network in Forsvik

Subactions Rydal:

- Create a long term cooperation platform/local pact in Rydal
- Coordinate municipal activities that affect Rydal
- Anchor the LAP in the community and decision-makers

Funding opportunities

1. **European Regional Development Fund (ERDF):** the ERDF supports activities contributing to structural change and socioeconomic development. This fund can be utilized to start common forums, clarify development roles, create development plans, and establish networks. Specifically, ERDF funds are available through national or regional programmes managed by relevant authorities, making it suitable for coordinating municipal activities and creating cooperation platforms;

- 
- 
2. **Interreg Programmes:** Interreg supports transnational cooperation projects that address regional development issues. Funding can be applied to creating common forums, developing cooperation platforms, and coordinating municipal activities. Interreg Euro-MED, ADRION, and ALCOTRA are some of the programmes that provide opportunities for such initiatives ;
 3. **Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** this funding supports projects aimed at cultural and creative industries, which could include developing long-term development plans and establishing networks. It also promotes innovative governance and cooperation models that can be utilized for creating and anchoring local action plans (LAPs) ;
 4. **Recovery and Resilience Facility (RRF):** RRF funds are designed to support the resilience and sustainability of regions post-pandemic. This facility can be used for creating development plans, establishing forums, and coordinating municipal activities to ensure long-term development and resilience ;
 5. **COSME Programme:** COSME supports the competitiveness of enterprises and SMEs. It provides funding for developing new business models, enhancing governance, and creating networks and cooperation platforms, which can be leveraged for establishing long-term development organizations and coordinating activities in Forsvik and Rydal.

These funding opportunities provide substantial support for projects aimed at establishing long-term development organizations, coordinating municipal activities, and creating sustainable and resilient development plans for Forsvik and Rydal.

11. Vojvodina, Serbia Action Plan

11.1. Introduction of Innovative Destination Management of the Pilot Heritage Site

Action 1.1: Introduction of innovative mechanisms for cultural tourism management, networking, education, co-operation and co-creation

Sub-Action 1.1.1: Improvement and reuse of the Bač Business Competence Centre for sustainable cultural tourism purposes

Sub-Action 1.1.2: Business Hub Establishment in Sremski Karlovci

Sub-Action 1.1.3: Establishment of the Sustainable Cultural Tourism Centre of Irig Municipality and Fruška Gora

Sub-Action 1.1.4: Development of an integrated, sustainable cultural tourism database for the PHS Irig-Sremski Karlovci- Bač

Sub-Action 1.1.5: Establishment and development of Bač Community Centre

Funding opportunities

- 1. Recovery and Resilience Facility (RRF):** the RRF offers funding opportunities to modernize economies and accelerate the transition to sustainable tourism. Serbia could leverage this facility for projects such as the improvement and reuse of the Bač Business Competence Centre and the establishment of the Sustainable Cultural Tourism Centre in Irig Municipality and Fruška Gora. The focus could be on enhancing digital infrastructure, energy efficiency, and sustainable tourism practices;
- 2. European Regional Development Fund (ERDF) via INTERREG Programmes:** although Serbia does not directly benefit from ERDF, the INTERREG programmes encourage cross-border cooperation. Serbia can collaborate with neighboring EU countries to develop integrated, sustainable cultural tourism databases and establish business hubs that enhance regional tourism competitiveness;
- 3. Enterprise Europe Network (EEN):** EEN provides support for SMEs on innovation, intellectual property rights, and digitalization. By engaging with EEN, Serbian cultural tourism initiatives can receive advice and connect with experts to enhance digital tools for managing and promoting cultural tourism;
- 4. European Cluster Collaboration Platform:** this platform supports industry clusters, including those in tourism, by providing tools to find supporting partnerships on regional, national, and European levels. Serbia can utilize this platform to foster cooperation among cultural tourism entities and enhance sustainable tourism initiatives;
- 5. Single Market Programme (SMP) for SMEs:** the SMP provides financial support and technical assistance to SMEs, including those in the tourism sector. Serbia can benefit from this programme to support the establishment of business hubs and community centers that promote sustainable cultural tourism.

Action 1.2: Rebranding of the pilot heritage site - message development to support human-centred, sustainable, circular tourism and Europeanisation

Sub-Action 1.2.1: Development of premium quality, visually attractive, condensed content with clear messaging

Sub-Action 1.2.2: Development of a Plan for Innovative Event Management in the PHS and an e-Calendar of all events

Sub-Action 1.2.3: Development of an Annual Stakeholder Communication Plan, including informative, promotional and consultative activities and a Monitoring, Evaluation and Reporting Plan

Funding opportunities

- 1. Instrument for Pre-accession Assistance (IPA III):** IPA III supports reforms in countries aiming to join the EU, focusing on sustainable development, innovation, and economic integration. Projects for rebranding heritage sites to promote sustainable and circular tourism can be funded under this instrument, particularly those that foster local community involvement and economic development;
- 2. Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** Horizon Europe's Cluster 2 offers funding for innovative research on European cultural heritage and creative industries. This can support the development of high-quality, visually attractive content and comprehensive communication plans to engage stakeholders and promote heritage sites sustainably;
- 3. Creative Europe Programme:** the Creative Europe Programme supports initiatives that safeguard and promote European cultural and linguistic diversity. Funding can be allocated for projects that develop innovative event management plans and create premium quality content to enhance the visibility and attractiveness of heritage sites;
- 4. Interreg IPA CBC (Cross-Border Cooperation):** the Interreg IPA CBC programme fosters cross-border cooperation between Serbia and neighboring countries. Funding can be used for projects that develop cross-border event management plans and communication strategies to promote cultural heritage and sustainable tourism;
- 5. EU4Culture:** EU4Culture supports cultural initiatives outside the EU, including those in Serbia. The programme funds projects that enhance cultural heritage and support creative industries. Developing premium quality content and stakeholder communication plans that align with sustainable tourism principles can be funded under this programme.

Action 1.3: Use of Information Technologies and smart solutions for effective management of sustainable cultural tourism and communication about the Pilot Heritage Site

Sub-Action 1.3.1: Improved presentation and promotion of the Pilot Heritage Site on the Internet and via electronic media

Sub-Action 1.3.2: Creation and Uploading of the Pilot Heritage Site Digital Maps (for hikers, runners and bikers)

Sub-Action 1.3.3: Development of mobile phone applications for visitors and other beneficiaries in the Pilot Heritage Site

Funding opportunities

1. **Instrument for Pre-accession Assistance (IPA III):** IPA III supports Serbia in adopting and implementing EU standards, with a focus on sustainable development and innovation. Projects aiming to improve the digital presentation and management of heritage sites can receive funding, especially those enhancing local economic and cultural development;
2. **Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** Horizon Europe's Cluster 2 funds innovative projects that enhance cultural heritage through digital technologies. This can support initiatives like improving the online presence of heritage sites and developing mobile applications for visitor engagement and management;
3. **Creative Europe Programme:** the Creative Europe Programme supports the digitalization of cultural heritage. Funding can be allocated for projects that improve the online promotion of heritage sites and create digital maps for tourists, enhancing the visitor experience through innovative digital tools;
4. **Interreg IPA CBC (Cross-Border Cooperation):** the Interreg IPA CBC programme encourages cross-border cooperation between Serbia and its neighbors. Funding can be used for creating and uploading digital maps and developing mobile applications, fostering regional tourism and sustainable management practices;
5. **Digital Europe Programme:** the Digital Europe Programme focuses on bringing digital technology to businesses, citizens, and public administrations. It supports projects that promote digital transformation in various sectors, including tourism. This programme can fund the development of digital maps, mobile applications, and online promotion strategies for the heritage site.

Action 1.4: Development of infrastructure to support sustainable cultural tourism development

Sub-Action 1.4.1: Horizontal integration of the Sustainable Cultural Tourism Action Plan into Municipal Development Plan and Spatial Plan in PHS Municipalities

Sub-Action 1.4.2: Preparation of a Plan for diffuse accommodation in rural areas and education of hosts for service provision to visitors

Sub-Action 1.4.3: Preparation of a Plan for Camping Site Development in Irig, Sremski Karlovci and Bač

Sub-Action 1.4.4: Improved signage and signposting to support sustainable cultural tourism

Funding opportunities

- 1. Instrument for Pre-accession Assistance (IPA III):** IPA III supports the development of infrastructure projects that align with EU standards and sustainable development goals. Funding can be used for integrating tourism action plans into municipal plans, preparing plans for diffuse accommodation and camping site development, and improving signage to promote sustainable cultural tourism;
- 2. Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** Horizon Europe's Cluster 2 funds projects that enhance cultural heritage and sustainable tourism. This can support the integration of sustainable cultural tourism plans into municipal development plans and the preparation of plans for diffuse accommodation in rural areas, including training for hosts;
- 3. Creative Europe Programme:** the Creative Europe Programme supports projects that promote cultural heritage and sustainable tourism. Funding can be allocated for preparing plans for diffuse accommodation and camping site development, contributing to the cultural and economic vitality of rural areas;
- 4. Interreg IPA CBC (Cross-Border Cooperation):** the Interreg IPA CBC programme fosters cross-border cooperation and regional development. Funding can be used for preparing plans for camping site development and improving signage and signposting, enhancing connectivity and accessibility for sustainable cultural tourism in border regions;
- 5. Erasmus+ Programme:** Erasmus+ supports education, training, youth, and sport in Europe. This programme can fund the education and training of hosts in service provision to visitors, contributing to the preparation of a plan for diffuse accommodation in rural areas. Erasmus+ offers opportunities for learning and professional development, which can be leveraged to enhance skills in sustainable tourism and hospitality management.

11.2. Development of New and Improvement of the Existing Value Chains in the Circular Tourism Context

Action 2.1: Rehabilitation of selected localities in the pilot heritage site to support sustainable cultural tourism development

Sub-Action 2.1.1: Rehabilitation of urban Irig historic centre, content and product redesign in line with contemporary meaning of heritage and circularity principle

Sub-Action 2.1.2: Rehabilitation and reuse of the Court Garden in Sremski Karlovci and digitalisation of Karlovac Grammar School herbarium

Sub-Action 2.1.3: Development of a revitalisation plan and for reuse of industrial heritage sites Drobilana in Vrdnik and Water Pumping Station Plavna in Bač

Sub-Action 2.1.4: Reconstruction and rehabilitation of Bač Hamam to be reused as a spa/wellness centre

Sub-Action 2.1.5: Rehabilitation of the historical ambiance of Bač Fortress - the Mostonga Riverbed

Funding opportunities

- 1. Instrument for Pre-accession Assistance (IPA III):** IPA III supports projects that promote sustainable development and cultural heritage preservation. Funding can be used for the rehabilitation of urban historic centers, reuse of gardens and industrial heritage sites, reconstruction of historic buildings for new purposes, and the enhancement of historical ambiances to boost cultural tourism ;
- 2. Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** Horizon Europe's Cluster 2 provides funding for innovative projects that enhance cultural heritage through sustainable practices. This can support the redesign of historic urban centers, digitalization of cultural artifacts like the Karlovac Grammar School herbarium, and the development of revitalization plans for industrial heritage sites ;
- 3. Creative Europe Programme:** the Creative Europe Programme supports initiatives that promote cultural and creative sectors. Funding can be allocated for the rehabilitation of urban historic centers, the reuse of gardens, and the digitalization of cultural artifacts, aligning with contemporary heritage meanings and circularity principles ;

4. **Interreg IPA CBC (Cross-Border Cooperation):** the Interreg IPA CBC programme supports cross-border cooperation projects. Funding can be used for the development of revitalization plans for industrial heritage sites and the reconstruction of historic buildings, such as converting Bač Hamam into a spa/wellness center, fostering regional tourism and sustainable development;
5. **Erasmus+ Programme:** Erasmus+ supports education and training initiatives that can include the digitalization of cultural heritage and the development of plans for the reuse of industrial heritage sites. This programme can fund training and educational projects related to the digitalization of the Karlovac Grammar School herbarium and the revitalization of industrial heritage sites, enhancing skills and knowledge in cultural heritage preservation.

Action 2.2: Creation of new human-centred tourism content and new product development through heritage reinterpretation

Sub-Action 2.2.1: Adding contemporary meaning to heritage and innovative reuse of archeologic sites in the context of sustainable cultural tourism (Bač Fortress, Vrdnik Tower and other)

Sub-Action 2.2.2: Recreation and contemporary interpretation of female heritage in Irig, Sremski Karlovci and Bač (4 Dragon Ladies, etc.)

Sub-Action 2.2.3: Development of a unique access to cultural, historical and artistic treasure of the PHS Irig, S. Karlovci and Bač via diffuse approach

Sub-Action 2.2.4: Development of an archaeological map of the pilot heritage site

Sub-Action 2.2.5: Preservation of old crafts through development of a unique tourism package, including products, experiential workshops and learning by doing

Funding opportunities

1. **Instrument for Pre-accession Assistance (IPA III):** IPA III supports sustainable development and cultural heritage preservation in pre-accession countries. This includes funding for the innovative reuse of archaeological sites, contemporary heritage interpretation, developing unique access approaches, creating archaeological maps, and preserving old crafts through tourism packages;
2. **New European Bauhaus Initiative:** the New European Bauhaus initiative supports projects that blend sustainability, aesthetics, and inclusiveness. This can be used for adding

contemporary meaning to heritage sites and creating archaeological maps that integrate sustainable tourism practices and enhance the aesthetic value of the sites ;

3. **COSME Programme (Competitiveness of Enterprises and Small and Medium-sized Enterprises):** COSME supports the competitiveness of SMEs in tourism. Funding can be allocated for developing unique access methods to cultural treasures and preserving old crafts through tourism packages, which include experiential workshops and learning activities, enhancing local SME involvement in cultural tourism ;
4. **Digital Europe Programme:** the Digital Europe Programme focuses on bringing digital technology to businesses and citizens. It can fund the creation of digital archaeological maps and the preservation of old crafts through digital platforms, virtual workshops, and interactive learning experiences ;
5. **Creative Europe Programme:** the Creative Europe Programme supports cultural and creative sectors. Funding can be allocated for the recreation and contemporary interpretation of female heritage and the development of unique access approaches to cultural, historical, and artistic treasures using innovative and creative methods.

Action 2.3: Innovative tourism product for creating a unique sensory experience of the pilot heritage site

Sub-Action 2.3.1: Redesign and rethinking of wine tourism, with a focus on 5 senses

Sub-Action 2.3.2: Development of human-centred, total wellness tourism

Sub-Action 2.3.3: Development of gastronomic offer

Sub-Action 2.3.4: Monastery product development

Funding opportunities

1. **Instrument for Pre-accession Assistance (IPA III):** IPA III provides funding for projects that promote sustainable development and enhance cultural heritage. This includes redesigning and rethinking wine tourism with a sensory focus, developing wellness tourism, enhancing gastronomic offerings, and creating monastery-related products ;
2. **Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** Horizon Europe's Cluster 2 funds projects that drive innovation in cultural heritage and tourism. This can support sensory-focused wine tourism, development of unique gastronomic offers, and creating products related to monasteries that enhance cultural tourism ;

3. **Creative Europe Programme:** the Creative Europe Programme supports cultural and creative initiatives. Funding can be allocated for developing innovative gastronomic offerings and monastery product development, promoting local cultural and culinary heritage;
4. **Erasmus+ Programme:** Erasmus+ supports education and training projects. This can include training programs for developing human-centred wellness tourism and creating educational modules for monastery product development, enhancing skills and knowledge in these areas;
5. **EU4Health Programme:** the EU4Health Programme supports initiatives that promote health and well-being. Funding can be used to develop human-centred wellness tourism projects that focus on total wellness experiences, integrating health, relaxation, and cultural aspects into the tourism offering.

Action 2.4: The hidden side of the Danube and other water resources - eco-experience of flora and fauna

Sub-Action 2.4.1: Flora and fauna - digitally and on foot

Sub-Action 2.4.2: Eco-experience on water

Funding opportunities

1. **Instrument for Pre-accession Assistance (IPA III):** IPA III supports sustainable development and environmental protection projects. Funding can be used for developing digital and on-foot experiences of flora and fauna, as well as creating water-based eco-experiences, promoting ecological tourism and conservation efforts;
2. **LIFE Programme:** the LIFE Programme is the EU's funding instrument for the environment and climate action. It supports projects that protect and improve the environment. Funding can be allocated for creating digital platforms and guided tours to explore local flora and fauna, as well as water-based eco-experiences that highlight the biodiversity of the Danube and other water resources;
3. **Horizon Europe - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment:** Horizon Europe's Cluster 6 funds projects that support biodiversity and ecosystem services. This can support the development of both digital and physical experiences of flora and fauna, as well as eco-friendly water tourism activities;

4. **Interreg IPA CBC (Cross-Border Cooperation):** the Interreg IPA CBC programme supports cross-border cooperation on environmental projects. Funding can be used for joint initiatives to create digital and physical eco-experiences that span borders and promote regional biodiversity and sustainable tourism;
5. **Creative Europe Programme:** the Creative Europe Programme supports cultural projects that can integrate environmental education. Funding can be used to develop digital platforms that offer immersive experiences of local flora and fauna, combining creativity with environmental awareness.

Action 2.5: Creating conditions for rural co-living in Fruška Gora and Bač surroundings

Sub-Action 2.5.1: Establishment of a rural diffuse museum

Sub-Action 2.5.2: Development of a virtual rural co-living tour

Sub-Action 2.5.3: Youth exchange in the context of rural co-living

Sub-Action 2.5.4: Knowledge exchange and learning of old crafts by doing

Sub-Action 2.5.5: Waste recycling and use of natural materials for developing eco-friendly and ecological products (e.g., souvenirs)

Sub-Action 2.5.6: Development of a Rural Co-Living Plan

Funding opportunities

1. **Instrument for Pre-accession Assistance (IPA III):** IPA III supports projects that enhance sustainable development and cultural heritage. Funding can be used for establishing a rural diffuse museum, developing virtual rural co-living tours, youth exchanges, knowledge exchange on old crafts, waste recycling initiatives, and creating a comprehensive Rural Co-Living Plan;
2. **Erasmus+ Programme:** Erasmus+ supports education, training, youth, and sport in Europe. It can fund youth exchange programs focused on rural co-living and initiatives for learning old crafts through hands-on experiences, promoting cultural exchange and skill development among young people;
3. **Creative Europe Programme:** the Creative Europe Programme supports cultural and creative sectors. Funding can be allocated for the establishment of a rural diffuse museum and the development of virtual tours that highlight rural co-living, integrating cultural heritage with modern technology to attract tourists;

4. **Horizon Europe - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment:** Horizon Europe's Cluster 6 funds projects that promote sustainable and ecological practices. This can support waste recycling initiatives, the use of natural materials to develop eco-friendly products, and the creation of a comprehensive Rural Co-Living Plan that fosters sustainable rural development;
5. **LIFE Programme:** the LIFE Programme is the EU's funding instrument for the environment and climate action. It can fund projects that focus on recycling waste and using natural materials to create eco-friendly products, promoting sustainability and reducing environmental impact in rural areas.

Action 2.6: Innovative suggestions of business solutions for Hackathon

Sub-Action 2.6.1: Frushking 8x4x4 (Bač, Sremski Karlovci and Irig)

Sub-Action 2.6.2: Bač by Touch (Bač, Sremski Karlovci and Irig)

Sub-Action 2.6.3: Cultural overload – Irig Road, Digital Map with Attractions and Booking Options (Municipality of Irig but it is applicable to all municipalities)

Sub-Action 2.6.4: Tourism XR Bike Tour (Bač, Sremski Karlovci and Irig)

Sub-Action 2.6.5: BISK – a multicultural fairy tale (Bač, Sremski Karlovci and Irig)

Funding opportunities

1. **Instrument for Pre-accession Assistance (IPA III):** IPA III supports projects that promote innovation, digital transformation, and sustainable development. Funding can be used to support hackathon initiatives that aim to develop innovative business solutions in cultural tourism, including digital maps, XR bike tours, and multicultural projects;
2. **Horizon Europe - Cluster 4: Digital, Industry and Space:** Horizon Europe's Cluster 4 supports digital innovation and transformation. Funding can be used for projects like Frushking 8x4x4, Bač by Touch, and Tourism XR Bike Tour, which leverage digital technologies to enhance cultural tourism experiences;
3. **Creative Europe Programme:** the Creative Europe Programme supports cultural and creative sectors. This can fund initiatives like Bač by Touch and BISK – a multicultural fairy tale, which promote cultural heritage and multicultural narratives through innovative storytelling and technology;
4. **Erasmus+ Programme:** Erasmus+ supports education, training, and youth initiatives. Funding can support hackathons that involve young people in developing innovative

tourism solutions, such as Frushking 8x4x4 and creating digital maps with attractions and booking options;

5. **Digital Europe Programme:** the Digital Europe Programme aims to boost digital skills and innovation. Funding can be allocated for developing a Cultural Overload digital map with attractions and booking options, as well as the Tourism XR Bike Tour, enhancing digital tourism infrastructure and experiences.

11.3. Integration of the Pilot Heritage Site Bač - S. Karlovci - Irig into European Tourism Space

Action 3.1: Cultural diversity as a Priority Asset of the PHS Irig-Sremski Karlovci-Bač

Sub-Action 3.1.1: Visitor-centred revalorisation of the pilot heritage site for better visibility and accessibility of culturally and ethnically diverse assets

Sub-Action 3.1.2: Rethinking and human-centred redesign of the PHS' culturally diverse tourism assets (Serbian, German, Romani, Shokac, Slovak and Hungarian heritage)

Sub-Action 3.1.3: Development of eProgram of Cultural Diversity Events with international participation

Sub-Action 3.1.4: Reuse of ethnic house Didina kuća in Bač and and Bač Cradle initiative for old craft revitalization and dissemination

Sub-Action 3.1.5: Promotion of German cultural and historical heritage in Sremski Karlovci and Bač (Home of the Danubian Germans)

Sub-Action 3.1.6: Development of Slovak ethnic households

Sub-Action 3.1.7: Establishment and development of ethno-house network

Funding opportunities

1. **Instrument for Pre-accession Assistance (IPA III):** IPA III supports projects that promote cultural diversity, heritage preservation, and sustainable development. Funding can be used for revalorising and redesigning culturally diverse tourism assets, developing cultural diversity event programs, reusing ethnic houses, and establishing ethno-house networks;
2. **Creative Europe Programme:** the Creative Europe Programme supports cultural and creative sectors. Funding can be allocated for the human-centred redesign of culturally

diverse tourism assets, development of international cultural diversity events, and promotion of German cultural and historical heritage ;

3. **Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** Horizon Europe's Cluster 2 funds projects that enhance cultural heritage and inclusivity. This can support visitor-centred revalorisation of heritage sites, development of ePrograms for cultural diversity events, and development of Slovak ethnic households ;
4. **Erasmus+ Programme:** Erasmus+ supports education, training, and youth initiatives. Funding can support the development of ePrograms for cultural diversity events, revitalization of old crafts, and establishment of ethno-house networks, fostering cultural exchange and skill development;
5. **Europe for Citizens Programme:** this programme aims to promote understanding of the EU, its history, and diversity. It can fund projects that enhance the visibility and accessibility of culturally diverse assets and promote German cultural and historical heritage, fostering a sense of European identity and cultural heritage.

Action 3.2: Religious diversity in the pilot heritage site - creating opportunities for a unique spiritual experience

Sub-Action 3.2.1: Development of digital routes for spiritual journey experience

Sub-Action 3.2.2: e-Calendar of religious events. spiritual holidays, cultural artistic and other events in a religious site setting

Sub-Action 3.2.3: Development of an Action Plan for opening and improved use of PHS religious sites for visitors, aligned with the congregations' rules

Funding opportunities

1. **Instrument for Pre-accession Assistance (IPA III):** IPA III supports projects that promote cultural heritage preservation and sustainable tourism. Funding can be used for developing digital routes for spiritual journeys, creating e-Calendars of religious events, and developing action plans for opening and using religious sites for visitors in alignment with congregational rules ;
2. **Creative Europe Programme:** the Creative Europe Programme supports cultural and creative initiatives. Funding can be allocated for the development of digital routes for spiritual journeys and creating e-Calendars of religious and cultural events to promote religious heritage and enhance visitor experiences ;

- 3. Horizon Europe - Cluster 2: Culture, Creativity and Inclusive Society:** Horizon Europe's Cluster 2 funds projects that enhance cultural heritage through innovation and inclusivity. This can support the development of digital routes for spiritual journeys and the creation of action plans for better use of religious sites while respecting congregational rules;
- 4. Erasmus+ Programme:** Erasmus+ supports education, training, and youth initiatives. Funding can support the development of digital routes for spiritual journeys and training programs for managing and promoting religious sites in a way that aligns with congregational rules and enhances visitor experiences ;
- 5. Europe for Citizens Programme:** this programme aims to promote understanding of the EU, its history, and diversity. It can fund projects that create e-Calendars of religious events and develop action plans for opening and using religious sites, fostering cultural understanding and promoting religious diversity.

Action 3.3: Diversity of natural heritage - an opportunity for unique experience

Sub-Action 3.3.1: Digital nature - interactive maps and instructions for environmental protection

Sub-Action 3.3.2: Development of a Plan for Use and Protection of Natural Reservation Sites and its alignment with higher policy documents (Tourism Master Plan - Fruška Gora)

Funding opportunities

- 1. Instrument for Pre-accession Assistance (IPA III):** IPA III supports projects that enhance sustainable development, environmental protection, and alignment with EU policies. Funding can be used for developing digital interactive maps, creating instructions for environmental protection, and formulating plans for the use and protection of natural reservation sites, ensuring these plans align with higher policy documents like the Tourism Master Plan for Fruška Gora ;
- 2. LIFE Programme:** the LIFE Programme is the EU's funding instrument for environmental and climate action. It supports projects focused on nature conservation, biodiversity, and environmental protection. Funding can be allocated for creating digital tools and interactive maps that promote environmental awareness and the development of comprehensive plans for natural reservation site use and protection ;
- 3. Horizon Europe - Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment:** Horizon Europe's Cluster 6 funds projects promoting biodiversity, ecosystem services, and sustainable natural resource management. This can support the

creation of digital interactive maps, environmental protection instructions, and the development of plans for natural reservation sites that align with broader policy frameworks;

4. **Interreg IPA CBC (Cross-Border Cooperation):** the Interreg IPA CBC programme supports cross-border cooperation projects that enhance environmental sustainability and conservation. Funding can be used for cross-border initiatives that develop interactive maps and environmental protection guidelines, and for creating aligned plans for the sustainable use and protection of natural reservation sites;
5. **Creative Europe Programme:** the Creative Europe Programme supports cultural and creative sectors with a potential focus on integrating environmental themes. Funding can be used to develop innovative digital tools and interactive maps that educate the public on environmental protection and showcase natural heritage in a creative and engaging way.



7. Conclusions

The Be.CULTOUR project represents a significant step towards the development and implementation of sustainable and circular cultural tourism practices across Europe. Through a comprehensive analysis of traditional and innovative financing mechanisms, this deliverable has highlighted the critical role that diverse funding sources play in supporting the transition towards a greener and more resilient tourism sector.

Cultural tourism can be a powerful driver for sustainable development, contributing to economic growth, social cohesion, and environmental conservation. By adopting the "heritage capital approach," stakeholders can ensure that cultural heritage sites are preserved and utilized in a manner that benefits both present and future generations.

The analysis provided a detailed overview of various financing mechanisms, including grants, equity, debt instruments, crowdfunding, and public-private partnerships (PPPs). Each of these mechanisms offers unique advantages and challenges, and their effective combination can enhance the financial sustainability of cultural tourism projects.

European Structural and Investment Funds (ESIFs) and other EU programs play a pivotal role in financing cultural tourism initiatives. The synergies between ESIFs and other funding sources, such as the Creative Europe Programme and Horizon Europe, can amplify the impact of investments and support the scaling of sustainable practices across regions.

Integrating sustainability into tourism and cultural heritage management requires addressing challenges such as cultural disinheritance, dominance of short-term economic gains over long-term sustainability, and lack of fundraising knowledge and skills. Proposed solutions include promoting local involvement, balanced growth, diversified funding sources, and innovative financial tools.

The second version of this deliverable has enriched the initial findings with updated information and specific funding opportunities for the implementation of Local Action Plans in the pilot regions. By leveraging a broad network of stakeholders and collaborative innovation networks, the Be.CULTOUR project aims to create a resilient and sustainable cultural tourism sector that enhances community well-being and preserves cultural heritage for future generations.

The findings and recommendations presented in this deliverable provide a robust framework for stakeholders to navigate the complexities of financing sustainable cultural tourism. The collaborative efforts and strategic investments highlighted here will be crucial in driving forward the goals of the Be.CULTOUR project and fostering a sustainable and inclusive future for cultural tourism across Europe.

References

Allegro, I., Lupu, A. Models of Public Private Partnership and financial tools for the cultural heritage valorisation. Urbanistica Informazioni. Special Issue 2018.

Angrisano M. et al (2016), Towards operationalizing UNESCO Recommendations on “Historic Urban Landscape”: a position paper. AESTIMUM 69, Dec 2016, pp.165-210.

Bendixen, P. (1997) Cultural tourism – economic success at the expense of culture? Cultural. Policy 4, 21-46.

Boffo, R., and R. Patalano (2020), “ESG Investing: Practices, Progress and Challenges”, OECD Paris, www.oecd.org/finance/ESG-Investing-Practices-Progress-and-Challenges.pdf

Bonet, L. (2003), 'Cultural tourism' in R. Towse (ed.), A Handbook of Cultural Economics

CLIC project deliverables : [D4.1 Overview Of Hybrid Financial Instruments And Investment Leverage Enablers For Cultural Heritage Adaptive Reuse](https://www.clicproject.eu/deliverables/) and [D4.2 Circular financing models for cultural heritage adaptive reuse](https://www.clicproject.eu/deliverables/) Available at: <https://www.clicproject.eu/deliverables/>

Communication from the Commission - Agenda for a sustainable and competitive European tourism /* COM/2007/0621 final */ available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52007DC0621>

EBILDA, “European Structural and Investment Funds 2021-2027”, may 2020 http://www.eblida.org/Documents/The-European-Structural-and-Investment-Funds_%202021-2027.pdf

European Commission, 2004 Green Paper on public-private partnerships and Community law on public contracts and concessions available at <https://op.europa.eu/it/publication-detail/-/publication/94a3f02f-ab6a-47ed-b6b2-7de60830625e/language-en>

Ex post evaluation of Cohesion Policy programmes 2007- 2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), DG REGIO (Work Package 9: Culture and Tourism Final Report) Contract: 2014CE16BAT034 available at : https://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp9_final_report.pdf

Financial instruments and innovative schemes for cultural heritage FINPIEMONTE (2021) project: ForHeritage “Excellence for integrated heritage management in central Europe”

(CE1649), available at <https://www.interreg-central.eu/Content.Node/D.T1.2.4-Financial-instruments.pdf>

FINCH Interreg Europe Project - Living document on financial instruments and regulatory frameworks for the introduction of partnership with private sector, available at: https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1589466334.pdf

Fusco Girard L., & Gravagnuolo A. (2017). CIRCULAR ECONOMY AND CULTURAL HERITAGE/LANDSCAPE REGENERATION. CIRCULAR BUSINESS, FINANCING AND GOVERNANCE MODELS FOR A COMPETITIVE EUROPE. *BDC. Bollettino Del Centro Calza Bini*, 17(1), 35-52. <https://doi.org/10.6092/2284-4732/5472>

Guide on EU funding 2014-2020 for the tourism sector, Directorate-General for Enterprise and Industry available at: <http://europelago.it/wp-content/uploads/2017/11/2014-GuideEUFunding-for-tourism.pdf>

Nasser N. Planning for Urban Heritage Places: Reconciling Conservation, Tourism, and Sustainable Development. *Journal of Planning Literature*. 2003;17(4):467-479. doi:10.1177/0885412203017004001

Noonan, D.S.; Rizzo, I. Economics of cultural tourism: Issues and perspectives. *J. Cult. Econ.* **2017**, 41, 95–107

OECD (2009), The Impact of Culture on Tourism available at: <https://www.oecd.org/cfe/theimpactofcultureontourism.htm>

OECD (2018), Towards investment and financing for sustainable tourism, OECD Tourism Trends and Policies Chapter 3 available at: <https://www.oecd-ilibrary.org/sites/tour-2018-7-en/index.html?itemId=/content/component/tour-2018-7-en>

OECD (2017a), “Financing approaches for tourism SMEs and entrepreneurs”, *OECD Tourism Papers*, No. 2017/03, OECD Publishing, Paris, <http://dx.doi.org/10.1787/8d06572a-en>.

OECD (2018), *Making Blended Finance Work for the Sustainable Development Goals*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264288768-en>

Richards G., 2018 Cultural Tourism: A review of recent research and trends, in *Journal of Hospitality and Tourism Management*, pag.12 available at https://www.researchgate.net/publication/326247209_Cultural_Tourism_A_review_of_recent_research_and_trends

Ruzibaeva Nargiza Khakimovna. (2021). THE MAJOR WAYS OF FINANCING TOURISM ENTERPRISES. *World Economics and Finance Bulletin*, 2(2), 47-53. Retrieved from <https://scholarexpress.net/index.php/wefb/article/view/113>

Rypkema, D., Cheong, C. Cultural heritage and public-private partnership. 2016. In Rypkema, D. and H. Mikić. *Cultural Heritage and Creative Industries: guidelines for sustainable heritage management*, p. 25-35.

Samans, R. (2016), "Blending public and private funds for sustainable development", in OECD, *Development Co-operation Report 2016: The Sustainable Development Goals as Business Opportunities*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/dcr-2016-9-en>.

Tolina Loulanski & Vesselin Loulanski (2011), The sustainable integration of cultural heritage and tourism: a meta-study, *Journal of Sustainable Tourism*, 19:7, 837-862, DOI: [10.1080/09669582.2011.553286](https://doi.org/10.1080/09669582.2011.553286)

Throsby, D. Cultural Capital. *Journal of Cultural Economics* 23, 3–12 (1999). <https://doi.org/10.1023/A:1007543313370>

UNWTO, (2017) *Tourism and Culture*, UNWTO p.14. Available online: <https://www.unwto.org/tourism-and-culture>

World Tourism Organization (2018), *Tourism and Culture Synergies*, UNWTO, Madrid, DOI: <https://doi.org/10.18111/9789284418978>



Acronyms

[AMIF]	[Asylum and Migration Fund]
[BVI]	[Border Management and Visa Instrument]
[CF]	[Cohesion Fund]
[EC]	[European Commission]
[EMFF]	[European Maritime and Fisheries Fund]
[ERDF]	[European Regional Development Fund]
[ESF+]	[European Social Fund Plus]
[ESG]	[Environmental, Social and Governance]
[ESIFs]	[European Structural Investment Funds]
[FIs]	[Financial Instruments]
[ISF]	[Internal Security Fund]
[OECD]	[Organisation for Economic Co-operation and Development]
[SDGs]	[Sustainable Development Goals]
[SIBs]	[Social Impact Bonds]
[SMEs]	[Small and Medium Enterprises]
[VfM]	[Value for Money]

