

Rural tourism can bring economic and demographic benefits for rural communities and helps to maintain traditions and heritage. Yet tourism remains exposed to risks such as pandemics and other crises. EU policy actions help to safeguard the resilience of rural tourism and the Common Agricultural Policy (CAP) includes funding options for food tourism and farm diversification, ecosystem services that enhance nature tourism, as well as other rural opportunities in community-led and cultural tourism.

Visitor analysis by the UN World Tourism Organisation (UNWTO) showed that 'destination Europe' has led the rebound of international tourism following lifting of COVID-19 travel controls. UNWTO stress tourism's potential to contribute to resilient and sustainable economic growth, including sustainable consumption and production. Rural tourism is seen by UNWTO to "make a real difference for rural communities, delivering jobs, supporting businesses and celebrating and protecting traditions".

Such rural tourism opportunities are promoted by EU tourism policies which span different sectoral disciplines and European Commission Directorates (DG), with oversight from DG GROW. The European agenda for tourism 2030 is based on the transition pathway for tourism, which identifies four priorities: the green transition of tourism; resilience of EU tourism; the digital transition of tourism; and skills for the EU tourism workforce. Rural tourism, including agri-tourism sectors and projects, can align with the content of these high-level policy drivers. The European Commission's report "The EU's transition pathway for tourism" recognises that Europe's remote regions and rural areas can provide "unique nature and cultural experiences for visitors, but at the same time may experience problems of limited connectivity in terms of transport or digital connectivity."

EU funding for tourism projects up to 2027 is available from the CAP Strategic Plans (CSPs) and other EU sources. Tourism training is supported via a variety of funds and the EU's cohesion policy holds huge amounts of experience supporting tourist infrastructure as well as tourism marketing in rural regions. Grants are available and revolving funding instruments (such as loans, guarantees or equity funds) can be effective in providing subsidised credit to fill financing gaps for rural tourist operators. As rural tourism projects are predominately business projects, schemes offering subsided loans, bank guarantees or even equity can provide very strong incentives for improving rural tourism offers - especially when combined with grant options for essential preliminary work on project feasibility. The European Commission's InvestEU financing and <u>fi-compass advice</u> sources are valuable for these purposes covering CAP and other EU funding. covering CAP and other EU funding.



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Financing toolkits for territorial-scale rural tourism developments can be designed and applied with targeted effect throughout European mountain areas, island groups, and other territorial typologies. On a territorial scale, results can include improving the quality of rural visitor services, such as more ensuite accommodation, double-glazing, air-conditioning, youth facilities, renewable power, and parking, as well as more luxury offers that attract higher incomes, like swimming pools, terraces, and visitor activity equipment or facilities. Farms are among the businesses eligible for these tourism developments.

## **Tourism in the CAP**

Agritourism (sometimes spelled agro-tourism) offers diversification possibilities for farmers in all Member States. International guidance for successful agritourism enterprises summarises useful insights on best practice application of rural tourism policies at a practical project level. The CSPs can support such rural tourism developments in several ways, including food tourism, nature and adventure tourism, as well as community-led and cultural tourism among others. Farm tourism can often easily be confused with food tourism: for example, Dutch government advice for entrepreneurs entering the European market for food tourism products notes that experiencing local cuisines is often one of the main reasons that travellers choose to visit a destination.

Food tourists flock to rural Europe and **short supply-chains** remain effective mechanisms for optimising income opportunities from the world's lovers of local food. Recent scientific research on short food supply chains in Europe explores enabling factors affecting participation in these supply chains. Findings indicate that short supply chains can attract more support and participation when they clearly demonstrate their added value for rural economies, including e.g. contribution to rural tourism. Other relevant research recommends to emphasise the processes of sales and production when promoting food tourism. 'Bio-districts' - geographical areas where farmers, the public, tourist operators, associations and public authorities enter into an agreement for the sustainable management of local resources based on organic principles and practices and pursue the development of short supply chains, local processing and innovative products - is a promising concept in this regard, in particular in combination with the Natura 2000 network.

Producing food requires environmental responsibility and farmers can use the CAP's green architecture components to play pivotal roles in the maintenance of landscapes and wildlife habitats that attract nature tourism. In this way, the CAP's farm and forest funding can support scope for branding of 'sustainable tourism'



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across a very broad spectrum of activities, including flora and fauna nature tours, fishing, cycling, kayaking, hunting, photography, camping and adventure tourism.

These and other types of sustainable rural tourism projects can gain insight from the European Court of Auditors' analysis of EU-funded tourism projects. This concluded that while "some projects were sustainable and contributed to fostering tourism activity, others had only a limited impact. In several cases, shortcomings in the initial project planning and needs assessments as well as at the project selection stage resulted in reductions in the project scope, delays, and cost overruns during project implementation."

CAP funding for community-led rural tourism projects is reliant on the delivery of results. Thousands of <u>LEADER Local Action Groups</u> are able to provide grants (and possibly microcredit) for small-scale rural tourism projects that can benefit both local residents and visitors. Tourism has also been prominent in LEADER's portfolio of transnational cooperation projects, which includes the likes of <u>farm</u> and <u>food tourism</u>, <u>nature tourism</u>, and <u>cultural tourism</u>.

Cultural tourism support from the EU in rural areas can often be multi-functional, in that it provides business benefits for tourism traders and also provides the heritage sector with vital conservation work to help properly preserve cultural resources for future generations. A main success ingredient of EU-funded cultural heritage projects in the countryside is often their ability to clearly demonstrate positive business benefits for rural Europe's tourism economy.



