



# **ACTION PLAN**

## **04/2019 – 03/2021**

### **Destination SMEs project Vidzeme Planning Region**

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## ABBREVIATIONS

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**VPR** – Vidzeme Planning Region

**MoE** – Ministry of Economics, Republic of Latvia

**EU** – European Union

**IDAL** – Investment and Development Agency of Latvia

**SME** – small and medium sized merchant, that meets the definition provided in the European Commission Regulation No.800/2008 Annex No. 1.

**SO** – specific objective (National Operational Programme ‘Growth and employment’ investment priority No.3.2.: ‘Supporting the capacity of SME’s to engage in regional, national and international markets and innovation processes.’ Specific objective No.3.2.1. to promote the competitiveness and export capacity of SMEs)

## INTRODUCTION

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The policy planning documents developed to support the competitiveness of small and medium-sized enterprises in European regions underline the importance of managing tourist destinations. In order to improve the competitiveness of small and medium-sized enterprises in the tourism sector, it is necessary to promote cluster initiatives at the local and international level, making the management of destinations more effective with broader stakeholder participation, thus ensuring regional cooperation and cross-sectoral linking. Creation of favorable environment for boosting the competitiveness of small and medium-sized enterprises would help companies to develop clusters to offer better and more diversified services. This will increase their competitiveness and economic activity, with a direct impact on job creation and productivity growth in services. Within the Destination SMEs project, examples of good practice in tourist destinations in Europe are identified, through the exchange of experience and knowledge between regions, national level policy planning documents are analyzed and improved with the aim of improving the competitiveness of small and medium-sized enterprises in the tourism sector by developing tourism destination management.

|              |   |
|--------------|---|
| Title        | Destination SMEs  |
| Lead partner | Regional Tourist Development Board of Auvergne (France)   |
| Programme    | Interreg Europe 2014-2020   |
| Partners     | <ol style="list-style-type: none"> <li>1. Regional Tourist Development Board of Auvergne (France)</li> <li>2. Grand Paradis Foundation (Italy)</li> <li>3. Ministry for Gozo (Malta)</li> <li>4. Cork County Council (Ireland)</li> <li>5. Regional Council of North Karelia (Finland)</li> <li>6. Vidzeme Planning Region (Latvia)</li> <li>7. Regional Development Agency Mura Ltd. (Slovenia)</li> </ol> |
| Objectives   | Improve public policies (through structural funds, national or regional policy instruments) dedicated to the support of tourist SMEs and their competitiveness.   |
| Activities   | <p>Experience and knowledge exchange among the project partners;<br/>           Identification of good practices;<br/>           Reciprocal Improvement Analysis of targeted policy instruments;<br/>           Dissemination and follow up activities.</p>   |
| Results      | <p>Increased competitiveness and quality of service of tourist SMEs; Inter-institutional and inter-sectoral cooperation encouraged;<br/>           Individual business strategies strengthened, helping to create efficient service processes, contributing enhanced quality of service;<br/>           A number of targeted policy instruments improved.</p>   |

# 1 GENERAL INFORMATION

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**Partner organisation:**

Vidzeme Planning region

**Other partner organisations involved:**

- Ministry of Economics
- Investment and Development Agency of Latvia
- Vidzeme Tourism Association
- Gauja National Park Tourism cluster “Enter Gauja”
- Gulbene municipality
- Valmiera city council
- Vidzeme University of Applied Sciences
- Company “Valmiermuižas pils”
- Mazsalaca Municipality Council

**Country:** Latvia

**NUTS2 region:** Latvia

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## 2 IMPROVEMENT OF THE TARGET POLICY

At the application stage of the project, all partners identified a public policy which needed improvement. In the case of Latvia name of the target policy is National Operational Programme 'Growth and employment' investment priority No.3.2.: 'Supporting the capacity of SME's to engage in regional, national and international markets and innovation processes.' Specific objective No.3.2.1. to promote the competitiveness and export capacity of SMEs

### Nature of the target policy:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

**Name of the managing authority of the target policy:** Ministry of Economics

Within the scope of the first phase of the Destination SMEs Project, during the experience exchange trips representatives from VPR, together with the project participants, gained new knowledge about good practices on regional competitiveness and destination management examples elsewhere in regions of Europe. Furthermore, several elements of good practices can be implemented and applied to VPR and Latvia. The participants of the VPR task force identified 3 areas of best practices on which the Action Plan activities are based.

### **ACTION 1 Support to tourism SME's in Vidzeme**

In Vidzeme region, the number of small and medium-sized businesses is increasing, especially in the tourism sector as 95% of the tourism enterprises in the region are small and medium-sized businesses. It is essential to promote their competitiveness and seek cooperation models to compete with larger companies. It is important that policy instruments are adapted to the needs of regional SMEs and contribute to their competitiveness. In the context of tourism in Vidzeme, it is necessary to supplement the knowledge base of entrepreneurs, raise awareness, and improve skills and competences. Along aforementioned it is also crucial to support SME's with policy instrument improvements meeting the needs of individual entrepreneur. For instance, revision of priority tourism sectors and expansion of business tourism as well as smart tourism sector governance in prioritised tourism destinations would serve as a base of further rise of competitiveness in foreign and local markets.

### **ACTION 2 Integrated and smart tourism management**

Improved and smart management of tourism destinations would enable targeted and coordinated implementation of the objectives of the national and regional planning documents. It is necessary to establish integrated three-level management and smart governance in Latvia (national – regional – local) and to ensure efficient and coordinated management of tourist destinations at all levels. Increased competitiveness in the Baltic Sea Region can be improved through smart management, competitive offer and effective cooperation.

## **ACTION 3 Development of innovative tourism in Vidzeme**

Creativity, originality and the ability to use the available resources for innovative product development and services that attract tourists form the opportunity for the region to increase its competitiveness. In Latvia, including Vidzeme, there is a common need to identify the direction of development, support and implementation of the tourism development strategy at the regional level.

### **2.1. ACTION 1 Support to tourism SME's in Vidzeme**

#### **The background**

The development of tourism related business in regions is related to the awareness, interest, creativity of tourism service providers and entrepreneurs. Effective circulation of information and communication between entrepreneurs and municipalities would enable Vidzeme's small and medium-sized businesses and increase their competitiveness in the region and Latvia. According to the definition of small and medium-sized enterprises in Latvia under EC Regulation 800/2008, micro-enterprises account for 90% of all economically active small and medium-sized enterprises (employees 1 to 9, annual turnover up to 2 million euro), 9% of small enterprises (employees 10- 49, annual turnover up to 10mil.), 1% medium-sized enterprises (over 50 employees, annual turnover not exceeding 50mil.) (Ministry of Economy, 2017). Economically active enterprises in the statistical regions of Latvia shows that the largest activity of SMEs is in Riga region 42%, Pieriga region 17%, Kurzeme region 12%, Latgale region 11%, Vidzeme region 10% and Zemgale region 9% (CSB data database, 2018) in contrast, in terms of number of hotels and other tourist accommodation establishments, Vidzeme with 164 dwellings outperforms Zemgale, Latgale and Riga regions. The number of available beds is similar to that of Kurzeme region, but the number of local and foreign tourists staying overnight considerably differ, respectively, 24 1728 persons in Kurzeme, but in Vidzeme only 14529.

Within the framework of the project, the most important problems encountered by SMEs in the municipal and regional level have emerged in the workshop, namely, the identification of tourism as an important priority development area at local and regional level, which in turn is linked to the poor tourism management at national level. Recommendations for improvement of deficiencies are related to downward informative support from national to local level. In addition, the achievement of strategic goals of Latvian tourism development can be improved by active involvement of regional level. SME's in Vidzeme would increase the competitiveness through improvement of support measures and effective informative events, training on new models of cooperation such as private-public partnership models. The good governance practices discussed during the project are largely related to the implementation of various successful cooperation models.

#### **Relevance to the project**

Inspiration from Ireland, France and Italy. Public-private partnership has strong potential to be more developed in Vidzeme region. There are already some public-private partnerships evident in Vidzeme region, however, private initiatives alongside public ones are not equally appreciated. Good practice example from Cork

displayed the necessity for networking and effective information circulation. Visit in Ireland showed that most of Cork's tourism entrepreneurs are involved in the organisation's network, and also pay regular membership fees. Entrepreneurs' participation is classified as an active one - both in public-private administration and in networking based on business basics. Each has its own advantages, and is followed closely to ensure that marketing activities are consistent and there is no overlap.

Pessade Outdoor Sports Activities Resort, where public sector funding has been invested in infrastructure development, handing it over to a municipal tourism agency that successfully attracts business people to implement resort activities with both the necessary inventory and facilities. In agreement with several tourist destination municipalities, a project has been developed and implemented, where public funding has been invested, creating an outdoor activity resort, which has been given to a private entrepreneur to be managed for seven years. The entrepreneur develops nature tourism in the resort - a nature trail, an educational program for getting to know various species, several log houses without electricity and water, which are offered as accommodation for tourists. This good practice illustrates the necessity to include nature tourism in regions of Latvia as it widens the business development options for the tourism entrepreneur.

Introd city, called the gateway to the Grand Paradis National Park is an example of a place where, while geographically located in a strategically suitable location for tourism development and near the most popular mountain ski resorts in Italy, attraction of tourists has not been a priority so far. Because of the active entrepreneurs of the city, an informal network of accommodation owners and other tourism entrepreneurs was created with the aim to promote tourism development in the territory. Entrepreneurs have put forward the key drivers for their cooperation in the area. For instance, owners of small hotels are in regular contact with each other in order to be able to accommodate larger groups of tourists. They also work on the diversification of the tourism offers.

**Nature of the action**

| No.    | Actions   | Description               |
|--------|---|---------------------------|
| 2.1.1. | Improve efficiency of performance indicators for policy instrument Specific Objective (SO) 3.2.1. | Target policy improvement |
| 2.1.2. | Improve the list of priority tourism sectors and supported activities                             | Target policy improvement |

**2.1.1. Improve efficiency of performance indicators for policy instrument Specific Objective (SO) 3.2.1.**

In order to increase competitiveness, it is crucial to inform and educate regional stakeholders. This action will improve the information circulation from national to regional level. Regionally organised informative events are expected to encourage usage and, thus, improve performance indicators of National Operational Programme 'Growth and employment' investment priority No.3.2.: 'Supporting the capacity of SME's to engage in regional, national and international markets and innovation



processes.' Specific objective No.3.2.1. to promote the competitiveness and export capacity of SMEs.

Following implementation strategy which further serve as monitoring indicators (see Monitoring plan) will be applied: 1) VPR in close collaboration with IDAL will disseminate informative e-mails to regional tourism entrepreneurs on target policy instrument SO 3.2.1; 2) VPR together with IDAL organise informative events related to the target policy instrument SO 3.2.1. support activities.

**Stakeholder involved:** VPR administration and IDAL. Decides on relevant tourism SME's related information and circulates it. Organises event on target policy instrument.

**Timeframe:** Until IV quarter of 2020

**Costs:** Administrative costs of the involved institutions. Minor costs for organising informative events relating to target policy

**Funding sources:** N/A, budget of the involved institutions.

### 2.1.2. Supplementing the list of priority tourism sectors

To develop and submit a proposal to the MoE for supplementing the list of priority tourism sectors stated in Clause 4 of activity 3.2.1.2 "Promotion of International Competitiveness" of Specific Objective 3.2.1 "Increase exports ratio of high value-added products and services" of the Operational Programme "Growth and Employment" by including strategically thematic tourism directions: nature tourism, culture tourism and creative industries in addition to the existing ones (tourism of business and events, wellness tourism) and include support for the organisation of international public events that would promote the Region's export capacity. This is also coherent with RIS 3 strategies for Vidzeme region where tourism is priority as well as national tourism development documents where regional specialisation potential is highlighted.

Following implementation strategy which further serves as monitoring indicators (see Monitoring plan) will be applied: based on existing knowledge of tourism sectors and supported activities supported by the target policy proposal amendments to the MoE will be prepared.

**Stakeholder involved:** VPR administration – prepares and submits proposals to MoE.

**Timeframe:** Until III quarter of 2019

**Costs:** Administrative costs of the involved institutions.

**Funding sources:** Budget of the involved institutions.

## 2.2. ACTION 2 Integrated and smart tourism management

### The background

The lack of regional tourism management has recently been highlighted in several documents. In Latvia there is a need to improve the hierarchical tourism management system (at the national, regional and local level) (Latvijas Konkurētspējas ziņojums, 2016). In Vidzeme, as elsewhere in Latvia, it is necessary to establish three levels of management and to ensure efficient and coordinated management of tourism destinations at the national, regional and local level (VTA, Tourism Strategy in Vidzeme 2018-2025). Coordination of tourism communication to local and foreign markets in Latvia is realized through the Tourism Marketing Strategy 2018 – 2023. In order to achieve this goal more effectively, the contribution of the regions would be a significant benefit in the implementation of the common strategy. The Report on the Promotion of Tourism Development in the Regions of Latvia, carried out by the Saeima in 2018, also points to the need to determine the role of the regional level tourist management in the country.

During the project a number of good practices have been introduced, which can serve as excellent examples for Latvia and Vidzeme in creating a hierarchy in the governance structure. For example, the example of Ireland, which national tourism policy is based on the creation of regional tourism brands and subordinated funding. From this good practice it is especially advisable to take over the brand implementation guidelines, because in the case of Latvia there is a national brand that, in combination with the identity of the region, would act as a tool for attracting local and foreign tourists.

The results of the project stakeholder workshop reveal the need to build an integrated national, regional and local level of government with specific functions, responsibilities and funding. Within the regions, it is necessary to define management functions, cooperation models with municipalities, other regional institutions, EM and IDAL, emphasizing the competitiveness of regions in Latvia and the Baltics, development of tourism in regions, efficient flow of information.

### Relevance to the project

Inspiration from Ireland, Slovenia, France. The Irish tradition of increasing the competitiveness of regional tourism destinations is closely linked to the implementation of tourism strategies supported by public funding. National tourism policy is purposefully focused on the development of regional tourism destinations, creating larger tourism regions without being confined to the administrative boundaries. Created development, branding and marketing strategies are engrossing for specially defined tourism regions that are larger than NUTS level planning / statistical regions. Such an approach also requires wider inter-institutional cooperation. The Irish National Tourism Organization promotes three destination brands on international markets: the capital city of Dublin, the western region of the country under the brand name "Wild Atlantic Way" and the Eastern Region under the brand name "The Ancient East of Ireland." This approach helps to concentrate resources and make the region's destination offers more internationally recognizable. By implementing such a national approach, the whole area is focused on promoting export on international markets, but there are also places with a strong local tourism

dominance. The nationally-developed regional brands "The Wild Atlantic Way" and "The Ancient East of Ireland" have been extensively discussed with industry and regional representatives, and there are clear steps to the introduction of these brands. Specific tools have been developed to support brand introduction on a place or product level. A common visual identity, an easy-to-understand and informative guide to brand integration a product level, and other guidelines for interpretation have also been developed for the purpose of making and linking of stories, including through the work of guides.

The Republic of Slovenia adopted the Sustainable Development Strategy for Slovenian Tourism 2017-2021 which is based on past experiences and the development specifics of Slovenian tourism, the development of competitive advantages and the promotion of systemic solutions in this area, the effective linking of national, local, regional and entrepreneurial interests in the area of development of tourism, the promotion of global, national and local tourism products, where Slovenia has noticeable competitive advantages, and on the understanding and introduction of modern management methods and techniques in the area of strategic planning and focusing of companies' competitive networks. Furthermore, focusing on attracting foreign tourists and boosting their export capacity, Slovenia has a precise branding and tourism marketing strategy that defines four unique areas of the country with the greatest potential to attract foreign tourists, without being confined to administrative boundaries. Examples include Mediterranean Slovenia and Thermal Slovenia. This approach leads to the optimization of various resources and promotes greater recognition of destinations, while also requiring wider inter-institutional cooperation. There is a similar territorial distribution in Latvia, however, it is related to the boundaries of cultural and historical regions, and not to the specific content and uniqueness of each region's tourism offers. Effective management of each region, according to the experience of Slovenia, is best achieved by promoting the establishment of destination management organizations (DMO).

The regional brand Auvergne Nouveau Monde ("The New World of Auvergne") has been created to strengthen the overall attractiveness of the Auvergne region. A regional association bearing the same name, has developed and is implementing a common marketing strategy for the area, where smart management of tourism destinations plays an important role. This territorial marketing approach, aimed at a common goal, ensures coherence in action, strengthening unity in the territory, and promoting the competitiveness of Auvergne as a tourist destination.

Assessing the successful operation of the Auvergne Nouveau Monde regional tourist destination strategy and branding, it would be desirable for such practices to be taken over by the regions of Latvia in order to promote competitiveness both locally and internationally. To date, Vidzeme's strongest tourist destination brand is Enter Gauja, whose strategy covers the Gauja National Park and its surroundings and has been developed up until 2019. However, there is no comprehensive Vidzeme tourism development and marketing strategy that includes the interaction of existing Vidzeme tourist destinations. Furthermore, the role of key stakeholders, including VPR, Vidzeme Tourism Association and local governments has yet to be defined. As a result, investment in regional tourism development is fragmented and lacks targeted interaction and complementarity.

## Actions

| No.    | Actions  | Description               |
|--------|--|---------------------------|
| 2.2.1. | Assessment report on existing tourism clusters | Target policy improvement |
| 2.2.2. | Proposal on micro cluster initiative           | Target policy improvement |

### 2.2.1. Assessment report on existing tourism clusters

To provide information and advice on improving the criteria stated in activity 3.2.1.1 "Cluster Programme" of Specific Objective 3.2.1 "Increase exports ratio of high value-added products and services" of the Operational Programme "Growth and Employment" by providing the MoE with an assessment of two tourism clusters in Vidzeme Region on the existing programme. The assessment report includes the characteristics of the tourism sector and the possibilities to improve the existing clustering criteria. The existing support for clustering activities concern large scale companies with strong ambitions towards export competitiveness and high degree of innovations that doesn't suit SMEs. The cooperation approach for implementing destinations and promoting SMEs development and cooperation is missing. Clusters combine large numbers of tourism and related entrepreneurs. They have common strategy and brand to increase competitiveness in foreign and local markets boosting strength of a tourism destination.

Following implementation strategy which further serves as monitoring indicators (see Monitoring plan) will be applied: tourism cluster assessment report will be prepared in close collaboration of VPR, tourism clusters and MoE representatives. Beforehand preparatory actions as meeting and interview with the target policy users will take place. Tourism cluster assessment report will serve as an output material for proposals on micro-cluster initiative.

**Stakeholder involved:** VPR administration – prepares and submits proposals to MoE.

**Timeframe:** Until IV quarter of 2019

**Costs:** Administrative costs of the involved institutions

**Funding sources:** Budget of the involved institutions.

### 2.2.2. Proposals on micro-cluster initiative

To develop and submit proposals to the MoE on support measures promoting micro-clustering, improvement of local and regional tourist destination management. It is important that national level policy instrument includes the needs of Vidzeme region tourist SMEs. Latvian tourism development policy guidelines aim at accentuating the creation of regional tourism clusters. The policy is aimed only at clusters with large total turnover of cluster companies, large export numbers, thus favouring large industry associations. The existing programme supports only 1 cluster in each industry. No alternative support programs are planned for development of new smaller scale clusters which could be more suitable for tourism industry.

Following implementation strategy which further serves as monitoring indicators (see Monitoring plan) will be applied: based on the assessment report on existing tourism clusters VPR will also prepare proposal for micro cluster initiative. Proposals will concern specific features on clusters in tourism related sectors (home producers, craftsmen, entrepreneurs that produce and also provide tours) improvement of existing cluster criteria in order to meet needs of regional level, for example, number of cluster members involved, number of employees, turnover etc.

**Stakeholder involved:** VPR administration – prepares and submits proposals to MoE.

**Timeframe:** Until IV quarter of 2019

**Costs:** Administrative costs of the involved institutions

**Funding sources:** Budget of the involved institutions

## 3 OTHER POLICY IMPROVEMENTS

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Thanks to the Destination SMEs project, many interesting practices, initiatives and policies were observed. Some of them offered inspiration to improve the main policy instrument tackled by the project as presented in part 2 of this action plan. But these learnings can also benefit to other policy instruments or local and regional strategies. Destination SMEs partners intend to make use of as many interesting learnings from the project as possible, to make the most of this project. This is the reason why, in addition to the actions presented in Part 2 dedicated to the main policy instrument target, we tried to identify all possible contributions from our project to improve other regional, national or EU policies in one hand (paragraph 3), and transfer effective practices in the other hand (paragraph 4), of course always in relation to the main topic of the project: Destination management.

### 3.1. ACTION 3 Development of innovative tourism in Vidzeme

#### **The background**

Regional competitiveness can be increased through creation of new tourism products and services with high added value. It promotes the development of competitive products in the period from September to May (VTA, Tourism Strategy in Vidzeme 2018-2025). The development of new tourism products should consider diverse aspects, such as involvement of the local community in increasing tourism supply, increasing the employment of local people in the tourism sector, promoting the development of smart specialization in tourism (VTA, Tourism Strategy in Vidzeme 2018-2025).

The results of the project stakeholder workshop indicate, firstly, the necessity to create and improve the competition of innovative tourism products/ services/complex offers at the national, regional and local level and secondly to create an idea contest. It is particularly important to include sustainable, competitive and collaborative seasonal product development in the award regulations. However, in order to create a creative business environment is indicated the necessary training, exchange of experience, involvement of business consultants, creation of business incubators. As stated in the discussion, the precondition for the development of regional tourism is the definition of the region's tourism and marketing strategy.

#### **Relevance to the project**

Inspiration from Development of innovative tourism in Slovenia. Innovative Slovenia is a support program in Slovenia for the development of innovative tourism products as well as award for existing products. For more than a decade, the Slovenian Tourist Board has been organizing a grant competition for the implementation of creative and innovative ideas in tourism. Similar awards for business support are being implemented in separate municipalities in Vidzeme, however, considering the development of new tourism products and support for tourism, it would be important to create award at the national level for innovative seasonal and low tourism season products that would increase tourism flows in this period.

## Action

| No.    | Action  | Description  |
|--------|---|--------------|
| 3.1.1  | Proposal for amendment to national level award                    | Other policy |
| 3.1.2. | Proposal for amendments to the Tourism Law                        | Other policy |
| 3.1.3. | Proposal for integrated three-level tourism management            | Other policy |
| 3.1.4. | Proposal for amendments to Tourism Marketing Strategy 2018 – 2023 | Other policy |

### 3.1.1. Proposal for amendments to national level award ‘The most successful tourism product’

|   |  |
|---|--|
| <b>Name of the improved policy</b>            | Contest regulations ‘The most successful tourism product’  |
| <b>Name of the managing authority</b>         | Investment and Development Agency of Latvia  |
| <b>Description of the policy</b>              | The aim of the contest is to promote the visibility of the Latvian tourism products and promote the most successful new tourism products that are sustainable, innovative, high-quality, with high added value, ensure the involvement of tourists and are suitable for the needs of foreign tourists.   |
| <b>Source of inspiration from the project</b> | <p>The Sejalec is an award given for creative and innovative achievements in Slovenian tourism. It rewards innovations that have already been implemented and successfully contribute to recognisability of Slovenia’s tourist offer. Sejalec award winners have exciting new approaches, they are unusual, original and they cover the areas of marketing, business-mindedness and the promotion of Slovenian tourism.</p> <p>The Snovalec award supports the realisation of creative, inventive and innovative ideas in tourism and is intended for all those who seek confirmation that they are on the right path with regard to implementing ideas in tourism. Award winners receive financial, promotional and professional support. As projects by Snovalec award winners are implemented, they can become innovations that will be ready in the future to become candidates for the Sejalec award.</p> |

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| <b>Description of the expected improvement</b> | Amendments to the contest regulation Article 3 Assessment of Application (assessment criteria and assessment methodology) to increase point value for products implemented in regions during the low season in Latvia as well as products that are successfully used by local tourists and visitors. |
| <b>Players involved</b>                        | VPR, IDAL  |
| <b>Expected timeframe of the improvement</b>   | Until IV quarter of 2020   |
| <b>Costs</b>                                   | Administrative costs of involved institutions.   |
| <b>Funding sources</b>                         | Budget of the involved institutions  |

### 3.1.2. Proposal for amendments to the Tourism Law

|   |   |
|---|---|
| <b>Name of the improved policy</b>            | <b>Tourism Law</b>  |
| <b>Name of the managing authority</b>         | MoE   |
| <b>Description of the policy</b>              | The purpose of this Law is to create a legal basis for the development of the tourism industry in Latvia, to specify the procedure in which State administrative institutions, local governments and merchants operate in the area of tourism and to protect the interests of tourists  |
| <b>Source of inspiration from the project</b> | Ireland where national tourism policy is purposefully focused on the development of regional tourism destinations, creating larger tourism regions without being confined to the administrative boundaries. The Irish National Tourism Organization promotes three destination brands on international markets. This approach helps to concentrate resources and make the region's destination offers more internationally recognizable. By implementing such a national approach, the whole area is focused on promoting export on international markets, but there are also places with a strong local tourism dominance. |

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| <b>Description of the expected improvement</b> | Proposals for Amendments to the Tourism Law include:<br>1) Suggested wording of the relevant paragraph Article 8 regarding competence in the field of tourism for the Planning regions;<br>2) Suggested wording of the relevant Article 1 on used tourism terminology;<br>3) Suggested wording of the relevant Article 3 on Tasks of Tourism industry;<br>4) Suggested wording of the relevant Article 4 on competences of Investment and Development Agency of Latvia regarding smart 3 level governance of the tourism industry in Latvia. |
| <b>Players involved</b>                        | VPR administration – prepares and submits proposals to MoE. MoE assesses the proposals and allocates the tasks to IDAL for the implementation of the mentioned proposals.  |
| <b>Expected timeframe of the improvement</b>   | Until II quarter of 2019   |
| <b>Costs</b>                                   | Administrative costs of involved institutions  |

### 3.1.3. Proposal for integrated three-level tourism management

|   |  |
|---|--|
| <b>Name of the improved policy</b>            | Latvian Tourism Development Guidelines   |
| <b>Name of the managing authority</b>         | MoE  |
| <b>Description of the policy</b>              | To ensure sustainable growth of the Latvian tourism sector by increasing the international competitiveness of the tourism services in export markets in way which 1) meet the criteria for sustainable tourism product development; 2) increase international tourist arrivals; 3) reduce seasonal imbalance in tourism flows; 4) extend the average length of stay.   |
| <b>Source of inspiration from the project</b> | Slovenia where the promotion of systemic solutions are present, namely, effective linking of national, local, regional and tourism entrepreneurs, the promotion of global, national and local tourism products.<br>Ireland where national tourism policy is purposefully focused on the development of regional tourism destinations, creating larger tourism regions without being confined to the administrative boundaries. |

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| <b>Description of the expected improvement</b> | Integrated management of national, regional and local level with defined functions, responsibilities and funding. It is necessary to define management functions within the region, cooperation models with municipalities, other regional institutions and MoE emphasizing the competitiveness of regions in Latvia and the Baltics |
| <b>Players involved</b>                        | VPR administration – prepares and submits proposals to MoE   |
| <b>Expected timeframe of the improvement</b>   | Until IV quarter of 2020   |
| <b>Costs</b>                                   | Administrative costs of involved institutions  |
| <b>Funding sources</b>                         | Budget of the involved institutions  |

### 3.1.4. Proposal for amendments to Tourism Marketing Strategy 2018 – 2023

|   |  |
|---|--|
| <b>Name of the improved policy</b>            | Latvian Tourism Marketing Strategy 2018 – 2023   |
| <b>Name of the managing authority</b>         | MoE, IDAL  |
| <b>Description of the policy</b>              | The aim of the Tourism Marketing Strategy 2018 – 2023 for Latvia is to achieve a well-considered, coordinated and competitive communication and development of tourism products in foreign and local markets, promoting the image of country, sustainable tourism development and efficient use of resources.  |
| <b>Source of inspiration from the project</b> | Thinking about attracting foreign tourists and boosting their export capacity, Slovenia has a precise branding and tourism marketing strategy that defines four unique areas of the country with the greatest foreign tourist attraction, without being confined to administrative boundaries such as Mediterranean Slovenia, Thermal Slovenia. This approach leads to the optimization of various resources and promotes greater visibility of destinations, while also requiring wider inter-institutional cooperation. There is a similar territorial distribution in Latvia, however, it is related to the boundaries of cultural and historical regions, and not to the specific content and uniqueness of each region's tourism offer. |

|   |  |
|---|--|
|   | <p>The Irish National Tourism Organization promotes three destination brands on international markets. This approach helps to concentrate resources and make the region's destination offers more internationally recognizable. By implementing such a national approach, the whole area is focused on promoting export on international markets, but there are also places with strong local tourism dominance.</p> |
| <p><b>Description of the expected improvement</b></p> | <p>Positioning the role of regions in the National Marketing Strategy. Guidelines for business brand design in tourism with detailed information on how to integrate the national tourism brand into the activities of regions, municipalities and entrepreneurs, as well as its use in various services and products.</p>   |
| <p><b>Players involved</b></p>                        | <p>VPR administration – prepares and submits proposals to MoE and IDAL. MoE assesses the proposals and allocates the tasks to IDAL for the implementation of the mentioned proposals.</p>  |
| <p><b>Expected timeframe</b></p>                      | <p>Until I quarter of 2020</p>   |

## 4 GOOD PRACTICES TRANSFERRED

| 4.1. Cittadella, Gozo, Malta   |   |
|--|---|
| <b>Name of the transferred good practice and region of origin</b>                        | Cittadella, Malta, Gozo   |
| <b>Name of the owner of the good practice</b><br><b>Description of the good practice</b> | Cittadella Administration Office (MGOZ)<br><br>The Cittadella Visitor Center, where guests are given the opportunity to familiarize themselves with the history of the Gozo Island through qualitative interpretation, using the latest technologies. The Cittadella Visitor Center, which started operations recently and has already been visited by more than 100 000 guests. This is considered to be the main destination for attracting flows of tourists and promotion for other related services. |
| <b>Name and location of the organization implementing the transfer</b>                   | Kocenu municipality   |
| <b>Description of the transfer</b>   | Adaptation of industrial objects to the needs of tourism, restoring the object and improve the necessary infrastructure. It is planned to develop the water tower of Zilakalns village in Koceni municipality. The 15 m high tower was built in 1950 and is no longer used for water supply. The object is to create modern three-dimensional (3D) interactive expositions.   |
| <b>Players involved</b>  | Kocenu municipality   |
| <b>Expected timeframe of the transfer</b>  | 2018 - 2019   |

## 4.2. Il- Hagar, Gozo, Malta

|  |   |
|--|---|
| <b>Name of the transferred good practice and region of origin</b>      | Il- Hagar, Gozo, Malta  |
| <b>Name of the owner of the good practice</b>                          | Il- Hagar, Gozo, Malta  |
| <b>Description of the good practice</b>                                | Cultural center of il-Hagar (heart of Gozo) has been established with the aim of strengthening Gozo's cultural identity. Implementing an EU-funded project, a museum with a rich collection of historical and artistic artefacts, previously unavailable to the general public, was set up in the cultural center adjacent to the Basilica building. It is a successful example of branding a place, while simultaneously integrating wider array of cultural values into the circulation of tourism. |
| <b>Name and location of the organization implementing the transfer</b> | Kocēnu municipality   |
| <b>Description of the transfer</b>                                     | Rubene church surrounding area, tower and other infrastructure improvement to develop the church as a tourism attraction. Development of an interactive exposition in Rubene church about the author of Livonian Chronicle of Henry.  |
| <b>Players involved</b>  | Kocēnu municipality   |
| <b>Expected timeframe of the transfer</b>                              | 2018 - 2019   |
| <b>Costs and funding sources</b>                                       | LEADER programme and public funding.  |

## 5 MONITORING PLAN

| Actions   | Monitoring indicator   | How to evaluate  | Time frame                | Responsible |
|---|--|--|---------------------------|-------------|
| <b>ACTION 1 Support to tourism SME's in Vidzeme</b>                                 |  |  |                           |             |
| <b>TARGET POLICY</b>  |  |  |                           |             |
| <b>2.1.1. Improve performance of SO 3.2.1.</b>                                      | 1. Number of informative events organised (at least 1)<br>2. Disseminated informative e-mails on SO 3.2.1. from IDAL to region tourism entrepreneurs                     | 1. List of participants (at least 1)<br>2. Agenda of the event (at least 1)<br>3. E-mails sent (mailing list, number of e-mails) | Until IV quarter of 2020  | VPR         |
| <b>2.1.2. Improve the list of priority tourism sectors and supported activities</b> | To prepare and submit a proposal to MoE  | 1. Submitted proposal (at least 1)   | Until III quarter of 2019 | VPR         |
| <b>ACTION 2 Integrated and smart tourism management</b>                             |  |  |                           |             |
| <b>TARGET POLICY</b>  |  |  |                           |             |
| <b>2.2.1. Assessment report on existing tourism clusters</b>                        | 1. Meeting with tourism cluster members (at least 2)<br>2. Minutes of the meeting (at least 2)   | 1. Report on tourism cluster assessment (at least 1)<br>2. Prepared and submitted proposal to MoE (at least 1)                   | Until IV quarter of 2019  | VPR         |
| <b>2.2.2. Proposal on micro-cluster initiative</b>                                  | 1. Prepared and submitted proposal to MoE (at least 1)   | 1. Proposal for micro-cluster initiative (at least 1)  | Until IV quarter of 2019  | VPR         |
| <b>ACTION 3 Development of innovative tourism in Vidzeme</b>                        |  |  |                           |             |
| <b>OTHER POLICY</b>   |  |  |                           |             |
| <b>3.1.1. Proposal for amendment to national level award</b>                        | 1. Number of education events organised (at least 1)<br>4. Prepare and submit proposal to IDAL on regulation of award 'The most successful tourism product' (at least 1) | 1. List of participants (at least 1)<br>2. Proposal to IDAL on national award regulations (at least 1)                           | Until IV quarter of 2020  | VPR         |
| <b>3.1.2. Proposal for amendments to the Tourism Law</b>                            | To prepare and submit a proposal to MoE  | 1. Submitted proposal (at least 1)   | Until II quarter of 2019  | VPR         |
| <b>3.1.3. Proposal for integrated three-level tourism management</b>                | 1. Report to VPR Development Council<br>2. Prepared and submit proposal to MoE (at least 1)  | 1. Decision of VPR Development Council (1)<br>2. Proposal letter for integrated three-level tourism management (at least 1)      | Until IV quarter of 2020  | VPR         |

Signature: \_\_\_\_\_

Guna Kalniņa-Priede, Head of Administration, Vidzeme Planning region

Date: \_\_\_\_\_

Stamp of the organisation:



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Ekonomikas ministrija

*Ministry of Economics of the Republic of Latvia*

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Rīga

15.04.2019 Nr. 3.3-4/2019/2116

### **Vidzeme Planning Region**

#### *Letter of Recommendation for Vidzeme Planning Region*

On behalf of the Ministry of Economics of the Republic of Latvia, the responsible ministry for tourism policy development, I herewith confirm that the Destination SMEs project has been successfully implemented by the Vidzeme planning Region.

I would like to express support to the Vidzeme Planning Region by approving the developed Action Plan for Destination SMEs project. The Ministry of Economics recognizes the significance of the project and its action plan in development of tourism destination management in Vidzeme region and in the whole country.

Yours sincerely,

Gatis Silovs 

Director of Sectoral Policy Department