



Latgale Region
Development Agency



BALTIC COUNTRY OF LAKES

BJR INTERREG IIIA projektu SII-050 līdzfinansē Eiropas Savienība

**Feasibility study
"LAKE AND RIVER USE FOR TOURISM, RECREATION AND
TRANSPORT IN LATGALE AND RYTU AUKŠTAIJA REGIONS –
POTENTIAL, INFRASTRUCTURE DEVELOPMENT AND
NECESSARY INVESTMENTS"**

Final report

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INTRODUCTION

The report represents the process of preparation of the feasibility study "Lake and River Use for Tourism, Recreation and Transport in Latgale and Rytu Aukštaitija Regions – Potential, Infrastructure Development and Necessary Investments".

The feasibility study has been performed within the Interreg IIIA financed project No: SII-050 "Creating New Tourist Destination By Joining Two Border Regions in Latgale-Rytu Aukštaitija" which leading partner is Latgale region development Agency and partners: Latvian Tourism Development Agency, Euroregion "Country of Lakes" Lithuanian office, Ignalina Nuclear Power Plant Regional Development Agency. The feasibility study has been performed by Grupa 93. Ltd. in cooperation with subcontractor Vilnius Consultant in time period from December of 2006 to December of 2007.

The Project includes 6 regions of Latgale - Ludzas, Balvu, Kraslavas, Rezeknes, Preilu and Daugavpils, and in Lithuania - Rytu Aukštaitija region and the part of Ignalinas district or 6 districts - Aniksai (Anyksciai), Utenas, Moletai, Svencionys, Ignalinas un Zarasai district.

The area of the project in Latvia is 14 547 km² (22.5% of total area of Latvia) and in Lithuania 5760 km² (8.8% of total area of Lithuania). At the beginning of 2006 in Latgale region 359 762 or 15,7% inhabitants of Latvia¹ lived and 157 800 or 4,5 % of inhabitants of Lithuania.

1.picture Area of the investments



We want to thank to all the municipalities, entrepreneurs, tourism information centers and partners for their dedicate interest in the feasibility study of lakes and rivers of Latgale and Rytu Aukstatitija regions. We found that issues around the water use in the Baltic Lakes Country are really uniting and thus there are considerable base for continuing the work.

¹ State Regional Development Agency. Regions development in Latvia, Riga, 2006

1. The scope of the work

The objective of the Project “Creating New Tourist Destination By Joining Two Border Regions in Latgale-Rytu Aukštaitija” is to strengthen the regional economic development in the Latgale and Rytu Aukštaitija regions through developing the tourism industry. The subobjectives of the project are:

- to promote the region as one tourist destination with the focused marketing activities in order to increase the number of visitors to the region
- to rebundle existing tourism products and develop new products and product packages based on the competitive advantages of the region
- to increase cross-border cooperation in the tourism sector through joint coordination exercises and creating a common information system.

The feasibility study “Lake and river use for tourism, recreation and transport in Latgale and Rytu Aukštaitija regions – potential, infrastructure development and necessary investments” helps to improve tourism, support water-based entrepreneurship and joint product development via interactive workshops and individual consultations. The overall objective of the feasibility study was to ensure effective and sustainable lake and river use for tourism, recreation and other purposes of economic activities, justifying investments to the water-use infrastructure that could improve access and quality of the tourism products and services, thus promoting common economic development in the Latgale and Rytu Aukštaitija regions.

The specific aims of the study were:

- To evaluate lakes (approx.2000 units) of the Baltic Lakes Country (BLC) in terms of their use for tourism and recreation, identifying main problems and unused capabilities;
- To create overall concept for lakes and rivers use in tourism and recreation for next 7 years (2007-2013);
- To prepare investment plan, based in the concept;
- On the base of the feasibility study, to prepare project proposal for next call of Latvia/Lithuania cooperation programme;
- To assess the lakes and rivers potential for development of water transport and create common strategy for water transport development in the BLC.

2. Project results

1) Databases of lakes

Database of 1011 lakes in Latgale and database of 1290 lakes and rivers of Rytu Aukštaitija with ecological, administrative, nature protection, physical data were prepared.

Databases contain physical, ecological, environmental, administrative data. They also linked to the tourism service providers information (service providers database has been created separately, see point 5).

After the selected lakes and rivers (see point 9) and field research, part of lakes has more specific information about the access, tourism infrastructure, signs, and tourism services.

Databases attached to the Final report in electronic format.

2) Review of strategic planning documents

Document study was done to summarize development visions and strategic documents of various stakeholders from different sectors, branches and management levels. The strategic documents in tourism were selected, based on interviews tourism development agencies / TIC / municipalities / tourism businesses concerning.

3.1.) Spatial development plans or territorial plans gave an information about the allowed and planned activities around the lakes. Totally 125 local municipal plans, 6 district municipalities' plans of Latgale, development perspective of the Latgale region, and development plans of Utena Region and have been revised.

3.2.) 20 nature management development plans, 8 special rules of Cabinet of Ministers of LR and ongoing Lubana wetlands complex LIFE project was revised to get information about the planned activities around the lakes in nature protected areas;

3.3.) technical regulations issued for building of new tourism objects or setting up a tourism area. This gave information about private building plans next to the 17 lakes in Latgale region.

3.4.) to find out background of context of other sectors, the following documents have been studied:

- European Regional Tourism Institute (2005). Rural tourism development strategy.
- European Regional Tourism Institute (2006). Interviews with tourism professionals from Latvia and Lithuania concerning Baltic Country of Lakes.
- LOWE-AGE (2006). Baltic Country of Lakes - Communication Strategy.
- Government of the Republic of Lithuania. State Environmental Monitoring Program of the year 2005-2010.
- Seimas of the Republic of Lithuania (2007). National Energy Strategy.
- Lithuanian State Department of Tourism. Strategic Action Plan of the year 2007-2009
- Lithuanian Science Academy. Long-term developmental strategy (economics, transport, energetic) of Lithuania (until 2015).
- Marketing strategy of Latvian Tourism Development Agency 2006-2010;
- Statements of the Latvian tourism development policy 2004-2008;
- Latvian Tourism Development Programme 2006-2008.

3) Databases of tourism operators and their offer (beds, services)

5.1) data base of 102 service providers in Rytu Aukštaitija region;

5.2.) data base of 217 service providers in Latgale region.

Database about services provides following information:

- Tourism provider's name;
- Address;
- Phone;
- Email address;
- Nearest lake or river;
- Accommodation (bed capacity);
- Price (1 person 1 day);
- Maximum revenue from beds (if accommodation has been used 100%);
- Other services;
- Prices of other services;
- Maximum revenue from other services.

4) Estimation of revenues of tourism service providers

In Latgale, maximum revenue was estimated for each tourism service provider for categories of accommodation (based on number of beds and price of accommodation), sauna, catering, celebrations, conferences/seminars and camp sites. Then maximum revenue was calculated for each

lake and approximation percentage for each of the services was applied to establish 'normal scenario'. This provided estimation of 'normal' revenue for each main type of service.

In Rytu Aukštaitija such wide data was not available; therefore all services were separated into accommodation and other services. At first, total number of beds and total number of other services (as boat rent, horse riding etc.) has been summarised. Then, maximum revenues have been calculated. After that, based on the interviews with service providers and Tourism information centres, approximate fill rate has been defined for each kind of service to get to the "real revenues". The rate has been chosen depending on such factors as demand for the service, location (distance from Vilnius, Utena, 25 and 50 km from towns), accessibility (how qualitative are roads), do the service provider offer additional, specific services, do services are on market winter time.

5) Interviews, seminars, questionnaire

25 interviews and 11 meetings in Latgale to clarify current use of lake and river have been carried out in Latgale and 41 in Ruty Aukštaitija with officials from local and regional governments, representatives of state institutions in regional structures, tourism information centres and local businessmen engaged in the field of tourism. The purpose of the interviews was to clarify demand in water tourism, supply of tourism services, demand / supply interaction, potential of increasing revenues from tourism (if price is not increasing).

Questionnaire for Latgale region local municipalities were spread. Five municipalities responded and characterized 14 lakes and rivers. The most valuable gain from the questionnaire was information about plans, landscaping and technical projects around the lakes. Information about the rest lakes had to be gathered from planning documents, which are more general.

Seminar and aim of the seminar	Date	Venue	Attendees
Kick off meeting to involve the project partners	December 22, 2006	Daugavpils	13
Work meeting to involve the project partners	October 9, 2007 13 December, 2006	Ignalina	4
Work meeting	8 January, 2007	Ludza district council	3
Presentation of the project to the municipalities	15 January, 2007	Daugavpils district council	15
Presentation of the project to the municipalities	16 January, 2007	Rezekne district council	25
Presentation of the project to the municipalities	23 February, 2007	Preili district council	17
Presentation of the project to the municipalities	13 February, 2007	Kraslava district council	18
Presentation of the project to the municipalities	7 March, 2007	Balvi district council	25
Work seminar	10 April, 2007	Ignalina	4
Two days work seminar to prepare vision seminar	16, 17 April, 2007	Riga	5
Vision seminar to present to the local and regional level stakeholders current characterization of the water based tourism, to	30 May, 2007	"Raznalicis", Rezekne	26

* For example, for accommodation 'normal scenario' is 80% fill rate for the three summer months, 40% fill rate on spring and autumn weekends, as well as 20% fill rate on winter weekends, resulting in a 'normal' scenario revenue ratio, which is 33% of maximum annual revenue

Seminar and aim of the seminar	Date	Venue	Attendees
agree on main terms and main principles of the Concept of lakes and river use		district	
Vision seminar to present to the local and regional level stakeholders current characterization of the water based tourism, to agree on main terms and main principles of the Concept of lakes and river use	28 May, 2007	Zarasai	8
Work seminar to workout tourism development ideas and detail necessary infrastructure investments	4 July, 2007	Daugavpils	14
Work seminar to workout tourism development ideas and detail necessary infrastructure investments	4 July, 2007	Kraslava	6
Work seminar to workout tourism development ideas and detail necessary infrastructure investments	5 July, 2007	Balvi	9
Work seminar to workout tourism development ideas and detail necessary infrastructure investments	10, August	Ludza	7

Other stakeholders as Preili, Rezekne, Livani was reached by the work meetings.

6) The concept of lakes and river use

The knowledge gained in the seminars, meetings, interviews, deskwork and during the creating a lake database has been analyzed and summarized to characterize water resources in Latgale and Rytu Aukstatija. The concept describes water tourism in the whole regions, as well in terms of districts as they have administrative tools, public waters, protected waters, waters situated in the border regime, waters in or near the cities and towns. The concept also describes tourism services, their quality and variety. The concept comprises visual information – maps in scale of M 1: 50 000.

7) Detailed studies of the lakes (field research)

From 2301 lake were chosen 114 in Rytu Aukštaitija and 96 in Latgale region - the most suitable for investments. Lakes in Latgale were visited to gather information on physical access, real service provision and physical infrastructure.

8) Water transport study

Hydrological characteristic of Latgale region with 44 water objects and their catchment's basins and characteristic of 14 biggest rivers of Latgale from view of their potential use in tourism was done to provide overall understanding for water transport development in Latgale.

10) The investment plan 2007-2013

Investment plan encounter all lakes and rivers where the investment would give more effectiveness from the investments. 38 investment objects in Latgale and 17 investment objects in Rytu Aukstatitija have been included in the plan. It outlines the necessary infrastructure, based on seminars and interviews and field research results. More detailed ideas for potential infrastructure projects have been showed in schemas. These investment objects are much more ready for investments as they are owned by municipalities.

11) Project proposal for next call of the Latvian-Lithuanian cooperation programme.

The project proposal has been prepared based on former Interreg IIIA project. It contains part of the investment objects from the Investment plan, those where municipalities were ready to come out with projects.

The project application form has to be revised when next call of the projects will be announced and conditions will be clear. Latvia – Lithuania Cross-Border Cooperation Programme 2007-2013 has been already approved by the European Commission (on 17 December 2007).

The application form contains justification, project description, planned results, outputs, work packages, contacts of the potential project partners, and indicative budget. If other municipalities will join the project, the WP2 will be revised as well. Details of the budget in a couple of months could be impacted also from inflation, work costs, salaries.

3. Outputs

Main outputs of the feasibility study are:

- **Evaluation of lakes**

Evaluation of lakes gave an awareness of the water objects as outstanding resource of the Baltic Lakes Country for development of tourism and recreation. Database of lakes consists of wide range of data not only for information but also for decision if the lake is usable for further tourism investments. Main tourism development delaying factors were discussed, as well as unused capabilities.

- **The concept for lakes and rivers use in tourism and recreation for next 7 years (2007-2013)**

The concept of lakes and river use gives a characterization of water resources in Latgale and Rytū Aukstatīja regions, justify investments and outline how the investments ought to be distributed for tourism development. The Concept sets the goals for water-based tourism development, defines main principles, and categorizes lakes and watercourses for investments in 2007-2013.

- **Common strategy for water transport development in the BLC.**

Assessment of the lakes and rivers potential for development of water transport has been done in parallel with the evaluation of lakes and creating lakes database. It resulted in the Water transport study. Main conclusions and suggestions have been incorporated in the Concept of lakes and river use.

Common understanding that water-based tourism has been under-evaluated, the potentials has not been taken seriously were the starting points of the feasibility study. Municipalities mainly looked at the water objects as such who forms the public greenery in the town or village and have been managed as such if managed at all. Or significant part of the lakes and rivers being in the protected nature areas has not been managed due to low understanding of allowed measures. Public private partnership has not been developed, especially in remote areas. The most important output of the feasibility study is of the stakeholders, sharing knowledge between partners, awareness of tourism development via water-based improvements, and new ideas for water-based infrastructure in the future.

Involvement of various stakeholders as entrepreneurs, regional Environmental Boards, State forestry company etc. gave the context of various plans, especially information on planned investments thus making possible integration of the investments.

- **The investment plan**

Based on the field research first investment objects has been set, objects which could give faster return of the investments. Investments plan shows lakes, selected from the list of 96 (LV) and 146 (LT) objects and lake groups, which already are dislocated near or into the town, are easy accessible (good quality roads), are not smaller than 10 ha, has natural advantages (sandy beach, slope banks), have at least one tourism service provider which provide tourism flow to the lake, and have a public access to the water, i.e. municipality owned land plot.

- **Project proposal**

Project application describes next project with partners from the Baltic Country of Lakes. Totally 3 partners from Lithuania (Utena, Zarasai and Aniksciai) and right now 13 partners from Latvia (also small town local municipalities). The project will be organized in four work packages:

- 1) Management and Co-ordination,
- 2) Improvement of the Water-Based Tourism Infrastructure;
- 3) Development of Water-based Tourism Product and
- 4) Marketing and Promotion.

The planned outputs of the projects can be divided on work packages:

- 1) Built infrastructure on the waterfronts; purchased inventory. There will be 17 new built or renewed beaches and public spaces near by waters in Ruty Aukstaitija and 13 new built or renewed beaches in Latgale. (WP2)
- 2) 6 water-based tourism (culture, sport, festivities) activities – 3 in Ruty Aukstaitija and 3 in Latgale – organized (WP3);
- 3) 2 training courses – one in each partner region, as well experience trips during the water-based tourism calendar activities (WP3)
- 4) Three SC meetings and meetings on daily bases of the PIU (WP1);
- 5) Map (booklet) of the water tourism objects and water transport routes (2000 copies) (WP4);
- 6) Internet pages of Baltic Country of Lakes ((www.ezerukrastas.lt, www.balticlakes.com, www.latgale.lv) has been refreshed with the map and information about the water tourism services (WP4);
- 7) Action plan of the water-tourism calendar 2010 and the list of the investment objects for the next 3 year period;
- 8) 3 progress reports and final report of the PIU (WP1).

The project will result in:

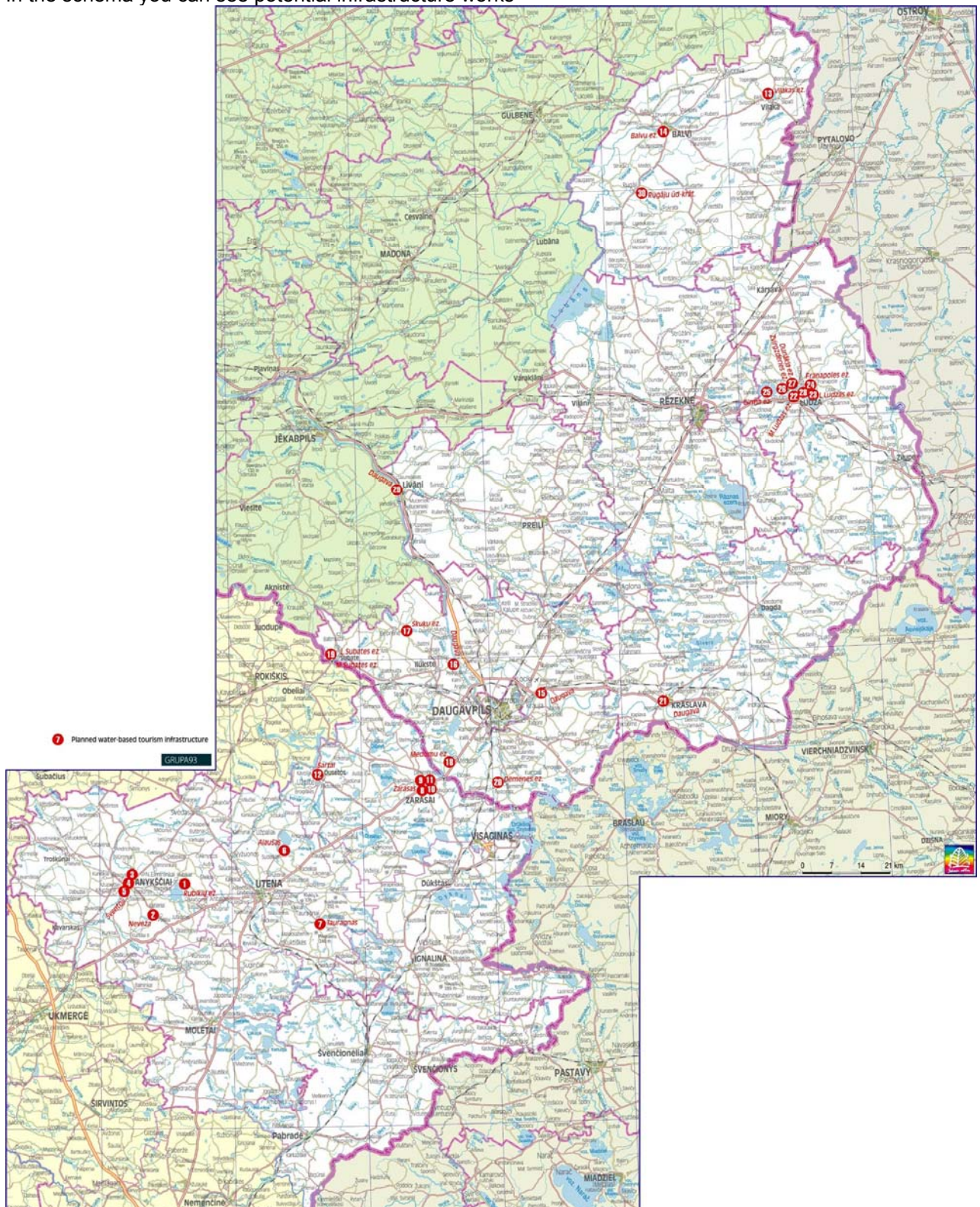
- Increased physical infrastructure along the banks of rivers and lakes were significant anthropological load has been observed (mainly near cities and towns);
- Improved access to the lakes and rivers
- Used potential of the promotional activities of the local level and the potential of the cross-border cooperation to address neighboring markets, uniting strengths in attracting new visitors to the regions.
- “Giving back” water and public spaces to the local inhabitants and visitors for recreation, leisure and sightseeing.
- Established a range of lovely designed places. Training and experience exchange will share practice, encourage smaller tourism providers, as well will bring new ideas how to use so grateful resource of the region as water (from the leisure and water transport activities to the designing the recreation places in cities, as it was brainstormed while the project preparation, - for example lightening and design objects around the lake or on the water would wonderfully rise the towns’ image).
- Organized tourists’ flow along the rivers and lakes.
- Strengthened network and closer cooperation links between partners and tourism providers over the regions.

Long-term impacts are

- Support to the local tourism providers will strengthen the entrepreneurship of the remote areas and attract visitors to the regions.
- Organized flow will prevent harmful impact on the ecology of lakes and rivers;
- Water-based infrastructure in compilation with other tourism services will develop the tourism products and will increase the Baltic Country of Lakes’ competitiveness.

- Public space infrastructure will improve the image of the towns and the urban environment; as well life quality of the local inhabitants will be improved by leisure opportunities.

In the schema you can see potential infrastructure works



4. Main conclusions and suggestions

The feasibility study shows the great potential of water as a resource of development, especially for such remote regions as Latgale and Rytu Aukstaitija, situated near the Russian, Byelorussian border, with lower economic activity in comparison with other parts of Latvia and Lithuania.

To maintain the value of lakes and rivers and at the same time develop water-based tourism and recreation, there are some suggestions:

- Due to privatization process there are few public owned places left near the waters. In purpose of providing free access to the water objects, it is essential to keep them publicly accessible. This means physical access through municipal or state owned plots, recreational places, and beaches. This also means improving road infrastructure linking public place to the main roads, as it is evidentially in Latgale – just main roads have asphalt cover.
- The water use for tourism and recreation should be monitored both from tourism development view, and from water quality ensuring view. Established databases of tourism providers and lakes can be used as a data source, whether they will be renewed, for getting actual picture. This would greatly improve the decision-making about the investment need for maintaining, upgrading and expanding infrastructure.
- The stakeholders involved in the decision-making process meet each other at the level of local planning – regional environmental protection bodies, tourism information centers, municipalities and other actors. The critically necessary there is cooperation with local private tourism providers, culture organizations, nongovernmental organizations, and nature park administrations to develop water tourism idea.
- The Concept and Investment plan could be the reference document for further projects not only for local municipalities but also for private investors. Thus different financing tools could be combined.
- Water based tourism infrastructure development will not reach the desirable result if other measures will not follow. Therefore next projects have to comprise a range of activities that could help to organize new tourism product over the regions – tourism activities, where water-tourism plays an important role of improved and diversified tourism offer.