

# ESTONIA TOURISM REPORT 2008

## DRAFT ANNUAL TOURISM REPORTING TEMPLATE

### 1. INTRODUCTION

Council Decision 86/664/EEC of 22 December 1986<sup>1</sup> establishing a consultation and cooperation procedure in the field of tourism foresees that “each Member State shall send the Commission, once a year, a report on the most significant measures it has taken and, as far as possible, on measures it is considering taking in the provision of services for tourists which could have consequences for travellers from the other Member States”.

With the publication of the “Agenda for a sustainable and competitive European tourism”, the Commission announced that “in order to strengthen the collaboration with and among Member States, their current annual reporting through the Tourism Advisory Committee (TAC) will be used to facilitate the exchange and the dissemination of information about how their policies and actions safeguard the sustainability of tourism”.

This Communication was welcomed by the Competitiveness Council conclusions (22nd-23rd November 2007) and by the Presidency Conclusions of the Brussels European Council of 14th December 2007.

The main aims for the reporting process are:

- to be able to monitor the level of implementation of the “Agenda for a sustainable and competitive European tourism” by Member States;
- to facilitate the exchange of experiences among member States with regard to how they tackle issues which are important for the competitiveness and sustainability of European tourism.

MS reports referring to year  $n$  shall be sent to the European Commission by the end of February of year  $n+1$ .

If the reports are sent in English, the deadline is shifted to the end of April.

### 2. ORGANISATIONAL STRUCTURE

This section should provide an overview of the main organisational structure to illustrate how tourism is organised and managed, to identify linkages and to identify the engagement of other organisations/stakeholders.

The information required will only need to be prepared fully in year 1 as it will subsequently only be necessary to provide details of any changes.

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<sup>1</sup> Official Journal L 384, 31/12/1986 P. 0052 – 0053.

## ESTONIA TOURISM REPORT 2008

**2.1** Please identify the National Bodies responsible for tourism (Ministry and also any separate/related National Tourism Organisation), including key areas of responsibility, and their relationship to other national bodies. (maximum of 1.000 characters)

The state tourism policy has been focusing on the legal regulation of the sector and supporting the dissemination of tourism information. The national tourism policy and development activities are implemented by the **Estonian Tourist Board** which is subordinated to the Foundation **Enterprise Estonia** and belongs to the administrative sphere of the **Ministry of Economic Affairs and Communication**.

Activities of the **Ministry of Economic Affairs and Communication** in the field of tourism:

- To elaborate tourism policies and programmes and to guarantee their implementation;
- To apply funding for tourism development programmes and projects from the state budget and from the EU;
- To draft tourism related legislation and regulations;
- To participate in the activities of international tourism organisations.

Activities of the Estonian Tourist Board:

1. Marketing Estonia as a tourist destination
2. Domestic tourism marketing
3. Product development
4. Market research at main target markets
5. Development and administration of the national tourist information system
6. Participation in the work of international organisations

**2.2** Please, describe what organisations/agencies are used to deliver services at the national and regional level and the services that they deliver. (maximum 800 characters)

The Estonian Tourist Board coordinates the network of regional tourist information centres (TIC). TICs are established in each of the 15 counties of Estonia, and in the main border towns (Tallinn, Narva, Valga).

**2.3** Please, describe which other bodies and organisations are involved at the national level and the process for involving them. (maximum 800 characters)

Estonian Association of Travel Agents (website: [www.etfl.ee](http://www.etfl.ee))

Estonian Hotel and Restaurant Association (website: [www.ehrl.ee](http://www.ehrl.ee))

## ESTONIA TOURISM REPORT 2008

Non-Profit Organisation Estonian Rural Tourism (website: [www.maaturism.ee](http://www.maaturism.ee))

South-Estonian Tourism Foundation

North-Estonian Tourism Foundation

West-Estonian Tourism Foundation

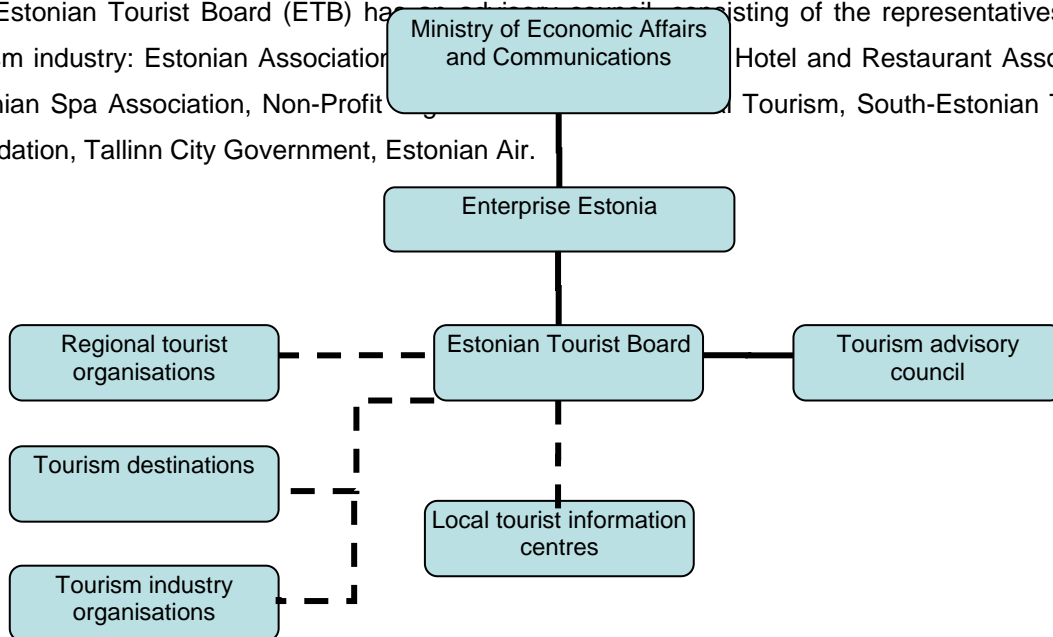
Estonian Spa Association (website [www.estonianspas.com/en](http://www.estonianspas.com/en))

Estonian Convention Bureau (website [www.ecb.ee](http://www.ecb.ee))

In addition to these all-Estonian organisations, there are several regional tourism organisations which unite providers of tourism entrepreneurs and in some cases also local government bodies of the respective region.

**2.4** Please provide a diagram/organogram of the organisational structure for tourism identifying the relationship between national, regional and local bodies. Provide also a short description of the core responsibilities and competencies of each of the organisations. Include also information regarding the direct and indirect links between other departments, stakeholder organisations and unions. Information about mechanisms of decision making process participation from outsider organisations, e.g. forums, advisory committees is also requested. (maximum of 2.000 characters)

The Estonian Tourist Board (ETB) has a steering committee consisting of the representatives of the tourism industry: Estonian Association of Tour Operators, Estonian Hotel and Restaurant Association, Estonian Spa Association, Non-Profit Organisation of Estonian Rural Tourism, South-Estonian Tourism Foundation, Tallinn City Government, Estonian Air.



**2.5** Please provide information about financial data, including spend/budget on tourism as a percentage of overall government spend/budget, the level of national funding support for tourism marketing, the amount of EU funding support made available for tourism and data concerning the support to SMEs and Destinations. (500 characters)

## ESTONIA TOURISM REPORT 2008

Overall budget: 12.7 mil. EUR was allocated to the Estonian Tourist Board in 2008, of which 3.9 mil. EUR was allocated for support to SMEs and Destinations. The budget includes the funding from EU structural funds (ERDF, ESF).

### 3. POLICIES AND STRATEGIES

**3.1** Is there a current National Strategy for tourism?    Yes     No

If yes, please, provide information in bullet point format about the key aims, objectives and priorities of the strategy highlighting those that are designed to address sustainability issues in economic, environmental and social terms in particular those related in the six aims included in the Agenda. In preparing the tourism strategy, explain how consideration has been given to the 9 principles set out in the Agenda (para2.3 p5) and given in the appendix. (maximum 1.000 characters)

In November 2006, the Estonian Parliament adopted the National Development Plan for Tourism 2007-2013 (website <https://www.riigiteataja.ee/ert/act.jsp?id=12755212>). Overall goal of tourism policy is to ensure competitiveness and sustainable growth of Estonian tourism sector.

Goals for 2013:

- As a travel destination, Estonia is well-known abroad and valued at home.
- Estonia's tourism services and attractions have high quality and are in harmony with the principles of sustainable development.
- Tourism information is up-to-date and easily accessible for all

The Plan stipulates specific measures for the development of sustainable tourism, incl.

- promoting the implementation of sustainable development principles
- promoting development of ecological tourism products
- promoting the implementation of environmental managerial systems and certification

**3.2** Who was the initiator and who is responsible for its implementation? (maximum 200 characters)

The National Development Plan for Tourism is implemented through three-year implementation plan which is adopted by the Government. The Ministry of Economic Affairs and Communications coordinates the implementation of the National Development Plan for Tourism. The measures of the development plan are carried out by the Estonian Tourist Board.

**3.3** How is the strategy monitored and how often? (maximum 500 characters)

The achievement of the indicators is monitored annually (data provided by Statistics Estonia and annual reports provided by the Estonian Tourist Board).

# ESTONIA TOURISM REPORT 2008

## 3.4 What tourism specific legislation exists? (maximum 500 characters)

The Tourism Act ([web:https://www.riigiteataja.ee/ert/act.jsp?id=12925321](https://www.riigiteataja.ee/ert/act.jsp?id=12925321)) was adopted by the Government in Nov. 2000. The aims of this law are:

- to stipulate the principles for tourism business activities on the level of a law,
- to specify the concepts used,
- to define the legal status of persons engaged in tourism business,
- to stipulate the requirements set to tourism business activities and the liability of persons engaged in tourism business for the violation of the Tourism Law and the requirements arising from the legislative acts enforced on its basis.

The Tourism Act also harmonises with the directive 90/314/EEC on package travel, package holidays and package tours.

## 4. MEASURES AND INITIATIVES

This section provides Member States with an opportunity to outline specific initiatives and policies that are or are going to be adopted to manage and develop tourism activity in ways which respond to the key challenges of the Agenda and which fall within the six main aims of the Agenda itself.

### 1 Economic prosperity

- a. To ensure the long term competitiveness, viability and prosperity of tourism enterprises and destinations.
- b. To provide quality employment opportunities, offering fair pay and conditions for all employees and avoiding all forms of discrimination.

### 2 Social equity and cohesion

- a. To enhance the quality of life of local communities through tourism, and engage them in its planning and management
- b. To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, religion, disability or in other ways.

### 3 Environmental and cultural protection

- a. To minimise pollution and degradation of the global and local environment and the use of scarce resources by tourism activities.
- b. To maintain and strengthen cultural richness and biodiversity and contribute to their appreciation and conservation.

**4.1** Please set out, briefly, the steps which have been or will be taken, if any, to address the 7 key challenges for the delivery of sustainable and competitive tourism, covered in the TSG report and referred to in the 'Agenda'.

## ESTONIA TOURISM REPORT 2008

### 4.1.1 Reducing the seasonality of demand. (maximum 200 characters)

The National Development Plan for Tourism identifies specific measures for reducing the seasonality of demand by supporting regional destinations and SMEs to develop and market products and services for low seasons (well-being tourism, conference tourism etc).

### 4.1.2 Addressing the impact of tourism transport. (maximum 200 characters)

The majority of foreign visitors arrive in Estonia by ferries connecting Helsinki and Tallinn. In the recent years, the majority of the ferries have been replaced by modern fast fuel-efficient ferries.

### 4.1.3 Improving the quality of tourism jobs. (maximum 200 characters)

The National Development Plan for Tourism identifies specific measures for increasing awareness and managerial quality in tourism sector

- improving the quality of managerial system
- courses, lectures, educational programs for different actors in tourism sector

### 4.1.4 Maintaining and enhancing community prosperity and the quality of life, in the face of change. (maximum 200 characters)

Specific measures are introduced to enhance the local tourism-related infrastructure (incl. Museums, visitor attractions, etc.) which enhances the local living environment and supports the creation of jobs at local level.

### 4.1.5 Minimising resource use and the production of waste. (maximum 200 characters)

Starting from 2001 Estonia is implementing environmental labelling system Green Key in accommodation establishments, where one of the main objectives is to decrease waste and use natural resources. In the accommodation establishments that have been awarded the label, average savings in energy consumption have been around 10%, savings in water consumption around 5-8%. The system includes also measures for minimising the production of waste and for waste separation.

### 4.1.6 Conserving and giving value to natural and cultural heritage. (maximum 200 characters)

The National Development Plan for Tourism identifies the following measures for:

#### Development of nationwide cultural and tourism objects

- Investments into large-scale cultural and tourism development projects.

#### Development of regional tourism environment

- Objects of high cultural and natural value will be developed into tourism objects (ports, museums, theme parks, visitor centers, hiking trails, public beaches etc).
- Development of infrastructure in main visiting areas (including roads, parking places, toilets, signs, rest areas, internet connections etc).

Supporting development of tourism products by private sector which are based on national traditions and specific features

# ESTONIA TOURISM REPORT 2008

## 4.1.7 Making holidays available to all. (maximum 200 characters)

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## 4.2 As key challenges may change over time, please identify any other areas that are becoming a new challenge. (maximum 600 characters)

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## 4.3 Please identify and describe a specific initiative, which is related to the 7 key challenges, that is innovative/ successful and which would be of interest to or of help to other Member States. (maximum 2.000 characters)

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## 5. MECHANISMS FOR IMPLEMENTATION

Three mechanisms for implementing the Agenda were identified in the "Agenda": sustainable destinations, sustainable businesses and responsible tourists.

### 5.1 *Sustainable destinations*: What support is given to strengthen destination management at the regional/ destination level (supportive policy environment, knowledge networks, training programmes, establishment of measures/indicators for benchmarking, etc.)? (maximum 600 characters)

In May 2008 the Estonian Tourist Board organised a conference Responsible Development in Tourism (Around 40 participants). Main topics: responsible management, Fair Trade, responsible tourism (accommodation and travel industry). Speakers were from 34 countries (Germany, Austria, Netherlands and Estonia).

2007-2008 Estonia took part European Commission initiative "European Destinations of Excellence. The key objective of this pilot project is to encourage sustainable tourism initiatives and economic growth, while also promoting a local heritage tourism area of excellence.

2008 ETB started to initiate competition The best environmentally friendly accommodation in Estonia. The winner will be announced on 13<sup>th</sup> of February 2009.

## ESTONIA TOURISM REPORT 2008

**5.2 Sustainable businesses:** What support is given to strengthen the sustainability and competitiveness of businesses (supportive policy environment, orientation of business support services to sustainability, training, financial incentives, etc.)? (maximum 600 characters)

Starting from 2001 Estonian Tourist Board is implementing the Green Key program and one of the activities is to organize trainings for potential Green Key accommodations.

Estonia The Natural Way – product label to follow principles of eco tourism (support of organizing the trainings)

Financial support schemes: one of the criteria in evaluation process is how potential applicant follows the principles of sustainable development in its product development process.

**5.3 Responsible tourists:** What support is given to promote responsible choices by tourists (e.g. sustainability in education, national marketing and media campaigns, promotion of certification schemes)? (maximum 600 characters)

Green Key accommodations are marked with special label in visitestonia.com, so tourist can choose these accommodations for staying in Estonia.

Marketing: press releases of new GK accommodations

Printing materials for GK accommodations to promote actively the label and environmental objectives.

## 6. DATA AND INDICATORS

Eurostat will provide, as an annex, the key statistical data required to support the reporting process covering around 20 indicators<sup>2</sup>. These are mainly related to the aim of 'economic prosperity'.

Please, identify indicators that are being used or developed which could add to the range of information being provided by Eurostat, particularly in relation to social and environmental issues (other indicators from the TSG report, visitors/ residents satisfaction, etc.). (maximum 500 characters)

## 7. COMPLEMENTARY ADDITIONAL INFORMATION

If necessary use the following box to provide additional complementary information that has not already been covered.

Currently Estonia is working on the package of the temporary measures aimed on tackling effects of credit squeeze on Estonian real economy.

<sup>2</sup> These indicators have been selected from the 50 TSG indicators on the basis of the possibility to calculate them at the European level.



## ESTONIA TOURISM REPORT 2008

In order to mitigate the financial problems of companies and increase their access to the capital through banks, Estonia considers the implementation of two following measures:

### 1. Credit line to banks

The principle of this measure is that the State or state owned Foundation (KredEx) obtains the external finance (probably from EIB) and together with State's or KredEx's own financing will mediate the resource to the commercial banks in order to increase a level of companies' borrowing in Estonian economy. KredEx will provide banks a loan resource at specified terms using interest rate approximately equal to Euribor.

KredEx will allocate loan resource to the banks on the basis of the credit agreement. The banks shall emit given funds to the entrepreneurs according to the terms set in above-mentioned agreement.

### 2. Provision of long-term loan resource to the entrepreneurs in co-operation with commercial banks.

Under this measure only particular projects shall be funded by banks using loan resources allocated to banks by KredEx, who shall provide only certain amount of resources proceeding from the particular need in a case the contract with entrepreneur has been concluded.

Under both measures banks may use the loan resource received from State to provide investment loans and working capital loans to entrepreneurs who are not in difficulties and have a sound business plan. Measures can not be applied for the primary sector, the real estate field, financial or public sector.

## APPENDIX

Principles of sustainable tourism:

- **Taking a holistic and integrated approach**

## ESTONIA TOURISM REPORT 2008

All the various impacts of tourism should be taken into account in its planning and development. Furthermore, tourism should be well balanced and integrated with a whole range of activities that affect society and the environment.

- **Planning for the long term**

Sustainable development is about taking care of the needs of future generations as well as our own. Long term planning requires the ability to sustain actions over time.

- **Achieving an appropriate pace and rhythm of development**

The level, pace and shape of development should reflect and respect the character, resources and needs of host communities and destinations.

- **Involving all stakeholders**

A sustainable approach requires widespread and committed participation in decision making and practical implementation by all those implicated in the outcome.

- **Using best available knowledge**

Policies and actions should be informed by the latest and best knowledge available. Information on tourism trends and impacts, and skills and experience, should be shared across Europe.

- **Minimising and managing risk – the precautionary principle**

Where there is uncertainty about outcomes, there should be full evaluation and preventative action should be taken to avoid damage to the environment or society.

- **Reflecting impacts in costs – user and polluter pays**

Prices should reflect the real costs to society of consumption and production activities. This has implications not simply for pollution but for charging for the use of facilities that have significant management costs attached to them.

- **Setting and respecting limits, where appropriate**

The carrying capacity of individual sites and wider areas should be recognised, with a readiness and ability to limit, where and when appropriate, the amount of tourism development and volume of tourist flows.

- **Undertaking continuous monitoring**

Sustainability is all about understanding impacts and being alert to them all the time, so that the necessary changes and improvements can be made.