



supporting tourism
eco-investors



icer

RECOMMENDATIONS BOOK

providing advice and guidance, and fostering innovation

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providing advice and guidance, and fostering innovation

This section describes ways of how the public sector may provide guidance and advice to help the private sector overcome the unique challenges faced by rural environments, and to further promote innovation and knowledge sharing.

The section is divided into two sub-sections. In the first part, we discuss the need for the public sector to offer advice and guidance about the legal and regulatory environment of rural areas. Raising awareness and sharing knowledge regarding such regulations is an important element of controlling development and fostering sustainability.

In the second part, we examine measures that the public sector may take to foster operational innovation and continuous skill development within rural environments.





3.1 ADVISING AND GUIDING THE PRIVATE SECTOR

It is in the interest of public policy makers to guide and influence the plans and business activities in rural areas. Firstly, since rural tourism, like other forms of tourism, provides an important contribution to GDP. Secondly, because the risks associated with development within rural areas are high both in terms of their potential impact on national environment and heritage as well as on the survival of rural communities.

Another important consideration, which calls for policy makers to take up this advisory role, lies in the need to encourage communities to invest in the economic development of these areas. While existing rural communities may be the ideal guardians of the surrounding environment, they may not possess the business acumen or skills to successfully convert existing farming infrastructure into financially sound tourism operations.

Trends in urbanisation and industrialisation have altered the political and economic activities of rural society. In the past 50 years, the European rural environment has experienced a decline of population living in these areas. This, coupled with a decline in activity in certain rural towns and villages, has led to an overall loss of skill sets used in rural contexts. On the other hand, people returning to the rural environment (counter-urbanisation) and wishing to invest in this setting may not be knowledgeable of what is required. Thus, access to information and knowledge on how to run and manage rural activities becomes crucial.

External investors on the other hand may be unfamiliar with the particular characteristics of rural tourism as well as to the regulatory environment governing these areas. In this sense, the advisory function can be considered as a tool for regulating investment as it helps to communicate effectively such regulations to end users and guide stakeholders toward the achievement of the optimal outcome.





Within a rural context, it is essential to provide existing and prospective investors with easy access to:

- *existing planning policy and regulations, environmental regulations and regulations and/or permitting procedures governing accommodation operations;*
- *the legal and fiscal regime governing such activities, including the availability of state-support mechanisms;*
- *the local availability of knowledge sources on the environment, ecosystems, heritage and sustainable management.*

The potential impact of such guidance is illustrated through the case study presented in Box 3.1.

BOX 3.1 PUBLIC/PRIVATE SECTOR PARTNERSHIPS IN THE DEVELOPMENT OF LARGE/MEDIUM TOURISM PROJECTS, SHANNON REGION, IRELAND



The rationale behind the approach adopted by the Shannon Development is to secure private sector investment in a project that has already been identified by a public agency as meeting an identified gap in the market and for which the agency has thoroughly researched. The Public Agency would have undertaken the market research, listed potential projects, identified a probable location, assembled the land required (if applicable), identified potential sources of grant funding and presented and promoted this to the private sector in the form of a development prospectus. Submissions would be requested from interested parties under normal

public procurement procedures.

The location profiles and development prospects that are developed and distributed by the Shannon Development Agency (SDC) provide potential investors with key information regarding targeted sites, including clear guidance upon the development limitations and environmental/ecological concerns regarding prospective sites.

Furthermore, by negotiating with various other stakeholders in order to earmark areas for specific uses (such as for example a golf course), SDC manages to combine its role as the provider of guidance and information, together with its role as a strategic planner for the area. This allows it greater influence over the economic development of the region.

Evidence of Success

Through this initiative, SDC is able to exert a significant influence in the development of large-scale projects that have a considerable impact on jobs and long term economic growth, with only limited financial investment from the public sector. The Doonbeg Golf Club is a good example of just such a project – creating 200 jobs in a rural area. This is expanded upon further in Box 4.1.



A factor, which underpins the public sector's ability to offer effective guidance, is the governance structure developed to provide such advisory services. Governments across the European Union and other countries vest this function in different governance structures. Some set up regional development agencies, others establish Tourism

Boards or national tourist offices while others charge existing Ministries and departments with this responsibility. A glance at international practices shows that there is no prescriptive form or structure as this very much depends on the overall governance context of the country or region itself.

In establishing the governance framework which provides the 'best-fit' for a particular context, policy makers need to consider the:

- *degree of involvement and cooperation with private operators, rural communities and other stakeholders that they would like to include in the organisation and delivery of advisory services;*
- *the remit of the entity to be set up, whether there should be a single entity which acts as a one-stop-shop for investors or multiple entities providing advice on different aspects.*

A third element in defining the structure's responsibilities is taking into account any related advisory services which would be already in place. For example, a rural community may already be benefitting from rural advisory services which are in themselves a valid contribution towards rural tourism.

Within a rural context, considerable regulatory complexity is created due to the greater need for the public sector to manage the environmental and rural heritage. Providing guidance and advice regarding this issue is thus rendered more important.

3.1.1 ENVIRONMENT AND HERITAGE ADVICE

Environment and heritage advice in a rural context may include a variety of topics including advice related to existing resources (water sources, ecosystem, biodiversity etc) or existing heritage (conservation of historical sites and buildings) and advice on the impact of proposed activities, as well as, the cumulative and synergistic environmental impacts of the principle activity and ancillary activities.

In the rural context, the landscape, the natural

environment and the lifestyle supported by the rural activities constitute an integral part of the rural heritage. Rural heritage is rather vast and is very often classified as an intangible heritage. Intangible heritage is transmitted from one generation to the other and is constantly recreated by communities in response to the environment that they are living in and the day-to-day interactions with nature and their history. The Convention for the Safeguarding



of the Intangible Cultural Heritage defines the intangible cultural heritage as the:

“practices, representations, expressions, as well as the knowledge and skills (including instruments, objects, artefacts, cultural spaces), that communities, groups and, in some cases, individuals recognise as part of their cultural heritage. It is sometimes called living cultural heritage, and is manifested inter alia in the following domains Oral traditions and expressions, including language as a vehicle of the intangible cultural heritage; Performing arts; Social practices, rituals and festive events; Knowledge and practices concerning nature and the universe; and traditional craftsmanship.” (UNESCO, 2003).

Of particular interest to the rural environment are the two latter expressions of intangible heritage defined by UNESCO, primarily the knowledge and practices concerning nature and the universe and the traditional craftsmanship. Such knowledge as stated earlier may be lost or no longer available hence environment and heritage advisory services need to include the availability of information as well as the facility to provide training or information on how to conduct the practices required. In some cases, rural advisory services may go beyond the offering of knowledge but will also provide new and updated technological research which can assist further the provision of traditional practices or knowhow, albeit in a modern technological framework.

The public sector can play an important role in helping research and research establishments to adapt and adopt technology to the circumstances of investors within the rural tourism context. Such guidance bridges the gap between scientists, farmers, users and possibly visitors to the rural environment. It will also facilitate the adoption of technology and its adaptation to local conditions. Information can be translated from a store of knowledge and from new research to farmers and investors. In addition it can help to articulate for research systems the problems faced by people working and earning a living from activities supported by the rural environment. Such centres can also act as enablers for innovation as they act as a focal point for rural investors, farmers to exchange information, to advance further scientific knowledge, and to experience first-hand the results. This is the rationale behind the establishment of Centre for Innovation in Rural Sciences and Environmental Management (CIRSEM) in Gozo, as part of the national strategy for Gozo (Eco Gozo). This centre provides a development tool to close the gap between agricultural producers and the commercial and touristic sectors. The Centre is planned to be active in the following sectors: Mediterranean agricultural sciences, agri-ecosystem management, agri-tourism, food processing and specifications, water management, rural development, agricultural engineering and ecological restoration. This case study is examined in more detail in Box 3.4 .

3.2 FOSTERING INNOVATION AND KNOWLEDGE SHARING

In a global knowledge economy, a location's special endowments (such as access to cheap labour or access to a scenic lake) are not sufficient to guarantee a destination's competitiveness. Through globalisation, access to similar destinations is increasing and competition on the provision of such characteristics

is extensive. As a result, the ability of a destination to make better use of these and other resources, through continuous innovation and knowledge sharing is vital in rendering a competitive advantage (Porter, 2000).



The public sector plays a vital role in fostering such innovation – be it through assisting in the development of clusters or through funding research. A key component to this relates to the provision of adequate training and in creating an environment that is able to attract top talent. This is covered in more detail in Section 5 dealing with fostering sustainabi-

lity. Other key concepts, or methods, that the public sector may use include: facilitating the creation of clusters, networks and associations; providing the public sector with concrete links to academia (and vice-versa); and, establishing topical research centres that offer synergy with the local tourism industry.

3.2.1 NETWORKING AND ASSOCIATION BUILDING

Networks and associations act as avenues towards achieving multiple objectives - including knowledge sharing and innovation. They enhance the advantages of geographic proximity by facilitating the process of identifying and implementing a common destination strategy and are essential in establishing a quality charter. They also allow for the pooling of resources towards the provision of activities that benefit all of a destination's various tourism operators – such as marketing, training and research endeavours. They also act as crucial catalysts for the sharing of knowledge.

The value of knowledge sharing and networks cannot be emphasised enough. It features throughout a number of best practices identified in this project. One example is the Burren Network initiative in Ireland. The Burren Network involves a network of 18 Tourism Business who promote “Responsible travel to natural areas that conserves the environment and improves the well-being of local people” and provide great holiday experiences for all visitors. Tourism businesses involved in the network are committed to local produce, conservation and the community, as well as, to continuing high standards in sustainability. Members of the network, through their packages, have signed up to contributing to conservation and information provision in a variety of ways.

The extent to which a network enables knowledge

sharing varies depending upon the activities engaged by the network. However, even the mere fact that networks highlight all the various operators within a region is valuable knowledge in itself that is shared almost automatically through membership. Networks are also used to organise conferences and technical workshops (with obvious knowledge sharing implications). Furthermore, they often hold forum events that enable industry stakeholders to share their experiences and in this way build a more complete picture of the market situation as a whole. In these ways, networks provide an efficient and cost effective avenue for encouraging the sharing of knowledge.

Nattitude, which is a public sector initiative implemented in the region of Auvergne in France, provides a toolbox to investors and operators which includes technical training and technical guidance documents as well as access to a network of peers, subcontractors and other operators. However, access to these tools is not available to any investor. The Nattitude programme screens potential members who register their interest and guides operators to achieve certain minimum requirements. It is only when these requirements have been met that the operator is granted access to the full range of Nattitude's advisory services. This approach is described in more detail in Box 3.2 below.



BOX 3.2 NATTITUDE, AUVERGNE, FRANCE

Nattitude is a public sector initiative managed by the Regional Tourism Development Board in close cooperation with the Departmental Tourism Boards, the Chambers of Commerce and Industry, Regional Nature Parks and other stakeholders. The initiative has led to the development of a network and a brand for accommodation establishments in this region.

Nattitude adopts a territorial (holistic) approach to development. It is a practical and innovative response to demand for a qualitative offer of eco-responsible tourism accommodation reflecting the image of the new Auvergne. It demonstrates that a public strategy can orient and support private projects in the sector to increase the overall quality of the supply and reduce its impact on the environment.

The objective of Nattitude is to create a range of accommodation choices in line with the natural qualities of Auvergne and its potential in terms of activities and the expectations of today's clientele, namely seeking holidays that combine well-being, discovery of the destination, and at the same time respecting the natural environment.

In order to achieve the above objectives, stakeholders involved in the tourism sector are working together to provide support to establishments including advice, development tools, visibility and marketing.

To be recognized as a Nattitude establishment, the operator is subjected to an evaluation and a selection process based on the following 6 main themes which in turn include over 150 criteria:

- exceptional sites;
- authentic and/or unusual architecture;
- environmental awareness;
- well-being;
- integration of the local economy;
- conviviality and quality of service.

Nattitude also provides a rich and flexible source of guidance regarding eligible projects, through the "Nattitude Book of

Ideas". Apart from showcasing 250 project ideas that are compatible with the Nattitude vision, the book also focuses upon imparting the spirit or vision of the strategy - thereby providing strategic guidance with sufficient flexibility to service providers to express their own personalities and explore new niche ideas.

If the accommodation does not meet the minimum requirements, Nattitude provides guidance on how an establishment can improve its performance. Those establishments that meet the requirements start benefitting from advice and promotional and commercial support given to Nattitude members.

The Nattitude network membership carries several benefits, including access to advisory service on how to promote and develop further the accommodation, as well as the opportunity to participate in technical days and workshops on a variety of business topics.

Evidence of Success

Since inception in 2009:

- more than 235 accommodations were evaluated for membership, and 117 reached the minimum requirements and integrated into Nattitude group;
- more than 100 accommodations benefited from a personal support (and received their progress contract);
- the network held a total of 18 technical days;
- satisfaction ratings have steadily improved, and in the summer of 2011, the network had the highest rating in the region (91%);
- occupancy rates have steadily improved and outperformed regional averages (In July 2011 occupancy rates reached 75% whilst the region's average was 62% and in August 2011, the network's rate improved to 83% whilst the region's average was 75%).

Furthermore, in 2012, more than 50% of assisted accommodations were engaged in a new project to improve the quality of their accommodation.



3.2.2 LINKING TO ACADEMIA

The concept of networking highlights the importance of stakeholders working together. One major stakeholder is the academic body, namely universities and other training institutions. These stakehol-

ders are involved in research and training and therefore can give valid contribution to rural tourism enterprises as well as to public authorities when assisting enterprises.

Advice given by academia and training institutions includes:

- *education and training programmes;*
- *research facilities;*
- *fora, conferences and networks that enable interaction and the sharing of experiences and practical insights;*
- *IT databases and online portals providing access to information;*
- *toolkits (for example a business plan toolkit);*
- *guidance documents.*



The afore-mentioned advice and tool mix addresses the skills' needs and gaps of different audiences. While some may be relevant and useful to external investors, others may be resorted to by rural actors.

Education and training can take various forms. The best practices identified through this project identify a range of education and training methods. The

Shannon development agency has spearheaded the development of an Innovation Platform for the tourism sector. This platform uses a combination of learning and knowledge transfer tools, which bring together academic research and training with the expertise, and practical insight of tourism operators. More details on this platform are provided in Box 3.3.

BOX 3.3 INNOVATION PLATFORM, SHANNON REGION IRELAND

The Innovation Platform is an initiative between the National Centre for Tourism Policy Studies of the University of Limerick, Shannon Development Agency and the Tourism Sector. Together these stakeholders created a learning platform to ensure effective exploitation of the knowledge, expertise, market intelligence and research.

The key objective of this platform is the dissemination of information held by academic institutions to the tourism sector in a manner and form that will drive the development of the tourism industry in the region. This will be carried out through:

- *the development of master classes and an ICT platform for the tourism sector;*
- *the development of training classes for various sectors on how best market knowledge can be linked to productivity and innovation;*

- *using and developing existing "Tourism Learning Networks" to enhance co-operative actions;*
- *establishing a deepening of the learning process through a specific MBA programme in Tourism Management for industry.*

Evidence of success

- *the platform provides a mechanism for the tourism sector to access critical market information;*
- *a two-way channel where the sector learns from academic research and at the same time influences academia which in turn can inform and develop its research efforts through the front line experiences and requirements of the sector.*

The involvement of academia needs to be one that leads to collaboration that is of mutual benefit to all parties involved. Risks in involving academia are that tools developed may be too theoretical and

consequently have little applicability in the real-life context. Working together, so that the industry may feed its needs and insights to academia, can limit this risk leading to beneficial outcomes.



3.2.3 TOPICAL RESEARCH CENTERS

Tourism is rarely the single breadwinner of a destination. This is particularly relevant in the context of rural tourism. A visitor wants to taste and feel the local culture and heritage – this would be lost if the destination is overly tourism centric. To this extent, the agricultural sector is of specific relevance to rural tourism. However, economic pressures and urbanisation place significant strain upon the viability of this industry – particularly in

its more traditional form.

Research that is focused upon enhancing the productivity of such industries that are considered complimentary to a destination's tourism product provide a means of improving the overall sustainability of a destination.

This is illustrated further through the case study presented in Box 3.4 below.

BOX 3.4 CENTRE FOR INNOVATION IN THE RURAL SCIENCES AND ENVIRONMENTAL MANAGEMENT, GOZO



The Centre for Innovation in the Rural Sciences and Environmental Management represents an innovative development for Gozo providing a unique avenue for two-way interaction between researchers and local stakeholders, particularly the farming community and those involved in the environment management on the island.

The central mission of the proposed Centre is research, education and dissemination of knowledge and technologies in Mediterranean agriculture, food production and environ-

mental management.

The Centre aims to become a model research station concentrating on various specialty aspects including Mediterranean agricultural sciences, agri-ecosystem management, agri-tourism, speciality/natural foods processing and certification, rural development, agricultural engineering and ecological restoration. The centre will also provide for the first time in Gozo, an animal research department where in-vivo investigations are carried out in parallel with in-vitro experimentation conducted at both this Centre and the University of Malta (Tal-Qroqq Campus). It is envisaged that in time the Centre will become a centre of excellence for rural sciences, not only nationally, but also within the broader Mediterranean region providing linkages between natural and life sciences and socio-cultural and economic facets.

The establishment of the Centre for Innovation in the Rural Sciences and Environmental Management is expected to promote the safeguarding and long-term sustainability of the rural landscape for the benefit of the farming community, wildlife in general, the tourism sector and residents. The Centre provides space and support for postgraduate research in related fields, linking with a drive towards enhanced innovative capacity and knowledge transfer.



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