

Abstract

The Court found that there was room for improvement in the way tourism projects are subsidized

Big discrepancies exist among subsidy flows in the tourism policy field as far as legal framework, subsidy administration body, share of government contribution and payment modalities are concerned. Clear and verifiable objectives are missing and the subsidization conditions are not clearly delineated. The Court recommended among other things an overall evaluation of the subsidy flows and a transfer of the subsidization process to the agency Toerisme Vlaanderen.

Introduction

The Court examined the four main budget subsidy flows in the tourism policy field : subsidies for events, subsidies for art towns action plan, subsidies for coast action plan and tourism recreation projects. These four subsidy flows together account for a budgetary impact of 12,2 million EUR on a year basis.

Framework

The legal implementation of the subsidy flows shows big discrepancies. The Court found that two subsidy flows (events and art town action plans) have not been subject to formal regulations for several years and that only subsidies for tourism recreation projects are administered by the policy implementation agency Toerisme Vlaanderen. The four subsidy flows are more or less embedded in the minister's long term policy vision, but the achieved results or policy effects have not been specifically operationalised or operationalised quantitatively. The share of government contribution varies for each subsidy flow but this variation is not supported by any policy document. The legal framework does not provide either for a strict delineation of the subsidy conditions. This implies that project applicants that did not benefit from a subsidy in the category art town or coast action plan (highest subsidy percentage) can then have another go in the category tourism-recreation project. Overlapping with structural subsidization is not excluded either.

Subsidy application and payment

The administration has only carried out an extensive evaluation of the subsidy applications of the main subsidy flows (coast action plan and tourism recreation projects). These evaluations are merely formal, not always consistent and not quantified. If evaluations are not up-to-standard this is also due to the too broad formulation of the awarding criteria. It appeared from the examination that in spite of the administration's advice, in 25% of the cases the minister approved the subsidised events without statement of reasons. The payment modalities of the four subsidy flows, more particularly the payments in advance, vary strongly without any clear reason for it.

Substantiation and evaluation

When checking the subsidy allocation the administration did not heed sufficiently the planned budget amount of these projects and hardly checked the revenue aspect of the projects. The department Internationaal Vlaanderen had an efficiency analysis made of the tourism recreation projects in 2008, which showed the deficient policy measurability. No evaluation has been made so far of the other subsidy flows, although several of them have already been in existence for many years.

The minister's reply

The Flemish Minister for Tourism replied in a letter of 22 July 2010 that he largely agreed that a regulatory frame for the four subsidy flows was needed. He promised to work out a legislative decree to fix this and added that he would consider what body should be entrusted with the subsidy lines. He did not broach the issue of the limited operationalisation of the long term objectives and the implementation by the administration or the overall evaluation lacking for three of the four subsidy flows.

The audit report on “Subsidy flows in the tourism policy field” has been sent to the Flemish Parliament. The full version and this press release can be found on the Court’s website (www.ccrek.be).

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