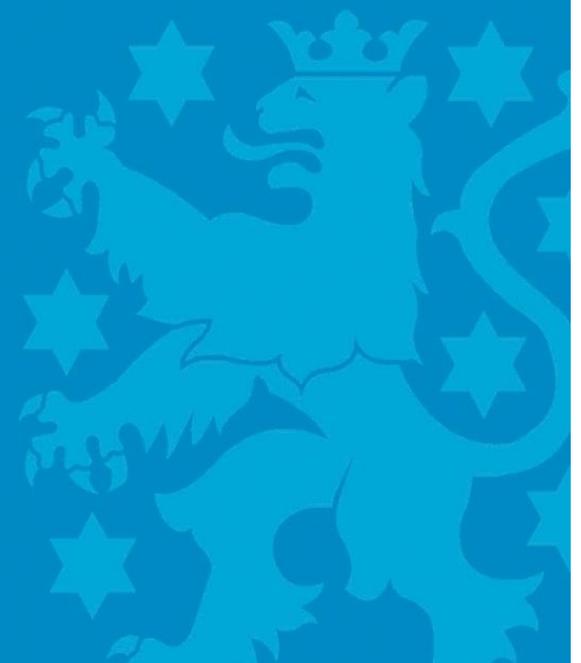




Evaluation of the measures to promote tourism within the OP for Thuringia ERDF 2014-2020

Management Summary



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Mandate understanding and evaluation concept

The Free State of Thuringia specifically supported measures to promote tourism within the framework of the ERDF Operational Programme for Thuringia for the funding period 2014-2020. The support was justified by the lack of competitiveness of some tourist attractions in Thuringia, but also by the potential for improvement of the region's image as a tourist destination both at home and abroad. dwif-Consulting GmbH were commissioned to evaluate these measures. The remit was to carry out an impact analysis and assess the achievement of objectives, as well as to identify potential areas for improvement.

The evaluation was carried out from May to July 2021 and based on discussions with representatives at state level/sponsors and selected grant recipients, a standardised online survey of all grant recipients, and five detailed case studies:

- The Klassik Stiftung Weimar
- Leuchtenburg Castle
- Sonneberg Toy Museum
- The Thuringia Bach Festival
- Thüringer Tourismus GmbH

Funding data

The evaluation is based on 59 projects approved between 01.01.2014 and 31.12.2020. Of these, 33 were classified as marketing projects, 12 as infrastructure projects, and 13 as cultural and artistic projects. The spectrum of projects funded is very wide: event marketing, measures related to the Federal Garden Show 2021, special exhibitions, the re-design and upgrading of tourist information offices or the design of public areas/paths are just some examples of the diverse projects.

| Category | Number | of which with "physical closure" | Investment volume | ... of which ERDF funds | Funds from State of Thuringia |
|--------------------------|-----------|----------------------------------|----------------------|-------------------------|-------------------------------|
| Marketing project | 33 | 24 | €3.7 million | €2.1 million | €750 000 |
| Infrastructure project | 12 | 2 | €8.0 million | €4.4 million | €2.1 million |
| Art & Culture | 13 | - | €36.6 million | €29.3 million | €4.5 million |
| Thüringer Tourismus GmbH | 1 | - | €6.8 million | €5.4 million | €1.4 million |
| Total | 59 | 26 | €55.2 million | €41.2 million | €8.8 million |

Source: Master data (TMWWDG 2020); own research (dwif 2021)

At the time of the evaluation, only some of the projects had been completed. These were predominantly in the marketing strand. The table above gives an overview of the projects to be evaluated, differentiated according to the funding strand.

The 59 projects to be evaluated had a total investment volume of EUR 55.2 million, of which EUR 41.2 million came from ERDF co-financing. Other sources of funding were also available, consisting mainly of state funds from the Free State of Thuringia and funds from municipalities, but in some cases also of private equity. At EUR 6.8 million, Thüringer Tourismus GmbH's package of measures is the project with the largest investment sum among the measures to be evaluated.

Achievement of target indicators

In the ERDF OP for Thuringia, Specific Objective 6, to attract more domestic and foreign visitors (Priority Axis 2, Investment Priority 3d), is subject to the following target indicators in the promotion of tourism:

- *Result indicators "total commercial overnight stays" and "foreign overnight stays"*: For the total number of overnight stays in 2023, a target of 11 million overnight stays has been set. Of these, at least 730 000 are expected to be accounted for by foreign demand. Despite a positive development in the figures up to 2019, there was a considerable drop in numbers in 2020, especially in foreign demand. This can be attributed to the Covid 19 pandemic. Given the ongoing effects of the pandemic, it does not seem realistic that the set targets will be reached by 2023. Foreign demand in particular continues to suffer as a result of travel restrictions for international cross-border traffic.
- *Output indicators "Number of tourism projects" and "Number of marketing measures in tourism"*: The two target numbers of 24 funded tourism projects and 34 marketing measures were slightly exceeded or achieved exactly with the projects approved by 31.12.2020 (25 and 34 projects respectively).
- *Output indicator "Increase in expected number of visitors to supported sites"*: The expected increase in the number of visitors for the year 2023 has been put at around 700 000. On the basis of approved projects alone (as of 31.07.2021), an additional 981 727 visitors can be predicted, while projects completed so far have resulted in an increase of 214 559 visitors. Given the difficult situation caused by the Covid 19 pandemic, the significance of the number of visitors as an indicator is questionable. Specifically, the question arises as to what extent it makes sense or is at all possible over the course of the funding project to estimate the increase in the expected number of visitors independently of possible changes in the general situation.

Answering the key questions

First the measures are evaluated with regard to certain key questions.

Was it possible to improve the attractiveness of the public infrastructure? The defined quantitative goal, to support a total of 24 projects in public infrastructure improvement, was achieved. Most of these were selective measures in specific places, distributed throughout the federal state. There was a certain concentration of projects in the city of Weimar, with a total of seven building projects there. Only in exceptional cases did the projects cover and

impact a wide area. It can be said that various forms of infrastructure at various different locations in Thuringia were improved and enhanced by the measures.

Did support given to marketing activities make a noticeable difference? Including the marketing support provided to Thüringer Tourismus GmbH (TTG), the funding for marketing projects amounted to a total of EUR 10.5 million. The evaluators assume that the main focus of advertising aside from the TTG activities was devoted to addressing transregional markets in Germany, while TTG focused mainly on foreign markets. It was confirmed that the marketing measures could not have been implemented in the same volume or to the extent they were implemented without the funding. The case studies also confirm that the advertising measures contributed to an increase in reach and in some cases to a rise in the number of visitors and/or an increase in the proportion of visitors from outside the region. Various event formats also became more permanent as a result of the funding.

Have enquiries from international visitors regarding tourist offers in Thuringia changed? Although many grant recipients generally give a positive answer to this question, it cannot usually be backed up with data. The data collected by TTG in the course of marketing activities abroad does however show with impressive clarity that in many target markets, more attention could be drawn to Thuringia as a destination. Having said that, the number of overnight stays by people from these markets still fell short of general expectations. Ultimately, the Covid 19 pandemic had a dramatic impact on travel, especially from abroad, so that achieving the set targets is no longer realistic.

Was it possible to develop new target groups for tourism? The evaluation team is convinced that the goal of developing new target groups has been achieved. A look at the individual measures shows that new themes have been developed (e.g. "BUGA" (the national garden exhibition)), or that existing themes have been significantly strengthened (porcelain, toys, Bauhaus, Jewish culture). At the same time, various measures have been implemented using new ways of staging experiences via digital technologies.

To what extent can synergies be observed between the measures? In many cases decisions were made – whether consciously or incidentally – in favour of different projects that in fact complement and strengthen each other, and thus almost certainly have a greater impact. Among the examples are measures focusing on the following themes or areas:

- The "Bauhaus" theme (mainly building measures)
- BUGA 2021 (building and marketing measures)
- The German Toy Museum (building measures)
- Leuchtenburg Castle (and Bauhaus)

Summarising evaluation

- *Great satisfaction:* The majority of grant recipients were very satisfied with the funding programme and resulting opportunities for all sorts of reasons (a high funding rate, constructive cooperation with the state institutions, repeated funding, marketing support).
- *ERDF funds as a decisive trigger for investment:* The discussions with the grant recipients highlighted the great significance of funding for implementation. Without the

funding, the vast majority of projects would not have been possible at all in the case of building measures, or, in the case of many marketing projects, at least not to the degree implemented and not with the international focus.

- *Professional structures as an important factor for success:* Sufficient staffing levels and professional administration structures on the part of the grant recipients are important factors for the successful management and implementation of the project. If these were available, the projects could be implemented professionally and smoothly, albeit at great cost in terms of time, whereas grant recipients with poor staffing levels and voluntary structures or little experience in the handling of funding projects or award procedures had considerable difficulties.
- *Active management important:* The evaluation team recognises the expediency of actively addressing, encouraging and advising potential grant recipients of measures who are seen by the state institutions as being particularly suitable for attracting their specific target groups or for the further development of key strategic themes.
- *Application of the criteria:* In retrospect, various selection criteria seemed from the point of view of both state institutions and many grant recipients either not to be very suitable for tourism projects (e.g. the criterion “Limitation of land use”), or difficult to operationalise or to describe in a comprehensible way (Criteria: “outstanding and national importance for cultural tourism” or “innovative content”).
- *State strategic requirements:* From the point of view of the evaluators, the requirement to align funding projects with higher-level strategies or target groups was considered very important generally for achieving the strategic goals. Although the evaluators also received isolated comments criticising excessive restrictions on content or target group definitions they deemed too abstract or unrealistic, the vast majority of funding recipients were generally supportive of this approach.
- *Impact of the Covid 19 pandemic:* It was possible to implement the vast majority of projects with just minimal impact from the Covid 19 pandemic. In investment activities, it led to some delays caused by supply disruptions or late deliveries of materials, or contractors’ staffing limitations. The greatest impact the Covid 19 pandemic had was on the development of the predicted demand volume.

Recommendations from the evaluators’ perspective

- *Marketing support* should continue to be offered in future, because of the high level of demand and lack of alternatives. The administration should be simplified where possible, however, and minimum investment volumes should be imposed to ensure a positive cost-benefit ratio between the funding received and the organisation or company’s own use of resources.
- The *two-step application procedure* (1. Informal preliminary review and consultation; 2. Actual submission of the application) should be maintained in order to avoid unnecessary costs for the grant recipients. At the same time, care should be taken to ensure that decisions with regard to the eligibility for funding are both transparent and verifiable.

- The *advising of grant recipients* should be intensified in future, depending on the previous experience and the professionalism and/or available structures of the grant recipients.
- The evaluating team recommends that *active support for the grant recipients* is given in future, for example through training measures, advice on public procurement law, the development of a best practice guide, or also in the form of a network of grant recipients for the purposes of exchanging experiences.
- If possible, the *execution of procurement and tender procedures* should be simplified, as these have been found by many funding recipients to be time-consuming and complicated and sometimes even unrealistic.
- In as far as the Free State of Thuringia can bring influence to bear on this, and in the light of the future introduction of a *project impact audit*, the evaluators recommend the definition of result indicators that are more closely related to the content of the measures themselves and that can be influenced.